

**B Investments Holding**  
**"S.A.E."**  
**Consolidated Condensed Interim Financial Statements**  
**For the Nine months ended September 30, 2019**  
**Together with Limited Review Report**

*Translation of Review  
Report Originally Issued in Arabic*

**Limited review report of periodic 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 September 30, 2019 and the related consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the Nine 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 on consolidated condensed interim financial statement

**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 September 30, 2019, and of its consolidated financial performance and its consolidated cash flows for the Nine months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo 14 November, 2019

  
  
Samy Habib Deif, ACCA  
F.E.S.A.A (R.A.A. 13485)

**B Investments Holding "S.A.E"**  
**Consolidated Condensed Interim Statement of Financial Position**  
**as of September 30, 2019**

	<u>Note</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
		<u>EGP</u>	<u>EGP</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets (net)		2 447 343	2 721 176
Investments in associates (net)	(5)	433 198 775	389 773 536
Available for sale investments		141 262 077	141 262 077
Investments in joint venture (net)	(6)	504 668 378	427 405 040
Investment properties (net)	(7)	66 621 936	113 283 717
Loans to associate	(8)	102 774 824	105 294 533
Project under constructions	(9)	24 245 504	7 893 989
<b>Total-non current assets</b>		<b>1 275 218 837</b>	<b>1187 634 068</b>
<b>Current assets</b>			
Debtors from selling investment properties	(10)	19 200 000	-
Due from related parties (net)	(11)	4 104 506	1 227 651
Other debit balances (net)	(12)	30 503 438	15 502 601
Treasury bills	(13)	336 643 372	416 658 384
Cash at banks	(14)	72 016 887	87 730 873
<b>Total current assets</b>		<b>462 468 203</b>	<b>521 119 509</b>
<b>Total assets</b>		<b>1 737 687 040</b>	<b>1 708 753 577</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued and paid-up capital	(17)	800 122 080	800 122 080
Reserves		261 808 707	280 205 967
Retained earnings		497 438 259	388 477 481
Net profit for the period / year attributable to shareholders of the Parent Company		142 083 785	193 856 740
<b>Equity attributable to shareholders of the parent company</b>		<b>1 701 452 831</b>	<b>1 662 662 268</b>
Non-controlling interests		6 045 583	5 082 911
<b>Total equity</b>		<b>1 707 498 414</b>	<b>1 667 745 179</b>
<b>Non-Current liabilities</b>			
Deferred tax liabilities		4 928 702	9 437 090
<b>Total non- current liabilities</b>		<b>4 928 702</b>	<b>9 437 090</b>
<b>Current liabilities</b>			
Due to related parties	(15)	4 691 392	5 016 014
Accounts payable and other credit balances		4 602 027	6 554 717
Current income tax		12 341 608	13 192 988
Provisions	(16)	3 624 897	6 807 589
<b>Total current liabilities</b>		<b>25 259 924</b>	<b>31 571 308</b>
<b>Total equity and liabilities</b>		<b>1 737 687 040</b>	<b>1 708 753 577</b>

- 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 report attached.

Translation of consolidated financial statements  
Originally Issued in Arabic

**B Investments Holding "S.A.E"**  
**Consolidated Condensed Interim Income Statement**  
**for the Nine months ended on September 30, 2019**

	<u>Note</u>	<u>Nine months ended</u>		<u>Three months ended</u>	
		<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<b>Revenues &amp; profits</b>					
Dividends income from available for sale investments	(20)	27 692 943	26 207 722	-	-
Group's share of profits of associates & joint venture entities	(21)	96 485 244	91 146 707	32 029 449	23 480 926
Finance income	(22)	60 682 041	61 189 076	17 674 513	26 809 570
Reversal of provisions no longer required		-	2 500 000	-	-
Other income		613 939	4 275 975	177 398	256 490
Gain from selling investment on property		1 613 372	-	1 613 372	-
Foreign currency exchange differences		-	1 876 733	-	322 745
		<b>187 087 539</b>	<b>187 196 213</b>	<b>51 494 732</b>	<b>50 869 731</b>
<b>Expenses &amp; losses</b>					
Management fees	(23)	(13 921 205)	(11 620 408)	(4 691 395)	(4 654 281)
Consulting fees and other expenses		(5 513 048)	(12 830 299)	(2 387 724)	(2 559 915)
Board of directors allowances		(104 244)	(239 553)	(20 700)	(26 700)
Investment Properties depreciation		(275 154)	(238 734)	(91 718)	(79 578)
Foreign exchange loss		(16 733 238)	-	(4 478 975)	-
Impairment loss on other debit balances		-	(2 954 500)	-	(2 954 500)
<b>Net profit for the period before tax</b>		<b>150 540 650</b>	<b>159 312 719</b>	<b>39 824 220</b>	<b>40 594 757</b>
Current income tax		(12 304 160)	(11 046 749)	(3 732 598)	(4 804 269)
Deferred tax		4 508 393	(423 792)	1 313 610	(23 963)
<b>Net profit for the period</b>		<b>142 744 883</b>	<b>147 842 178</b>	<b>37 405 232</b>	<b>35 766 525</b>
<b>Attributable as follow:</b>					
Attributable to the shareholders' of the Parent Company		142 083 785	147 043 498	37 266 663	35 257 867
Non-controlling interests		661 098	798 680	138 570	508 658
<b>Net profit for the period</b>		<b>142 744 883</b>	<b>147 842 178</b>	<b>37 405 233</b>	<b>35 766 525</b>
Basic and diluted earnings per share (EGP/share)	(18)	<b>0.89</b>	<b>0.92</b>	<b>0.23</b>	<b>0.22</b>

- 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**

  



**B Investments Holding "S.A.E"**  
**Consolidated Condensed Interim statement of Comprehensive Income**  
**for the Nine months ended on September 30, 2019**

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<u>September 30, 2019</u>	<u>September 30, 2018</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
<b>Net profit for the period</b>	<b>EGP</b>	<b>EGP</b>		
<b>Other comprehensive income</b>	<b>142 744 883</b>	<b>147 842 178</b>	<b>37 405 233</b>	<b>35 766 525</b>
Translation reserve difference of subsidiaries' financial statements	753 936	209 384	154 703	163 143
Company's shares in Other comprehensive income items in joint venture and associates entities' financial statements	(22 379 911)	568 409	(10 469 446)	174 899
<b>Total other comprehensive income for the period</b>	<b>(21 625 975)</b>	<b>777 793</b>	<b>(10 314 743)</b>	<b>338 042</b>
<b>Total comprehensive income for the period</b>	<b>121 118 908</b>	<b>148 619 971</b>	<b>27 090 490</b>	<b>36 104 567</b>
<b>Distributed as follows:</b>				
Interests attributable to shareholders of the parent company	120 156 236	147 737 537	26 890 039	35 530 651
Non-controlling interests	962 672	882 434	200 451	573 916
<b>Total comprehensive income for the period</b>	<b>121 118 908</b>	<b>148 619 971</b>	<b>27 090 490</b>	<b>36 104 567</b>

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**Chief Financial Officer**  
**Ahmed Abdel Monem Madbouly**

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**B Investments Holding "S.A.E"**  
**Consolidated Condensed Interim Statement of Changes in Equity**  
**for the nine months ended September 30, 2019**

	Issued and paid-up capital	Capital issuance costs	Legal reserve	The Group's share in the reserve for the consolidation of associates and joint ventures	Translation reserve of subsidiaries financial statements	The Group's share in the other comprehensive income of in joint venture and associates entities' financial statements	Retained earnings	Equity attributable to shareholders of the Parent Company in net profit of the period	Total Equity attributable to shareholders of the Parent Company	Non- controlling interests	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
<b>Balance as of January 1, 2018</b>	584 464 310	-	10 577 468	(4 522 300)	8 224 400	24 536 447	257 564 834	133 177 110	1014 022 269	4 444 603	1018 466 872
<b>Net profit of the period</b>	-	-	-	-	-	-	-	147 043 498	147 043 498	798 680	147 842 178
<b>Items of other comprehensive income</b>											
Translation reserve of subsidiaries' financial statements	-	-	-	-	125 630	-	-	-	125 630	83 754	209 384
The Group's share in the other comprehensive income	-	-	-	-	-	568 409	-	-	568 409	-	568 409
<b>Total Other Comprehensive Income</b>	-	-	-	-	125 630	568 409	-	147 043 498	147 737 537	882 434	148 619 971
<b>The company's shareholders transactions</b>											
Capital increase	215 657 770	(4 111 018)	242 614 991	-	-	-	-	-	454 161 743	-	454 161 743
Transferred to retained earnings	-	-	-	-	-	-	133 177 110	(133 177 110)	-	-	-
Transferred to legal reserve	-	-	2 264 463	-	-	-	(2 264 463)	-	-	-	-
<b>Total company's shareholders transactions</b>	215 657 770	(4 111 018)	244 879 454	-	-	-	130 912 647	(133 177 110)	454 161 743	-	454 161 743
<b>Balance as of September 30, 2018</b>	800 122 080	(4 111 018)	255 456 922	(4 522 300)	8 350 030	25 104 856	388 477 481	147 043 498	1 615 921 549	5 327 037	1 621 248 586
<b>Balance as of January 1, 2019</b>	800 122 080	(4 111 018)	255 456 922	(4 522 300)	8 232 146	25 150 217	388 477 481	193 856 740	1 662 662 268	5 082 911	1 667 745 179
<b>Net profit of the period</b>	-	-	-	-	-	-	-	142 083 785	142 083 785	661 098	142 744 883
<b>Items of other comprehensive income</b>											
Translation reserve of subsidiaries' financial statements	-	-	-	-	452 362	-	-	-	452 362	301 574	753 936
The Group's share in the other comprehensive income	-	-	-	-	-	(22 379 911)	-	-	(22 379 911)	-	(22 379 911)
<b>Total Other Comprehensive Income</b>	-	-	-	-	452 362	(22 379 911)	-	142 083 785	120 156 236	962 672	121 118 908
<b>The company's shareholders transactions</b>											
Transferred to legal reserve	-	-	3 530 289	-	-	-	(3 530 289)	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	193 856 740	(193 856 740)	-	-	-
Dividends distributions	-	-	-	-	-	-	(81 365 673)	-	(81 365 673)	-	(81 365 673)
<b>Total company's shareholders transactions</b>	-	-	3 530 289	-	-	-	108 360 778	(193 856 740)	(81 365 673)	-	(81 365 673)
<b>Balance as of September 30, 2019</b>	800 122 080	(4 111 018)	258 987 211	(4 522 300)	8 684 508	2 770 306	497 438 259	142 083 785	1701 452 831	6 045 583	1 707 498 414

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**B Investments Holding "S.A.E"**  
**Consolidated Condensed Interim Statement of Cash Flows**  
**for the Nine months ended September 30, 2019**

<b>Note</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
	<b>EGP</b>	<b>EGP</b>
<b>Cash flows from operating activities</b>		
Net profit for the period before tax	150 540 650	159 312 719
<b>Adjustments to reconcile net profit to cash flows from operating activities</b>		
Group's share of profits of associates & joint venture entities	(96 485 244)	(91 146 707)
Tax expenses on dividends distribution of joint venture entities	885 091	-
Depreciation of investment properties	275 154	238 734
Foreign currency exchange differences	16 435 236	(1 876 733)
Impairment losses on other debit balances	-	2 954 500
Credit interest - treasury bills	(50 509 915)	(41 545 360)
Credit interest	(10 172 126)	(19 643 716)
Capital gain	(1 613 372)	-
Provisions used	(3 182 692)	-
Provisions no longer required	-	(2 500 000)
<b>Operating profit before changes in working capital</b>	<b>6 172 782</b>	<b>5 793 437</b>
Increase in due from related parties	(2 876 855)	( 307 491)
Increase in Debtors from selling investment properties	(19 200 000)	-
Increase in other debit balances	(9 139 562)	(4 460 540)
(Decrease) Increase in due to related parties	( 324 622)	1 862 143
Decrease in accounts payable and other credit balances	(1 952 690)	(1 427 597)
Income tax Paid during the period	(1 000 043)	(18 355 176)
<b>Net cash flows (used in) operating activities</b>	<b>(28 320 990)</b>	<b>(16 895 224)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire investments in joint ventures	(63 823 464)	10 434 461
Payments for project under construction	(16 351 515)	(60 850 200)
Payments for acquisition of investments	-	(65 100 941)
Payments to acquire investment properties	-	-
Proceeds from sale investment properties	28 512 000	-
Change in long term deposits	5 615 878	( 145 680)
Proceeds from credit interest	50 635 720	(2 010 128)
Payments for acquisition of treasury bills	(370 526 335)	(414 475 492)
Proceeds from sale and redemption of treasury bills	83 558 968	246 349 706
<b>Net cash flows (used in) investing activities</b>	<b>(282 378 748)</b>	<b>(285 798 274)</b>
<b>Cash flows from financing activities</b>		
Proceeds from capital increase	-	463 664 205
Cost payments for issuance shares	-	(10 695 983)
Dividends Paid	(81 365 673)	-
<b>Net cash flows(used in) generated by financing activities</b>	<b>(81 365 673)</b>	<b>452 968 222</b>
Net change in cash and cash equivalents during the period	(392 065 411)	150 274 724
<b>Cash and cash equivalents at the beginning of the period</b>	<b>431 453 206</b>	<b>26 593 776</b>
Effects of exchange rate changes on balances of cash held in foreign currencies	298 002	22 852
<b>Cash and cash equivalents at the end of the period</b>	<b>(14) 39 685 797</b>	<b>176 891 352</b>

- 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 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 principle business activity is investment 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 assemble meeting 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 24th, 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 the issuance of the consolidated condensed interim financial statements for the Nine months ended September 30, 2019 issue on November 14, 2019.

## **2. Statement of compliance**

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

## **3. Basis for preparation of consolidated financial statements**

The consolidated 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, 2018.



**4. Subsidiaries companies**

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

	<u>Country of Domicile</u>	<u>Ownership</u>
Beard AG Company "Beard"	Switzerland	60%

**5. Investments in associates (net)**

	<u>No. of Shares</u>	<u>Ownership %</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
			<u>EGP</u>	<u>EGP</u>
Al Retail For Trade and Investment	727 526	22.79%	335 340	347 112
Madinet Nasr for Housing and Development "MNHD"	108 077 416	7.50%	417 325 647	375 560 391
Metalart		51.92%	63 231 706	66 896 422
Infinity Solar B.V 1	246	24.6%	--	--
Infinity Solar B.V 2	175	17.5%	--	--
Infinity Solar B.V 3	175	17.5%	--	--
<b>Less: Impairment in Metalart Co.</b>			( 47 693 918)	( 53 030 389)
			<b>433 198 775</b>	<b>389 773 536</b>

The increase in investments in associates is mainly due to the increase in investments in Madinet Nasr for Housing and Development "MNHD" and Metalart by the recognized the group's share of profits of associate in the income statement by an amount of EG 41 765 256 and EGP 1 210 163 respectively (note 21).

For the Solar entities represents in Infinity Solar B.V 1, Infinity Solar B.V 2 and Infinity Solar B.V 3 the group's share of profits in the income statement is EGP 4 407 101, EGP 6 996 543 and EGP 2 503 179 respectively also the group share of loss in other comprehensive income items in Solar entities is EGP 4 407 101, EGP 6 996 543 and EGP 2 503 179 respectively recognized in the comprehensive income, the net investment in the solar entities became EGP Zero.

The remaining amount "not Recorded" of losses from other comprehensive income for Infinity Solar B.V 1, Infinity Solar B.V 2 and Infinity Solar B.V 3 and that the maximum limit in 30 September 2019 is EGP 4 090 271 , EGP 2 570 129 , EGP 130 015 respectively.

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

	<b><u>No. of Shares</u></b>	<b><u>Ownership %</u></b>	<b><u>September 30, 2019 EGP</u></b>	<b><u>December 31, 2018 EGP</u></b>
Inergia Technologies for Information Systems "Inergia"	5 532 124	%68.04	227 121 695	221 751 348
Red Sea Venture for Solar Power	7 425	%49.5	5 727 150	5 727 150
Ebtikar for financial investment	1 129 656	%20.39	145 944 087	78 362 267
Gourmet Egypt .com Foods	3 127 950	%52.9	97 898 766	93 587 595
Payments under capital increase in Gourmet Egypt.Com Foods S.A.E.	--	--	33 703 830	33 703 830
<b>Less: ;</b> Impairment in Red Sea Venture for Solar Energy			(5 727 150)	(5 727 150)
			<b><u>504 668 378</u></b>	<b><u>427 405 040</u></b>

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

- The increase in the Investments in Inergia by an amount of EGP 31 545 248 which represents the group's recognized share of profit of joint venture in the income statement (note 21). Taking into consideration the decrease in the cost of investment by an amount of EGP 17 701 814, before tax which represents the company's share in dividends distributed, also the group share in the foreign currency translation loss in "Inergia" which charged at the change in equity by an amount of EGP 8 473 088.
- The increase in the Investments in Ebtikar for Financial Investments "Ebtikar" by an amount of EGP 3 758 356 which represents the group's recognized share of profit of joint venture in the income statement (note 21). Also, the Company subscribed in the capital increase of Ebtikar by an amount of EGP 63 823 464.
- The increase in the Investments in Gourmet Egypt .com Foods by an amount of EGP 4 311 171 which represents the group's recognized share of profit of joint venture in the income statement (note 21).

**7. Investment properties (Net)**

	<u>Mohandseen</u>		<u>Maadi</u>		<u>Total</u>
	<u>Administration Building</u>		<u>Administration Building</u>		
	<u>EGP</u>		<u>EGP</u>		<u>EGP</u>
<u>Cost</u>	<u>Building</u>	<u>Land</u>	<u>Building</u>	<u>Land</u>	
On January 1, 2019	6 410 639	40 585 000	9 650 639	57 922 825	114 569 103
Disposal during the period*	(6 410 639)	( 40 585 000)	--	--	(46 995 639)
On September 30, 2019	--	--	9 650 639	57 922 825	67 573 464
<u>Accumulated depreciation</u>					
On January 1, 2019	512 852	--	772 534	--	1 285 386
Depreciation during the period	96 160	--	178 994	--	275 154
accumulated depreciation of disposal during the period	(609 012)	--	--	--	(609 012)
On September 30, 2019	--	--	951 528	--	951 528
<u>Netbook value</u>					
as of September 30, 2019	--	--	8 699 111	57 922 825	66 621 936
as of December 31, 2018	5 897 787	40 585 000	8 878 105	57 922 825	113 283 717

\*On September 24, 2019 the company sold Mohandseen administration building by an amount EGP 48 M to Export Development Bank of Egypt (EBE) and recognized gain from selling investment in property in the income statement by an amount of EGP 1 613 372 ( note 10).

**8. Loans to associates**

	<b>September 30, 2019</b>	<b>December 31, 2018</b>
	<b>EGP</b>	<b>EGP</b>
Infinity Solar B.V 1	30 665 746	31 417 578
Infinity Solar B.V 2	51 448 548	52 709 895
Infinity Solar B.V 3	20 660 530	21 167 060
	<b>102 774 824</b>	<b>105 294 533</b>

The decrease in the account balance is due to the recognition of foreign currency revaluation loss by an amount of EGP 9 987 437, in addition to the accrual of interest income by an amount of EGP 7 467 728.

**9. Project under construction**

Project under construction represents the amounts paid for decorations and fixtures work for the administrative building located in Maadi area with the aim of leasing the building in the future, On April 15, 2018 a lease agreement for the building was signed for three years that will start from the delivery date after completion of the decorations and facilities and at the financial statements date the building has not been delivered.

**10. Debtors from selling investment properties**

	<b><u>September 30, 2019</u></b>	<b><u>December 31, 2018</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Export Development Bank of Egypt (EDBE)	19 200 000	--
	<b><u>19 200 000</u></b>	<b><u>--</u></b>

On September 24, 2019, the company sold Mohandseen administrative building by an amount of EGP 48 M to the Egyptian Export Development Bank according to the Board of Director's resolution on August 8, 2019. An amount of EGP 28,800,000 representing 60% of the value of the contract was collected and an amount of EGP 19,200,000, which represents 40% of the value of the contract, was deferred upon completion of the process of registration and transfer of ownership to the Egyptian Export Development Bank.

**11. Due from related party (net )**

	<b><u>Relationship</u></b>	<b><u>Account</u></b>	<b><u>September 30,</u></b>	<b><u>December 31,</u></b>
	<b><u>nature</u></b>	<b><u>nature</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
			<b><u>EGP</u></b>	<b><u>EGP</u></b>
Red Sea venture for solar energy	Joint venture	Current account	1 149 958	1 149 958
Metalar	Associate	Current account	3 829 529	3 220 194
Infinity Solar B.V 1	Associate	Current account	688 356	--
Infinity Solar B.V 2	Associate	Current account	701 959	--
Infinity Solar B.V 3	Associate	Current account	676 091	--
<b><u>Less:</u></b> Impairment in due from related party			(2 941 387)	(3 142 501)
			<b><u>4 104 506</u></b>	<b><u>1 227 651</u></b>

The increase in the balance is mainly due to cash transfers to current account during the period, to Infinity Solar B.V 1, Infinity Solar B.V 2 and Infinity Solar B.V 3 (note 19).

**12. Other debit balances (Net)**

	<b><u>September 30, 2019</u></b>	<b><u>December 31, 2018</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Deposits held with others	46 795	46 795
Accrued interest	2 516 060	932 930
Accrued rental income	2 954 500	3 404 500
Accrued dividends income	16 816 724	2 207 002
Prepaid expenses	317 447	128 308
Debit income tax	47 852	47 852
Debit withholding tax	9 000	9 000
Withholding tax on treasury bills	10 223 201	11 332 271
Advance payment to suppliers	526 359	348 443
<b>Less : Impairment loss on other debit balances</b>	<b>( 2 954 500)</b>	<b>( 2 954 500)</b>
	<b><u>30 503 438</u></b>	<b><u>15 502 601</u></b>

The increase in other debit balances is mainly due to accrued dividends income from investment in joint venture by an amount EGP 16 816 724, taking into consideration collection of the beginning of balance the accrued dividends opening balance by an amount of EGP 2 207 002.

**13. Treasury bills**

	<b><u>September 30,</u></b>	<b><u>December 31,</u></b>
	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Treasury bills – more than three months	352 875 000	--
Treasury bills – less than three months	29 500 000	432 125 000
<b>Less: unrealized interest</b>	<b>(45 731 628)</b>	<b>(15 466 616)</b>
	<b><u>336 643 372</u></b>	<b><u>416 658 384</u></b>

**14. Cash and cash at banks**

	<b><u>September 30,</u></b>	<b><u>December 31,</u></b>
	<b><u>2019</u></b>	<b><u>2018</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Current accounts - local currency	10 808 132	14 604 697
Current accounts - foreign currency	329 492	190 125
Time deposits - foreign currency	60 879 263	72 936 051
	<b><u>72 016 887</u></b>	<b><u>87 730 873</u></b>



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

	<b><u>September</u></b> <b><u>30, 2019</u></b> <b><u>EGP</u></b>	<b><u>September</u></b> <b><u>30, 2018</u></b> <b><u>EGP</u></b>
Cash at banks	72 016 887	149 021 798
Treasury bills – less than three months	28 548 173	99 004 282
<b>Less:</b> Time Deposits – More than three months	(60 879 263)	(71 134 728)
	<b><u>39 685 797</u></b>	<b><u>176 891 352</u></b>

#### 15. Due to related parties

	<b><u>Relationship</u></b> <b><u>nature</u></b>	<b><u>Account</u></b> <b><u>nature</u></b>	<b><u>September</u></b> <b><u>30, 2019</u></b> <b><u>EGP</u></b>	<b><u>December</u></b> <b><u>31, 2018</u></b> <b><u>EGP</u></b>
BPE Partners S.A.E	Management company	Management fees and other expenses	4 691 392	5 016 014
			<b><u>4 691 392</u></b>	<b><u>5 016 014</u></b>

#### 16. Provisions

	<b><u>December 31,</u></b> <b><u>2018</u></b> <b><u>EGP</u></b>	<b><u>Used during</u></b> <b><u>the period</u></b> <b><u>EGP</u></b>	<b><u>September</u></b> <b><u>30, 2019</u></b> <b><u>EGP</u></b>
Provision for claims	6 807 589	( 3 182 692)	3 624 897
	<b><u>6 807 589</u></b>	<b><u>( 3 182 692)</u></b>	<b><u>3 624 897</u></b>

The provisions are related to claims with external parties arising from the ordinary course of business. Management reviews these provisions on regular basis and revise the amounts based on the latest negotiations held and agreements formed with those parties.

The company has not disclosed all information relating to the provisions according to the Egyptian Accounting Standards due to its belief that the disclosure of such information could highly impact the results of the negotiations with those parties.

#### 17. 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.

**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.

	<b><u>September 30,</u></b> <b><u>2019</u></b> <b><u>EGP</u></b>	<b><u>September 30,</u></b> <b><u>2018</u></b> <b><u>EGP</u></b>
Net profit for the period attributable to the shareholders' of the Parent Company	142 083 785	147 043 498
Weighted average number of shares	160 024 416	160 024 416
<b>Basic and diluted earnings per share</b>	<b><u>0.89</u></b>	<b><u>0.92</u></b>

**19. Significant related parties transactions**

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

The significant transactions during the year are as follows:

<b><u>Company name</u></b>	<b><u>Type of relationship</u></b>	<b><u>Type of transactions</u></b>	<b><u>Value of transactions</u></b>
BPE Partners S.A.E.	Management company	Management fees	( 13 921 205)
		Expenses paid on behalf of the company	(1 315 591)
Infinity Solar B.V 1	Associate	Credit interest	2 228 206
		Cash transfers to related party	688 356
Infinity Solar B.V 2	Associate	Credit interest	3 738 306
		Cash transfers to related party	701 959
Infinity Solar B.V 3	Associate	Credit interest	1 501 216
		Cash transfers to related party	676 091

**20. Dividends income from investment in available for sale investments**

	<b><u>September 30, 2019</u></b> <b><u>EGP</u></b>	<b><u>September 30, 2018</u></b> <b><u>EGP</u></b>
Dividends from Total Egypt Co.	27 692 942	26 207 722
	<b><u>27 692 942</u></b>	<b><u>26 207 722</u></b>

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

	<b><u>September</u></b> <b><u>30, 2019</u></b>	<b><u>September</u></b> <b><u>30, 2018</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
MNHD	41 765 256	56 746 394
Inergia Technologies for information systems	31 545 248	29 830 486
Metalar co.	1 210 163	1 727 637
Ebtikar for finance investment	3 758 356	2 824 800
Al Retail for Trade and Investment	(11 772)	17 390
Gourmet Egypt .com Foods	4 311 171	--
Infinity Solar B.V 1	4 407 101	--
Infinity Solar B.V 2	6 996 543	--
Infinity Solar B.V 3	2 503 179	--
	<b><u>96 485 244</u></b>	<b><u>91 146 707</u></b>

**22. Finance income**

	<b><u>September 30,</u></b> <b><u>2019</u></b>	<b><u>September 30,</u></b> <b><u>2018</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Interest income on time deposits and bank current accounts	2 704 398	12 515 220
Credit interest for loans to associates	7 467 728	7 128 496
Interest on treasury bills	50 509 915	41 545 360
	<b><u>60 682 041</u></b>	<b><u>61 189 076</u></b>

The decrease in finance income during the period is mainly due to the decrease in the interest income on time deposits and current accounts by an amount of EGP 9.8 M, taking into consideration the increase of interest on treasury bills by an amount of EGP 8.9 M.

**23. management agreements**

On July 19, 2017, The Company has signed a new management agreement with BPE Partners SAE, the signed new management agreement will take effect once the listing of the Company's shares take effect on the EGX.

Pursuant to the terms of the new management agreement, the management company is entitled to a management fees of 2% of the Company's 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 at the date the new management agreement takes effect will be 15% of the gains on any existing investment 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 accumulated at an acceptable rate of return on investment (10% per annum) for each year following the acquisition date of the investment until the date on which the new management agreement takes effect.

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.

#### **24. Contingent liabilities**

Pursuant to the Purchase Agreement dated September 18, 2018, if Gourmet Egypt.com Foods recognized profits exceeds certain level of profits for the financial year ended 31 December 2019, B Investments Holding shall pay price difference for the old shareholders up to 60 MEGP.

#### **25. Significant Events During the period**

On March 28, 2019, the Minister of Investment and International cooperation issued Decision No. 96 of 2019 amending some of Egyptian Accounting standards and published three accounting standards, The Egyptian Accounting standard No. (47) for financial instruments , The Egyptian Accounting standard No.(48) for revenue from contracts with customers and the Egyptian Accounting standard No (49) for leasing contracts in implementation of the financial leasing and Allocation Act No.176 of 2018. On May 13, 2019, The shareholder in the general assembly meeting approved cash distributions by an amount of EGP 80 012 204 equivalent to 50 piasters per share for the shareholders and an amount of EGP 1 353 469 for the Board of Directors members.

**Chief Financial Officer**

**Ahmed Abdel Monem Madbouly**



**Chief Executive Officer**

**Dr. Mohamed Abdel Monem Omran**



**Chairman**

**Mohamed Hazem Adel Barakat**

