

B Investments Holding
"S.A.E."

Consolidated Financial Statements
For the Year Ended December 31, 2020
Together with Auditor's Report

*Translation of Independent Auditor's
Report Originally Issued in Arabic*

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders' of B Investments Holding "S.A.E."

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of B Investments Holding "S.A.E.", which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of profits or losses, other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Egyptian Accounting Standards and the prevailing Egyptian laws. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

The consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of B Investments Holding "S.A.E." as of December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the related Egyptian laws and regulations.

Cairo, March 30, 2021.


Samy Habib Deif, ACCA
F.E.S.A.A (R.A.A. 13485)
F.R.A. Register "373"



B Investments Holding "S.A.E"
Consolidated Statement of Financial Position as of December 31, 2020

	<u>Note</u>	<u>December 31, 2020</u> <u>EGP</u>	<u>December 31, 2019</u> <u>EGP</u>
<u>Assets</u>			
<u>Non-current assets</u>			
Intangible assets (net)	(6)	-	2 399 772
Investments in associates (net)	(7)	455 623 991	456 790 500
Available for sale investments	(8)	369 915 468	141 262 077
Investments in joint venture (net)	(9)	548 971 746	527 602 112
Investment properties (net)	(10)	93 296 112	95 046 535
Loans to associate	(11)	112 258 055	103 932 539
Loans to Joint ventures	(12)	11 234 610	-
Notes receivable (net)	(13)	9 891 217	-
Total-non current assets		1 601 191 199	1 327 033 535
<u>Current assets</u>			
Loans to Joint ventures	(12)	11 234 610	-
Notes receivable (net)	(13)	3 740 374	1 920 993
Due from related parties (net)	(14)	2 003 173	3 640 965
Other debit balances (net)	(15)	11 788 733	12 214 329
Treasury bills (net)	(16)	460 757 645	368 486 593
Cash at banks	(17)	179 256 649	70 452 489
Total current assets		668 781 184	456 715 369
Total assets		2 269 972 383	1 783 748 904
<u>Equity and liabilities</u>			
<u>Equity</u>			
Issued and paid-up capital	(22)	800 122 080	800 122 080
Treasury stocks	(23)	(5 471 154)	-
Reserves	(24)	264 158 112	272 743 406
Available for sale investment revaluation reserve	(8)	189 220 998	-
Retained earnings		602 309 689	497 438 259
Net profit for the year attributable to shareholders of the Parent Company		287 905 313	173 238 436
Equity attributable to shareholders of the parent company		2 138 245 038	1 743 542 181
Non-controlling interests		-	5 807 869
Total equity		2 138 245 038	1 749 350 050
<u>Non-Current liabilities</u>			
Deferred tax liabilities	(25)	65 385 105	4 892 547
Total non- current liabilities		65,385,105	4 892 547
<u>Current liabilities</u>			
Due to related parties	(18)	21 667 649	4 691 395
Accounts payable and other credit balances	(19)	4 192 612	8 326 164
Current income tax		38 441 328	14 448 097
Provisions	(20)	2 040 651	2 040 651
Total current liabilities		66 342 240	29 506 307
Total equity and liabilities		2 269 972 383	1 783 748 904

- The attached notes form an integral part of the consolidated 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

- Auditor's report attached.

B Investments Holding "S.A.E"
Consolidated Statement of Profits and Losses for the year ended December 31, 2020

	<u>Note</u>	<u>December 31, 2020</u> <u>EGP</u>	<u>December 31, 2019</u> <u>EGP</u>
<u>Revenues & profits</u>			
Dividends income from available for sale investments	(29)	38 075 645	27 692 943
Group's share of profits (losses) of associates & joint venture entities	(28)	129 277 511	122 777 750
Finance income	(30)	70 390 913	77 127 954
Rental income of investment properties		3 932 500	650 000
Other income		364 372	801 476
Gain from selling investment property		-	1 613 373
Capital gain from partial disposal of available for sale investment	(8)	118 112 758	-
Capital gain from disposal of investment in subsidiaries	(6)	9 954 475	-
Reversal of impairment loss on other debit balances		150 000	-
		<u>370 258 174</u>	<u>230 663 496</u>
<u>Expenses & losses</u>			
Investment manager fees	(31)	(34 627 348)	(18 612 600)
Consulting fees and other expenses		(5 352 697)	(7 688 641)
Tax expense on dividends income from investment in associates and joint venture entities		(7 043 896)	(885 091)
Board of directors allowances and other expenses		(263 100)	(130 944)
Investment properties' depreciation	(10)	(1 729 885)	(580 638)
Foreign exchange loss		(2 969 719)	(19 136 787)
Net profit for the year before tax		<u>318 271 529</u>	<u>183 628 795</u>
Income tax		(38 355 653)	(14 410 649)
Deferred tax	(25)	7 191 977	4 544 549
Net profit for the year		<u>287 107 853</u>	<u>173 762 695</u>
<u>Attributable as follow:</u>			
Attributable to the shareholders' of the Parent Company		287 905 313	173 238 436
Non-controlling interests		(797 460)	524 259
Net profit for the year		<u>287 107 853</u>	<u>173 762 695</u>
Basic earnings per share	(26)	<u>1.78</u>	<u>1.07</u>
Diluted earnings per share	(26)	<u>1.78</u>	<u>1.07</u>

- The attached notes form an integral part of the consolidated 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 Statement of Comprehensive Income for the year ended December 31, 2020

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year	287 107 853	173 762 695
<u>Other comprehensive income</u>		
Available for sale investment revaluation reserve after tax	189 220 998	-
Translation reserve difference of subsidiaries' financial statements	(83 387)	501 747
Company's shares in Other comprehensive income items in joint venture entities' financial statements	(1 918 070)	(11 293 898)
Total other comprehensive income for the year	187 219 541	(10 792 151)
Total comprehensive income for the year	474 327 394	162 970 544
Distributed as follows:		
Interests attributable to shareholders of the parent company	475 158 209	162 245 586
Non-controlling interests	(830 815)	724 958
Total comprehensive income for the year	474 327 394	162 970 544

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

B Investments Holding "S.A.E"
Consolidated Statement of Changes in Equity for the year ended December 31, 2020

Note	Issued and paid-up capital	Treasury stocks	Shares Insurance Reserve	Available for sale investment revaluation reserve	Legal reserve	The Group's share in the other comprehensive income of its subsidiaries' financial statements	The Group's share in the other comprehensive income of its subsidiaries' financial statements	The Group's share in the transition reserve of its subsidiaries' financial statements	The Group's share in the other comprehensive income of its subsidiaries' financial statements	Retained earnings	Equity attributable to shareholders of the Parent Company in net profit of the year	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	EGP	EGP	EGP
Balance as of January 1, 2019	800,172,080	-	(4,111,018)	-	255,455,222	-	(4,522,300)	8,232,146	25,150,217	388,477,481	193,856,740	1,662,662,286	5,082,911	1,667,745,179
Net profit of the year	-	-	-	-	-	-	-	-	-	-	173,238,436	173,238,436	524,259	173,762,695
Items of other comprehensive income														
Translation reserve of subsidiaries' financial statements	-	-	-	-	-	-	-	301,048	-	-	-	-	-	-
The Group's share in translation reserve in joint venture financial statements	-	-	-	-	-	-	-	-	[11,293,898]	-	-	[11,293,898]	-	[11,293,898]
Total Other Comprehensive Income	-	-	-	-	-	-	-	301,048	[11,293,898]	-	-	[11,293,898]	-	[11,293,898]
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)	-	-	-
Dividends Distributions	-	-	-	-	-	-	-	-	-	(81,365,673)	-	-	-	(81,365,673)
Total company's shareholder transactions	-	-	-	-	-	-	-	-	-	108,960,779	(193,856,740)	-	-	(81,365,673)
Balance as of December 31, 2019	800,172,080	-	(4,111,018)	-	258,985,210	-	(4,522,300)	8,533,194	13,456,319	497,438,260	173,238,436	1,745,542,181	5,807,869	1,749,550,050
Balance as of January 1, 2020	800,172,080	-	(4,111,018)	-	258,987,211	-	(4,522,300)	8,533,194	13,456,319	497,438,260	173,238,436	1,745,542,181	5,807,869	1,749,550,050
Items of other comprehensive income														
Available for sale investment revaluation reserve	-	-	-	-	-	-	-	-	-	-	287,905,313	287,905,313	(797,460)	287,107,853
Translation reserve of subsidiaries' financial statements	-	-	-	-	-	-	-	(50,032)	-	-	-	(50,032)	-	(50,032)
The Group's share in translation reserve and actuarial losses for employee benefits in joint venture financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	-	-	-	-	-	(50,032)	[1,918,070]	-	-	(1,918,070)	-	(1,918,070)
The company's shareholders transactions														
Transferred to legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	3,424,647	-	-	-	-	(3,424,647)	-	-	-	-
The Group's share in the change in equity associates company	-	-	-	-	-	-	-	-	-	173,238,435	(173,238,435)	-	-	-
Dividends distributions	-	-	-	-	-	-	-	-	-	(64,942,359)	-	-	-	(64,942,359)
Treasury stocks	-	-	-	-	-	-	-	-	-	(64,942,359)	-	-	-	(64,942,359)
Disposal Impact of subsidiaries entity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total company's shareholder transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2020	800,172,080	(5,471,154)	(4,111,018)	-	262,411,858	-	(4,522,300)	(8,483,162)	11,938,249	104,874,428	287,905,313	475,158,209	(4,977,054)	2,138,245,038

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

B Investments Holding "S.A.E"
Consolidated Statement of Cash Flows for the year ended December 31, 2020

	<u>Note</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the year before tax		318 271 529	183 628 795
<u>Adjustments to reconcile net profit to cash flows from operating activities</u>			
Group's share of profits (losses) of associates & joint venture entities		(129 277 511)	(122 777 750)
Reversal of dividends income from available for sale investments		(38 075 645)	(27 692 943)
Tax expense on dividends income from investment in associates and Joint venture entitie		7 043 896	885 091
Depreciation of investment properties		1 729 885	580 638
Foreign exchange loss		2 969 719	18 717 229
Credit interest - treasury bills		(59 282 335)	(63 527 157)
Credit interest		(10 410 377)	(13 600 797)
Capital gain from Investment in property		-	(1,613,372.00)
Capital gain from disposal of investment in subsidiaries		(9 954 475)	-
Capital gain from partial disposal of available for sale investment		(118 112 758)	-
Utilization of the provision		-	(4 766 938)
Reversal of impairment loss on other debit balances		(150 000)	-
Operating loss before changes in working capital		(35 248 072)	(30 167 204)
Increase in due from related parties		-	(2 413 314)
Decrease/(Increase) in notes receivable		1 920 993	(1 920 993)
Increase in other debit balances		(10 956 519)	(8 414 298)
Increase / (Decrease) in due to related parties		15 963 754	(324 619)
(Decrease) / Increase in accounts payable and other credit balances		(3 811 248)	1 949 600
Dividends proceeds from income from available for sale investments		38 075 645	27 692 943
Dividends proceeds of income from joint ventures and associates entities		63 395 057	16 816 723
Income tax paid during the year		(1 109 488)	(1 000 043)
Net cash flows generated by operating activities		68 230 122	2 218 795
<u>Cash flows from investing activities</u>			
Proceeds from credit interest		53 748 497	71 130 336
Payments to acquire investments in joint ventures		-	(72 890 300)
Payments to acquire investment properties		-	(20 836 094)
Net proceeds from sale investment properties		-	47 520 000
Disposal investment properties		20 536	-
Proceeds from partial disposal of available for sale investment		146 364 907	-
Change in long term deposits		60 902 179	3 726 986
Net proceeds from redemption and sale (Payments) of treasury bills		(141 384 465)	(324 218 780)
Net cash flows generated by / (used in) investing activities		119 651 654	(295 567 852)
<u>Cash flows from financing activities</u>			
Purchase treasury stocks		(5 471 154)	-
Paid dividends distributions		(64 785 721)	(81 365 673)
Net cash flows used in financing activities		(70 256 875)	(81 365 673)
Net change in cash and cash equivalents during the year		117 624 901	(374 714 730)
Cash and cash equivalents at the beginning of the year		57 158 034	431 453 206
Effects of exchange rate changes on balances of cash held in foreign currencies		(225 576)	419 558
Cash and cash equivalents at the end of the year	(17)	174 557 359	57 158 034

Non-Cash transaction:

The following non-cash transactions were eliminated:

- 1-The non-cash transactions represented in Transferring payments under the investment account in Gourmet Egypt .com in the amount of 22,469,220 EGP to loans for joint venture that were excluded from the impact of the change in investments in joint venture (Note-8).
- 2- Elimination of change in available for sale investment revaluation reserve amounted to EGP 256 905 533 (Note-9).
- 3- Elimination of change in disposal of investment in subsidiaries amounted to EGP 13 631 591 (Note-13)

- The attached notes form an integral part of the consolidated 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 st Floor - Cairo. Was registered in the company's the commercial register on July 15, 2020.

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.

2. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Egyptian Accounting Standards issued by the Minister of Investment's decree No. 110 of 2015 and applicable Egyptian laws and regulations. The Egyptian Accounting Standards require referral to International Financial Reporting Standards "IFRS" for certain types of transactions or events when no Egyptian Accounting Standard or legal requirement exists to address treatment for these transactions and treatments.

New issues and amendments made to Egyptian Accounting Standards, but they were not activated:

On March ٢8, 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.

During April 2020, the Supreme Committee met to review Egyptian accounting standards, limited examination standards, and other assurance tasks formed by Prime Minister Decree No. 909 of 2011 with the aim of studying the effects of Ministerial No. 69 of 2019 issued with the aim of making an addition and amendment of some Egyptian accounting standards to be applied starting from the beginning of the year. Current 2020.

Given the current conditions that the country is going through as a result of the outbreak of the new Coronavirus and the economic and financial implications associated with it, as well as the application of preventive measures and countering its spread from imposing restrictions on the presence of human resources in companies at full capacity on a regular basis.

The committee agreed to postpone the application of the new Egyptian accounting standards and the accompanying amendments issued by Resolution No. 69 above to the periodic financial statements that will be issued during the year 2020 provided that companies apply these standards and these amendments to the annual financial statements of these companies at the end of 2020 and include the combined effect for the year. Fully completed by the end of 2020.

The committee preferred to limit the inclusion of the combined effect for the whole year to the annual financial statements, with the companies committing to adequate disclosure in their periodic lists during 2020 about this fact and its accounting effects, if any.

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.

3. Basis for preparation of consolidated financial statements

The consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values or amortized cost. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Those estimates and associated assumptions are based on management historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates, therefore those estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and estimates that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

Assessing and determining basis of preparation

Management reviews its assumptions and judgments including those used to conclude on the extent of the Company's ability to control, jointly control, or exercise significant influence on its investees whenever a significant event or amendment to the conditions prevailing in its contractual agreements or changes in conditions associated with the preparation process of the financial statements.

Provisions and contingent liabilities

Management assess events and circumstances that might led to a commitment on the company's side resulting from performing its normal economic activities, management uses estimates and assumptions to assess whether the provision's recognition conditions have been met at the financial statement date, and analyze information to assess whether past events led to current liability against the company and estimates the future cash outflows and timing to settle this obligation in addition to selecting the method which enable the management to measure the value of the commitment reliably.

Impairment of financial assets

At the end of each reporting period, the management reviews the carrying amounts of its financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The management assesses whether there is an objective evidence that, as a result of one or more events (a "loss event") that occurred after the initial recognition of a financial asset or a group of financial assets, the estimated future cash flows of an asset or a group of assets have been affected. The management monitors impairment losses recognized, and where an impairment loss subsequently reverses, the carrying amount of a financial asset or a group of financial assets is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset.

Impairment of non- financial assets

Non- financial assets are reviewed to determine whether there are any indications that the net carrying amount of these assets may not be recoverable and that they have suffered an impairment loss that needs to be recognized. In order to determine whether any such elements exists it is necessary to make subjective measurements, based on information obtained within the Company and in the market considering the past experience.

When indicators exist that an asset may have become impaired, the Company estimates the impairment loss using suitable valuation techniques. The identification of elements indicating that a potential impairment exists and estimates of the amount of the impairment, depend on factors that may vary in time, affecting management's assessments and estimates.

Recognition and measurement of current tax liabilities

The Company's profit is subject to income tax, which requires using of significant estimates to determine the total income tax liability. As determining the final tax liability for certain transactions could be difficult during the reporting period, the Company records current tax liabilities using its best estimate about the taxable treatment of these transactions and the possibility of incurring of additional tax charges that may result from tax inspections. When a difference arises between the final tax assessment and what has been recorded, such difference is recorded as an income tax expense and current tax liability in the current period and is considered as a change in accounting estimates.

Significant accounting policies are set out below:

5. Significant accounting policies

a. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to December 31 each year. Control is achieved when the Company

- Has power over the investee;
- Is exposed or has rights to variable returns from its involvement with the investee and
- Has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the particular ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power including

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements and
- Any additional facts and circumstances that indicate that the Company has or does not have the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date of the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests proportionate share of the fair value of the acquiree's identifiable net assets.

The choice of measurement is made on an acquisition by acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interest share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between the aggregate of the fair value of the consideration received and fair value of any retained interest and the previous carrying amount of the assets (including goodwill) less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

b. Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method unless the transaction does not constitute an acquisition in form or substance. Application of the purchase method involves the following steps:

- Identifying an acquirer,
- And measuring the cost of the business combination,
- And allocating, at the acquisition date, the cost of the combination to the assets acquired and liabilities and contingent liabilities assumed.

The cost of the business combination is measured as the aggregate of the fair values, at the (date of exchange), of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

The acquirer recognizes the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under EAS (29) "Business Combination" at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with EAS (32) "Non-current Assets Held for Sale and Discontinued Operations", that are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition date is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in the consolidated statement of profits and losses.

The non-controlling interest in an acquiree is initially measured at the non-controlling interest proportionate share in the fair value of the assets, liabilities and contingent liabilities recognized.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

A business combination agreement may allow for adjustments to the cost of the combination that are contingent on one or more future events. The Group usually estimates the amount of any such adjustment at the time of initially accounting for the combination, even though some uncertainty exists. If the future events do not occur or the estimate needs to be revised, the cost of the business combination is adjusted accordingly.

However, when a business combination agreement provides for such an adjustment, that adjustment is not included in the cost of the combination at the time of initially accounting for the combination if it either is not probable or cannot be measured reliably. If that adjustment subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination.

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

<u>Subsidiary</u>	<u>Country of</u> <u>Domicile</u>	<u>December 31,</u> <u>2020</u> %	<u>December 31,</u> <u>2019</u> %
Beard AG Company "Beard"	Switzerland	--	60

c. Interests in associates and joint venture entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates and jointly controlled entities are incorporated in these financial statements using the equity method of accounting. Investments classified as held for sale, are accounted for in accordance with EAS (32) "Non-current Assets Held for Sale and Discontinued Operations", where they are stated at the lower of their carrying amount or fair value (less costs to sell).

Under the equity method, investments in associates and jointly controlled entities are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate / jointly controlled entity, less any impairment in the value of individual investments. Losses of an associate / jointly controlled entity in excess of the Group's interest in that associate/ jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate / jointly controlled entity) are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

On acquisition of the investment, any difference between the cost of the investment and the investor's share of the net fair value of the associate's / jointly controlled entity's identifiable assets, liabilities and contingent liabilities is accounted for in accordance with EAS (29) Business Combination, Therefore:

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1. Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the investment recognized at the date of acquisition is recognized as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.
2. Any excess of the group's share of the net fair value of the investee's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is excluded from the carrying amount of the investment and is instead recognized immediately in profit or loss in the determination of the group's share of the investee's profit or loss in the period in which the investment was acquired.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of an impairment of the asset transferred, in which case appropriate provision is made for impairment for that asset.

The following table provides a list of the Group's associates and jointly controlled entities:

	<u>Country of Domicile</u>	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
<u>Associates</u>		<u>Ownership %</u>	<u>Ownership %</u>
Al Retail For Trade and Investment	Egypt	22.79	22.79
Madinet Nasr for Housing and Development	Egypt	7.5	7.5
S.A.E "MNHD"			
Metalar*	Egypt	--	51.92
Infinity Solar 1 B.V	Netherland	24.6	24.6
Infinity Solar 2 B.V	Netherland	17.5	17.5
Infinity Solar 3 B.V	Netherland	17.5	17.5
<u>Jointly controlled entities</u>			
Inergia Technologies for Information S.A.E. "Inergia"	Egypt	68.04	68.04
Red Sea venture for Solar Energy	Egypt	49.50	49.50
Giza Systems Company S.A.E "Giza Systems"***	Egypt	44.71	44.71
Ebtikar Holding for Financial Investments	Egypt	20.25	19.35
Gourmet Egypt.com Foods S.A.E (Gourmet)	Egypt	52.90	52.90

*Metalar is indirectly owned through the Company's investment in Beard, (subsidiary).

**Giza Systems is indirectly owned through the Company's investment in Inergia (Inergia owns 65.7% of Giza Systems' shares).

d. Available for sale investments

Available for sale investments are initially recognized, at acquisition, at fair value plus transaction costs which include fees and commissions paid to agents, advisors, brokers and dealers, taxes levied by regulatory agencies and securities exchanges, and transfer taxes and duties.

After initial recognition, AFS investments are subsequently measured at fair value with gains or losses resulting from fair value measurement recognized directly in equity, until the investment is derecognized, at which time the cumulative gain or loss previously recognized in equity are then recognized in the profit or loss.

In case there is objective evidence that an impairment loss has been incurred on AFS investments at the date of the financial statements, the cumulative loss that had been previously recognized in equity are removed from equity and recognized in profit or loss even though the investments have not been derecognized.

Unlisted equity securities classified as AFS, for which no quoted market price is available in an active market and whose fair value cannot be measured reliably are stated at cost.

e. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. This applies as well on investments in associates, where goodwill is included within the carrying amount of the investment.

The Group's policy for goodwill arising on the acquisition of an associate / jointly controlled entity is described above at "Investments in associates and jointly controlled entities".

f. Investment properties

Investment properties are properties held to earn rentals and or for capital appreciation. Investment properties are measured initially at cost including transaction costs, and are subsequent to the initial recognition reported in the balance sheet at historical cost, less any accumulated depreciation and impairment losses.

Gain or loss on de-recognition is calculated as the difference between the net disposal proceeds and the carrying amount of the asset.

Investment property, except for land, is depreciated using the straight line method, depreciation is charged to the consolidated statement of profits and losses over the useful life of each investment property.

The following are estimated useful lives for investment properties that are used to calculate depreciation:

<u>Description</u>	<u>Life time by years</u>	<u>Depreciation Rate</u>
Buildings	50	2%

g. Intangible assets

Non-monetary assets that don't have physical substance, but can be identified separately, acquired for operating purpose, and expected to generate future economic benefits are treated as intangible assets. Intangible assets (excluding goodwill) include "Beard" related trademarks. Intangible assets are measured at cost, which represents the cash price at the initial recognition. In case of deferral of payments for periods exceed the normal credit terms, difference between cash price and total amount is recognized as interest.

Intangible assets are with indefinite useful lives and are tested for impairment annually.

h. Cash and cash equivalents

Cash and cash equivalents are comprised of cash at banks, short-term demand deposits with maturities less than three months that are readily convertible to specified amounts of cash.

i. Consolidated statement of Cash flows

The consolidated statement of cash flows is prepared applying the indirect method.

j. Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Egyptian pounds; which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than Egyptian pounds are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated to Egyptian pounds at the rates prevailing at the balance sheet date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise, except for exchange differences arising on non-monetary assets and liabilities carried at fair value, where translation differences are recognized as part of changes in fair value.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign and local subsidiaries whose reporting currencies are different from the presentation currency of the Group (EGP), are expressed in Egyptian Pounds using exchange rates prevailing at the balance sheet date, equity items are expressed in Egyptian Pounds using the historical exchange rates at the date of acquisition or incorporation. Income and expense items are translated at the average exchange rates for the year.

Exchange differences arising, if any, are classified as equity and recognized in the Group's foreign currency translation reserve.

k. Revenue recognition and measurement

Revenue is measured at the fair value of the consideration received or receivable net of tax and discounts. Generally revenue is recognized when it is highly probable that the economic benefits associated with the transaction will flow to the company; and the revenue amount can be measured reliably if the following conditions are available:

- 1) Revenue is measured reliably.
- 2) It is highly expected the flow of economic benefits related to the entity.
- 3) Accurate measurement possibility to complete the operation at the balance sheet date.
- 4) Accurate measure to the costs of the operation and the relevant costs.

The company's revenue represented below:

- Dividend income from investments is recognized when the shareholder's right to receive payment has been established and is measured at the fair value of the consideration received or receivable.
- Interest income is accrued on a timely basis, by reference to the principal outstanding and at the interest rate applicable until maturity.

l. Inventories

Inventories is stated at the lower of cost and net realizable value. Costs are being determined using the weighted average method to price goods sold. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

m. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past events and that it is probable that an outflow of economic resources will be required to settle the obligation, the costs to settle related obligations are probable and a reliable estimate is made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized in the profit or loss as finance costs.

n. Taxation

A provision for potential tax claims is generally recognized based on management comprehensive study for prior years' tax assessments and disputes.

Deferred tax assets and liabilities are recognized on temporary differences between the assets and liabilities tax basis set by the Egyptian Tax Law and its executive regulations, and their reported amounts per the accounting principles used in the preparation of the consolidated financial statements.

Accordingly, during each reporting period, an estimated income tax expense is recognized in the profit or loss that represents the sum of the tax currently payable and deferred tax with actual income tax expense recognized at year-end.

Current tax payable is calculated based on taxable profit of the year as determined in accordance with applicable local laws and regulations using tax rates enacted by the balance sheet date. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted by the balance sheet date.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity unless those related items recognized in equity have affected taxable profit and calculation of current tax expense for the year, then the related deferred tax is recognized in the consolidated statement of profits and losses.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are accounted for using the balance sheet liability method and are reported in the balance sheet as non-current assets and liabilities.

o. Dividends

Dividends declared to the shareholders and Board of Directors are recognized as a liability in the financial statements in the year in which these dividends have been approved by the Company's shareholders.

p. Earnings per Share

Basic and diluted earnings per share are calculated based on dividing the profit or loss, according to the financial statements (net of employees statutory profit share and Board of Directors profit share, if any), attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

q. Impairment of assets

Non-financial assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The company considers each investment, whether a jointly controlled entity, or associate, as a single cash generating unit.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and those not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent the revised estimate does not exceed what the carrying amount would have been determined had the impairment loss not been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of profits and losses.

Financial assets

Financial assets other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after an impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Impairment losses previously recognized in profit or loss for an investment in an AFS equity investment is not subsequently reversed through profit or loss. Any subsequent appreciation in the value of an AFS equity investment, for which an impairment loss had been previously recognized in profit or loss, is reversed directly through equity.

r. Financial instruments

Financial assets

Financial assets are recognized and derecognized on the "trade date" where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: investment in treasury bills, cash at banks, due from related parties, credit facilities to related parties, and certain items within other debit balances. The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition.

Financial derivatives

Derivatives (including separable embedded derivatives) are initially recognized at fair value, while attributable transaction costs are recognized in profit or loss when incurred.

Changes in fair value of derivatives during each financial period are charged to the consolidation consolidated statement of profits and losses.

Embedded derivatives resulting from contractual terms contained in agreements in which the company may enter as a party with respect of both financial and non-financial instruments. Embedded derivatives that meet recognition criteria are recognized separately from the host contract and are measured at fair value through profit or loss in accordance with the accounting requirements.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

The return on all debt instruments is recognized on an effective interest basis except as a financial asset at fair value through profit or loss where the yield is included in the net change in fair value.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received or net value of the transferred assets, net of direct issue costs.

Financial liabilities

Financial liabilities are classified into the following specified categories: accounts payable, due to related parties and other credit balances and they are initially measured at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

6. Investments in subsidiaries (net)

The Board of Directors meeting, held on December 30, 2020, approved the sale of the entire share of the company in Beard AG to the other main partner, with a total amount of EGP 19 million to be paid in installments starting from January 31, 2021 until December 15, 2026, and this has reached the present value of those checks amounted to EGP 13,631,591 (note -13) and the company achieved capital gains of EGP 9 954 475.

Accordingly, the Group cannot exercise or have any administrative or operational decisions regarding management of Beard A.G. Consequently, the company lost its control over Beard A.G. As a result, the Group excluded the net assets and liabilities of Beard A.G and recognized the profits from disposal in the statement of profits and losses.

The following table shows the assets and liabilities of the excluded investments:

Beard A.G Company		<u>EGP</u>
<u>Non-current assets</u>		
Intangible assets		2 666 457
Investments in associates -Metalar		13 252 963
Total non-current assets		15 919 420
Due from related parties		3 641 529
Inventory –(Net)		--
Accounts receivable –(Net)		--
Cash at banks		14 148
Total Current assets		3 655 677
Total disposed assets		19 919 420
<u>Liabilities</u>		
Due to related parties		29 169 446
Creditors and other credit balances		188 749
Total disposed liabilities		29 358 195
Net assets disposed of		(9 783 098)

The following is an analysis of the profits resulting from the disposal of investment

	<u>31 December 2020</u>
<u>Beard A.G</u>	<u>EGP</u>
Consideration received	13 631 591
Deduct: Net assets disposed of	(9 783 098)
Deduct : The company share in Translation reserve difference of subsidiary financial statements	8 483 160
Deduct: Non-Controlling interest	4 977 054
Gain from disposal	9 954 475

7. Investments in associates (net)

	<u>No. of Shares</u>	<u>Ownership %</u>	<u>December 31, 2020</u>	<u>December 31,2019</u>
			<u>EGP</u>	<u>EGP</u>
Al Retail For Trade and Investment (1-7)	727 526	22.79%	377 752	340 116
Madinet Nasr for Housing and Development "MNHD"(2-7)	108 077 416	7.5%	455 246 239	440 925 832
Metalar		51.92%	--	62 291 404
Infinity Solar 1 B.V (3-7)	246	24.6%	--	--
Infinity Solar 2 B.V (3-7)	175	17.5%	--	--
Infinity Solar 3 B.V (3-7)	175	17.5%	--	--
Less: Impairment in investments in associates - Note no. 21			--	(46 766 853)
			455 623 991	456 790 500

(1-7) Al Retail For Trade and Investment

The group's recognized share of profit amounted to EGP 37 636 in the statement of profit or loss (December 31, 2019: share of loss amounted to EGP 6 996), Note-(28).

(2-7) Madined Naser for Housing and Development "MNHD"

Investment in Madinet Nasr for Housing and Development (MNHD) was classified as investments in associates as the Company has significant influence over MNHD through its direct stake and the stake owned by BIG Investments Group B.V.I Co. (related party) which holds a stake of 19.93 % of the total shares of MNHD, therefore both companies own collectively 27.44% of MNHD's shares, and that have been done after taking into considerations that both BIG for Investment B-V-I and B Investments Holding are managed by a management contract (solo) between both companies and BPE Partners S.A.E.

The group's recognized share of profit amounted to EGP 64 513 920 in the statement of profit or loss (December 31, 2019: share of profit amounted of EGP 65 365 441), Note-(28). In addition to excluding the amount of 48 634 837 EGP from the investment cost in the Nasr City for Housing and Development Company, which represents the company's share in the pre-tax dividends distributions.

(3-7) Infinity Solar B.V (1,2&3)

In partnership with Infinity Solar Energy and Ib Vogt, the Company invested in three solar power generation plants located in Ben Ban, Egypt with a total capacity of 130 MW. The investment is financed through equity and debt from international development finance institutions including the European Bank for Reconstruction and Development (EBRD) and the International Finance Corporation (IFC) and the shareholders of the solar energy companies. Additionally, these solar projects are part of the second round of the Ministry of Electricity's Feed-in Tariff (FIT) program to encourage the development of renewable energy resources in the country as well as private sector involvement in energy generation.

The shareholders' agreements signed by the Company and other shareholders regulate the operation and management of the solar companies and the relationship between shareholders. The terms of shareholders' agreements entitle the company to exercise significant influence over the solar entities' through participation in the financial and operating policy decisions of the investees and accordingly are accounted for as investments in associates.

The shareholders' agreements provide that the planned investment period will be four years starting from the commercial operation date of the solar plants where the company will exit the investments through sale, otherwise the company will have the option to put all of its shares in the solar entities after the elapse of the mentioned four years' period, the option will be excisable at any time during a period of 2.5 years.

The company subscribed for shares in the capital of the solar entities, each share capital has par value of USD 1. The issued shares are not paid and are only payable on the call of each investee. Each solar entity is a private company with limited liability incorporated under the laws of the Netherlands, and each solar entity ultimately invests in a joint stock company that undertake the solar power generation related activities in Egypt.

The finance made by the Company to the three solar entities, which takes the form of shareholders loans, reached EGP 112.3 million equivalent to USD 7.2 million at December 31, 2020 (note 11).

The group's share in the value of the losses of Infinity Solar B-V 1,2,3 has not been recognized, as the losses are recognized within the limits of the book value of the investment of zero Egyptian pounds at the end of 2020, and the company's share in the losses during the year that have not been recognized amounted to an amount. 5 446 732 Egyptian pounds, 8 328 187 Egyptian pounds and 1 242 780 Egyptian pounds, respectively. Summarized financial information in respect of each of the Group's material associates of December 31, 2020 is set out below.

The summarized financial information below represents amounts in associates' financial statements prepared in accordance with EAS Standards.

EGP 000'	Total Assets	Total Equity	Total Revenue	Profit (Loss)
Al Retail For Trade and Investment	2113	2 075	204	165
MNHD	20 043 205	4 541 661	3 096 906	1 001 238
Infinity Solar 1- B.V	735 290	(85 417)	100 924	(22 141)
Infinity Solar 2- B.V	1 254 503	(150 840)	171 068	(47 589)
Infinity Solar 3- B.V	96 680	(27 872)	6 185	(7 102)

8. Available for sale investments

<u>Name of Company</u>	<u>No. of Shares</u>	<u>Owners hip %</u>	<u>December 31, 2020 EGP</u>	<u>December 31, 2019 EGP</u>
Total Egypt LLC "Total" - Cost*	412 809	7.97%	141 262 077	141 262 077
<u>Deduct:</u> 20% disposal of total shares**	82 561	1.6%	(28 252 148)	--
<u>Add:</u> Valuation of remaining shares ***	330 248	6.375%	56 905 533	--
			369 915 468	141 262 077

* Pursuant to the shareholders' agreement signed in 2013 with Total O M "Parent company of Total Egypt", the Company invested EGP 141 262 077 in Total, and accounts for its investment as an available for sale investment. The Company's share in Total was 13.01% as at December 31, 2013. During 2014, Total called for a capital increase and the Company did not subscribe in this capital increase, which diluted the Company's interest from 13.01% to 7.97%. The commercial register of Total has been amended to reflect the capital increase on September 24, 2014. Additionally, the shareholders' agreement signed in 2013 between the Company and Total O M "parent company of Total Egypt" stipulates that the Company has a put option to sell all or part of the shares owned to Total O M, the put option is exercisable starting from the sixth year until the thirteenth year from the date of signing the shareholders' agreement. In contrast, (Total O M) has the option to call all of the shares owned by the Company starting from the eighth year until the thirteenth year from the date of signing the shareholders' agreement.

** The Board of Directors, held on November 12, 2020, approved the sale of 20% of the company's total stake in Total Egypt, which equalizes 1.6% of the total stake of Total Egypt, and on December 24, 2020, the company signed a sale contract between the company and Total OM The holding company of Total Egypt, pursuant to the terms of the shareholders' agreement signed in 2013, for an amount of 9 356 994 USD, the equivalent of 146 364 900 Egyptian pounds, and the realized capital gains amounted to 118 112 758 Egyptian pounds.

*** The company's management reached to an appropriate method for measuring the fair value of the investment in Total Egypt LLC "Total" on December 31, 2020 considering the world's exposure to the spread of the new Corona virus (COVID-19), which has a negative impact on the economies of many countries which reflected on the performance of financial markets and the volume of global trade, as well as any other influences.

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9. Investments in joint Venture (net)

	<u>Ownership</u>	<u>No. of</u>	<u>December 31,</u>	<u>December 31,</u>
		<u>Shares</u>	<u>2020</u>	<u>2019</u>
	<u>%</u>		<u>EGP</u>	<u>EGP</u>
Inergia Technologies for Information Systems "Inergia" (1-9)	68.04	5 532 124	257 375 823	237 726 399
Red Sea Venture for Solar Power (2-9)	49.5	7 425	5 727 150	5 727 150
Ebtikar Holding for Financial Investments (3-9)	20.25	1 180 593	155 151 438	155 454 294
Gourmet Egypt .com Foods (4-9)	52.9	3 127 950	124 197 375	100 717 589
Payments under capital increase in Gourmet Egypt.Com Foods S.A.E. (4-9)	--	--	11 234 610	33 703 830
Basata Financial Holding S.A.E. (5-9)	%20.25	10 125	1 012 500	--
Less: ; Impairment in investments (Red Sea Venture for Solar Energy)			(5 727 150)	(5 727 150)
			548 971 746	527 602 112

(1-9) Inergia Technologies for Information Systems "Inergia"

Pursuant to the shareholders' agreement, Inergia an SPV created late 2006 by the Company and the management team of Giza Systems Company "S.A.E" "Giza Systems" for the purpose of owning a controlling stake in Giza Systems. Currently, Inergia owns a stake of 65.7% in Giza Systems' shares.

Despite of owning 68.04% of the share capital and voting rights in Inergia Technologies for information Systems Company, but according to the contractual terms contained in shareholders' agreement for Inergia Company referred to above with the parties managing Giza Systems, both contracting parties have joint control over Inergia and Giza Systems.

The group's recognized share of profit amounted to EGP 43 371 610 (December 31, 2019: share of profit amounted of EGP 44 970 762) in the statement of profit or loss, Note-(28) and the impact resulted from the company's share in the translation reserve related to foreign operations' loss and actuarial losses for employee benefits amounted to EGP 1 559 492 and amount of 358 578 EGP respectively. In addition to excluding the amount of 21 804 116 EGP from investment cost, which represents the company's share in the pre-tax dividends distributions.

(2-9) Red sea venture for solar energy

Investment in Red Sea Venture for Solar Energy "S.A.E" is initially recognized as a jointly controlled entity based on the preliminary agreement between the company and the other shareholders which provide that the decision making process will be jointly made by the parties to the agreement. The company recognized impairment for the total amount of investment in prior year as a result of the cessation of the investee's business activities.

(3-9) Ebtikar Holding for Financial Investments

On June 12, 2017 the Company subscribed in the capital of Ebtikar Holding for Financial Investments. As per the article of association. The Company, management company and others hold 50% of Ebtikar Holding for Financial Investment's capital and the management company holds (representing itself and its managed entities) 50% of votes at board meetings.

The group's recognized share of loss amounted to EGP 302 856 (December 31, 2019: share of profit amounted of EGP 4 201 727), Note-(28).

(4-9) Gourmet Egypt .Com Foods

During September 2018, the Company signed a shareholders agreement for acquiring a capital of Gourmet Egypt.Com Foods (SAE), the acquisition was completed during October 2018, the company holds 52.9% of Gourmet's share capital, the terms of shareholders agreement of Gourmet provides the contracting parties joint control over Gourmet. Acquisition amount by end of 2018 reached an amount of EGPM 126, 3 included an amount of EGPM 33.7 is recorded credit balance to shareholders in Gourmet's books till the completion of the capital increase procedures of the investee.

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

The group's recognized share of profit amounted to EGP 23 479 786 (December 31, 2019: share of profit amounted of EGP 7 129 994), Note-(28).

(5-9) Basata Financial Holding

On July 17, 2020, the company invested in the capital of Basata Financial Holding Company S.A.E. As per the memorandum of association .The Company, the management company and others own 50% of the capital of Basata Financial Holding S.A.E. the management company holds (representing itself and its managed entities) 50% of votes at board meetings.

Summarized financial information in respect of each of the Group's material associates of December 31, 2020 is set out below.

The summarized financial information below represents amounts in associates' financial statements prepared in accordance with EAS Standards.

<u>EGP 000'</u>	Total assets	Total equity	Total revenue	Profits (loss)
Inergia Technologies for Information Systems	87 523	86 434	38 443	33 770
Giza Systems	2 811 482	633 384	3 553 805	119 989
Ebtikar Holding for Financial Investments	1 179 441	789 651	77 652	(1 459)
Gourmet Egypt .com Foods	368 152	96 476	834 792	43 194

10. Investment properties (net)

	<u>Mohandseen Administration</u>		<u>Maadi Administration</u>		<u>Total</u>
	<u>Building</u>		<u>Building</u>		
	<u>EGP</u>		<u>EGP</u>		<u>EGP</u>
<u>Cost</u>	<u>Land</u>	<u>Building</u>	<u>Land</u>	<u>Building</u>	
As of January 1, 2019	40 585 000	6 410 639	57 922 825	9 650 639	114 569 103
Additions during the year	--	--	--	2 053 766	2 053 766
Transferred from PUC	--	--	--	26 676 317	26 676 317
Disposals during the year	(40 585 000)	(6 410 639)	--	--	(46 995 639)
As of December 31, 2019	--	--	57 922 825	38 380 722	96 303 547
As of January 1, 2020	--	--	57 922 825	38 380 722	96 303 547
Disposals during the year	--	--	--	(20 538)	(20 538)
As of December 31, 2020	--	--	57 922 825	38 360 184	96 283 009
<u>Accumulated depreciation</u>					
As of January 1, 2019	--	512 852	--	772 534	1 285 386
Depreciation during the year	--	96 160	--	484 478	580 638
Disposals accumulated depreciation	--	(609 012)	--	--	(609 012)
As of December 31, 2019	--	--	--	1 257 012	1 257 012
As of January 1, 2020	--	--	--	1 257 012	1 257 012
Depreciation during the year	--	--	--	1 729 885	1 729 885
As of December 31, 2020	--	--	--	2 986 897	2 986 897
Net book value as of	--	--	57 922 825	35 373 287	93 296 112
December 31, 2020	--	--	57 922 825	37 123 710	95 046 535
Net book value as of	--	--	57 922 825	37 123 710	95 046 535
December 31, 2019	--	--	57 922 825	37 123 710	95 046 535

The company leased the office building in Maadi to Daikin Egypt for air-conditioners for operational lease after completing the decoration and utility connection works, in return for a monthly rent of 325 000 Egyptian pounds for the first year and 341 250 Egyptian pounds for the second year, and the building was delivered from the first of November 2019.

These properties were registered under the company's name in the Real Estate Registration Authority where the fair value of the real estate investments was measured at an amount of EGP 99 643 670 as of December 31, 2020 based on the valuation expert report.

11. Loans to associates

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Infinity Solar 1 B.V	33 495 330	31 011 182
Infinity Solar 2 B.V	56 195 804	52 028 095
Infinity Solar 3 B.V	22 566 921	20 893 262
	<u>112 258 055</u>	<u>103 932 539</u>

On December 31, 2017, the Company signed shareholder loan agreements with its investees, the solar entities as disclosed in (note 7). The loans were made pursuant to the shareholders' agreements governing the Company's investments in the solar entities. The Company's funding to its investees is in the form of shareholder loans that will be repaid, from the operation of the solar plants projects undertaken in Egypt by the investees of the solar entities, during the investment period and on the company's exit from the investments if sale or exercise of the put options occur before full repayment.

Total loan amount at December 31, 2020 reached EGP 112.3 million equivalent to USD 7.2 million, and earn interest rate of 10 % per annum.

12. Loans To joint ventures

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Loans to joint ventures current portion	11 234 610	--
Loans to Joint ventures non-current portion	11 234 610	--
	<u>22 469 220</u>	<u>--</u>

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

From January 1, 2021, annual interest is calculated on the total credit balance referred to above according to the corridor rate announced by the Central Bank of Egypt in addition to 1%.

13. Notes receivable (net)

	<u>December 31,2020</u>	<u>December 31, 2019</u>
Description	<u>EGP</u>	<u>EGP</u>
Current notes receivable	4 000 000	1 920 993
Deduct : present value of the current portion	(259 626)	--
Short term notes receivable - Net	<u>3 740 374</u>	<u>1 920 993</u>
Non current portion notes receivable	15 000 000	--
Deduct : present value of the non-current portion	(5 108 783)	--
Long term Notes receivable – Net	<u>9 891 217</u>	<u>--</u>

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14. Due from related parties (net)

	<u>Relationship nature</u>	<u>Account nature</u>	<u>December 31, 2020</u> <u>EGP</u>	<u>December 31, 2019</u> <u>EGP</u>
Metalar	Associate	Current account	--	3 360 414
Red Sea venture for Solar Energy	Joint venture	Current account	1 149 958	1 149 958
Infinity Solar 1 B.V	Associate	Current account	665 293	678 574
Infinity Solar 2 B.V	Associate	Current account	678 440	691 984
Infinity Solar 3 B.V	Associate	Current account	653 440	666 484
Less: Impairment in due from related parties			(1 143 958)	(2 906 449)
			2 003 173	3 640 965

15. Other debit balances (net)

	<u>December 31, 2020</u> <u>EGP</u>	<u>December 31, 2019</u> <u>EGP</u>
Deposits held with others	46 795	46 795
Accrued interest	16 987	1 096 781
Accrued rental income	2 804 500	2 954 500
Prepaid expenses	207 645	118 717
Withholding tax receivable	89 212	547 500
Withholding tax on treasury bills	10 381 829	10 135 329
Advance payment to suppliers	998 413	221 350
Other debit balances	47 852	47 852
Less : Impairment in other debit balances	(2 804 500)	(2 954 500)
	11 788 733	12 214 329

16. Treasury bills (net)

	<u>December 31, 2020</u> <u>EGP</u>	<u>December 31, 2019</u> <u>EGP</u>
Treasury bills – more than 3 months	499 325 000	352 875 000
Treasury bills – less than 3 months	--	50 075 000
Less: unrealized interest	(38 567 355)	(34 463 407)
	460 757 645	368 486 593

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17. Cash at banks

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts - local currency	27 814 933	8 356 545
Current accounts - foreign currencies	146 742 426	147 253
Time deposits at banks - foreign currencies	4 699 290	61 948 691
	<u>179 256 649</u>	<u>70 452 489</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	179 256 649	70 452 489
Treasury bills – less than 3 months	--	48 654 236
Less: Deposit more than three months	(4 699 290)	(61 948 691)
	<u>174 557 359</u>	<u>57 158 034</u>

18. Due to related parties

	<u>Relationship nature</u>	<u>Account nature</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
			<u>EGP</u>	<u>EGP</u>
BPE Partners S.A.E.	Management company	Management fees and incentive fees	20 655 149	4 691 395
Basata Financial Holding S.A.E	Joint venture		1 012 500	--
			<u>21 667 649</u>	<u>4 691 395</u>

19. Accounts payable and other credit balances

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Accounts payable	128 509	636 716
Accrued expenses	2 619 254	4 187 583
Withholding tax	163 746	280 871
Prepaid rent	341 250	1 300 000
Rent insurance	783 215	799 310
Retention work	--	1 121 684
Dividends Payable	156 638	--
	<u>4 192 612</u>	<u>8 326 164</u>

20. Provisions

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Provision for claims	2 040 651	2 040 651
	<u>2 040 651</u>	<u>2 040 651</u>

The provisions relate to claims from external parties arising from the ordinary course of business. Management reviews these provisions on quarterly basis and revise the amounts based on the latest developments, or negotiations or agreements reached with claiming parties. The company has not disclosed all information relating to the provisions in accordance to the Egyptian Accounting Standards in light of that the disclosure of such information could highly affect the results of negotiations with those parties.

21. Impairment movement in financial and non-financial assets

	<u>Balance at</u> <u>December 31, 2019</u>	<u>Impact of</u> <u>disposal of</u> <u>subsidiary</u>	<u>No longer</u> <u>required</u>	<u>Balance at</u> <u>December 31, 2020</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Impairment in associate investment	46 766 853	(46 766 853)	--	--
Impairment in joint venture investment	5 727 150	--	--	5 727 150
Impairment intangible asset	2 399 772	(2 399 772)	--	--
Impairment in inventory	2 982 545	(2 982 545)	--	--
Impairment in accounts receivable	1 357 284	(1 357 284)	--	--
Impairment in other debit balances	2 954 500	--	(150 000)	2 804 500
Impairment in related parties	2 906 449	(2 906 449)	--	--
Total movement during the year	<u>64 094 553</u>	<u>(56 412 903)</u>	<u>150 000</u>	<u>8 531 650</u>

22. 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 on December 31, 2020.

23. Treasury stocks

The Board of Directors, in its meeting held on March 26, 2020, approved the purchase of its treasury shares, with a maximum number of 1,600,244 shares, which represents 1% of the company's total shares, through the open market for a period of three months, provided that the purchase value does not exceed 12 million Egyptian pounds. The number of treasury shares acquired is 801 289 shares, with a total value of EGP 5,471 154, as of December 31, 2020.

24. Reserves

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance	258 987 211	255 456 922
Transferred from prior year net profit	3 424 647	3 530 289
Legal reserve	262 411 858	258 987 211
Capital issuance costs	(4 111 018)	(4 111 018)
Group's shares in associate's equity	(1 558 677)	--
Group's shares in foreign currency translation in the joint venture	(4 522 300)	(4 522 300)
Translation reserve of financial statements	20 779 989	22 389 513
Actuarial losses for employee benefits	(358 578)	--
Beard translation reserve	(8 483 162)	--
	<u>264 158 112</u>	<u>272 743 406</u>

The balance represents the share premium paid by the subscribers in the capital increase, which was transferred into legal reserve in accordance with the requirements of Law No. 159 of 1981.

25. Deferred tax liabilities

	<u>December 31, 2019</u>	<u>Movement during the year asset / (Liability)</u>		<u>December 31,</u>
		<u>Consolidated</u>	<u>Consolidated statement</u>	<u>2020</u>
		<u>Statement of profits</u>	<u>of Comprehensive</u>	
		<u>and losses</u>	<u>Income</u>	
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Deferred tax liability arising from the depreciation of investment properties	(431 709)	(109 068)	--	(540 777)
Deferred tax liability arising from unrealized foreign Currency exchange gain	(4 460 838)	7 301 045	--	2 840 207
Differences in valuation of available for sale investments at fair value	--	--	(67 684 535)	(67 684 535)
	<u>(4 892 547)</u>	<u>7 191 977</u>	<u>(67 684 535)</u>	<u>(65 385 105)</u>

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

	<u>December 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
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	2 954 500
	<u>18 989 766</u>	<u>46 551 868</u>

26. 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>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year attributable to the shareholders' of the Parent Company	287 905 313	173 238 436
Less: Board of directors profit share	(3 756 000)	(1 253 109)
	284 149 313	171 985 327
Weighted average number of shares	160 024 416	160 024 416
Basic and diluted earnings per share	1.78	1.07
Less : treasury stocks		
Weighted average number of shares after deducting treasury shares	159 501 215	160 024 416
diluted earnings per share	1.78	1.07

27. 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.

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 year</u>
BPE Partners S.A.E.	Management company	Management fees	(18 663 594)
		Incentive fees	(15 963 754)
Infinity Solar (1) B.V	Associate	Credit interest	3 106 227
Infinity Solar (2) B.V	Associate	Credit interest	5 211 381
Infinity Solar (3) B.V	Associate	Credit interest	2 092 769

28. Group's share of profits (Losses) of investment in associates and joint venture entities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
MNHD	64 513 920	65 365 441
Inergia Technologies for information systems	43 371 610	44 970 762
Metalar co.	(1 822 585)	1 116 822
Al Retail for Trade and Investment	37 636	(6 996)
Gourmet Egypt .com Foods	23 479 786	7 129 994
Ebtikar holding for finance investment	(302 856)	4 201 727
	<u>129 277 511</u>	<u>122 777 750</u>

29. Dividends income from available for sale investments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Total Egypt Co.	38 075 645	27 692 942
	<u>38 075 645</u>	<u>27 692 942</u>

30. Finance income

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Interest income on time deposits and bank current accounts	698 201	3 505 936
Credit interest for loans to associates	10 410 377	10 094 861
Return on treasury bills	59 282 335	63 527 157
	<u>70 390 913</u>	<u>77 127 954</u>

31. Investment manager fees

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Management fees	18 663 594	18 612 600
Incentive fees	15 963 754	--
	<u>34 627 348</u>	<u>18 612 600</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.

32. Financial instruments and risk management

The company's financial instruments comprise financial assets and liabilities. Financial assets comprise cash at banks, due from related parties, AFS investments, accounts receivable, balances due on others or related parties. Financial liabilities comprise, creditors, and amounts due to related parties.

The company is exposed to several financial risks arising from its ongoing activities that may affect the carrying amounts of its financial assets and liabilities as well as the relevant revenues and expenses. The significant risks related to financial instruments and significant policies and procedures adopted by management to minimize the effect of those risks, are summarized below.

Capital management

The company manages its capital to ensure that it will be able to continue as going concern, in order to generate returns for shareholders, benefits for other stakeholders and to provide an adequate return for shareholders.

The company's management reviews the capital structure of the company on a regular basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

Categories of financial instruments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Cash banks	179 256 649	70 452 489
Loans and receivable	162 150 772	121 708 826
Financial assets available for sale	830 673 113	509 748 670
<u>Financial liabilities</u>		
Financial liabilities at amortized cost	25 860 261	12 736 688

Financial Risk Management Objectives

The company monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The use of financial instruments are governed by the appropriate monetary and credit policies to be approved by the Board of Directors.

Foreign currency risk

Foreign currency risk represents fluctuations in exchange rates of foreign currencies, which affects receipts and disbursements in foreign currencies as well as the evaluation of assets and liabilities denominated in foreign currencies. Management monitors the company's foreign currencies position and the exchange rates declared by banks, and reduces overdrafts in foreign currencies, on an ongoing-basis, since most of those assets represent cash at bank, documents for investment fund with a relatively cash nature, which reduces this risk to a minimum level.

Interest rate risk

Interest rate risk represents the fluctuations in interest rates which may have an impact on the company's results of operations and cash flows. All financial assets and liabilities are not subject to variable interest rates, thus the cash flows interest rate risk is considered limited.

Liquidity risk

Liquidity risk is represented in inability of the company to meet its financial liabilities when they become due, which are paid in cash or another financial asset. The company manages financial liquidity to ensure - as much as possible - its possession of sufficient amount of liquidity to meet its liabilities when due in the normal and exceptional circumstances without incurring unacceptable losses, or impact on the company's reputation.

The remaining contractual dues of the financial liabilities, which include the payment of estimated interest and does not the impact of the liquidation contract.

Credit risk

The credit risk is represented in the inability of clients, related parties or other parties, who are granted credit, to pay their dues. The company studies the credit position before the granting credit, and the company reviews its due balances, and loans granted to associates on a regular basis.

The company reviews this risk, and submits quarterly reports to the audit committee for this risk, and the means of facing its impact on the financial statements.

The maximum credit risk is represented as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Cash at banks	179 256 649	70 452 489
Notes receivable	13 631 591	1 920 993
Due from related parties	2 003 173	3 640 965
Other debit balances	1 317 692	4 486 000
Treasury bills	460 757 645	368 486 593
Loans to associates	134 727 275	103 932 539
	<u>791 694 025</u>	<u>552 9 579</u>

33. Tax position

Corporate Tax

The Company submitted its corporate tax for each year according to the provisions of the Income Tax Law and its amendments since inception date until December 31, 2018 according to the Income Tax Law No. 91 of 2005.

Years 2006/2008: The Company's books have not been inspected yet and therefore the company tax returns for those years were approved in accordance with the provisions of Law No. 91 of 2005.

Years 2009/2016: The inspection completed and differences were settled.

Years 2017/2019: The Company has not received any notices of income tax inspection till date .

Salary tax

Years: 2005 /2010: The inspection completed and settlements were made.

Years: 2011 /2018: The Company was notified with Form No. (38) With a deem basis of tax, the Company appealed in the legal deadlines, taking into consideration that the Company has no employees and the related documents has been provided

Years: 2019: The Company has not received any notices of income tax inspection till date.

Stamp Tax

The period from the beginning of the activity until 2019: The Company has not received any notices of stamp duty inspection.

Withholding Tax

The Company deducts the due withholding tax according to the provisions of the Income Tax Law and submits this tax to the Tax Authority regularly and on its due date, taking into consideration that the Company's books have been inspected and no differences were identified.

34. Dividends distributions

On March 26, 2020, the Company's board of directors proposed distribution of dividends for the year ended December 31, 2019 to the shareholders by 40 piasters per share and an amount of EGP 1 253 109 to the board of directors' members. On May 20, 2020 the ordinary general assembly meeting of the Company approved the proposed distribution.

35. Significant Events during the year.

During the first quarter of 2020, the world was exposed to the spread of the emerging corona virus (COVID-19), as this virus was characterized by its rapid spread in the countries of the world, until the World Health Organization declared a state of health emergency, on January 30, 2020, and the virus was declared a global pandemic on March 11, 2020, The spread of this virus had a negative impact on the economies of many countries, which was reflected in the reality of the performance of financial markets and the volume of global trade.

On March 19, 2020, international air traffic was suspended, and on March 25, 2020, the Egyptian government imposed a two-week curfew, and it was renewed for several more weeks, which negatively affected the Egyptian economy in general.

On June 23, 2020, the Egyptian government officially announced the abolition of the curfew with the imposition of precautionary measures and the reopening of restaurants and cafes starting from Saturday,

June 27, 2020, at a rate of 25% of their capacity, and the closure of shops and malls at nine in the evening instead of six, and the closure of restaurants and cafes at ten in the evening, and the continued closure of Parks, parks, beaches, mass transit work until midnight, and theaters and cinemas reopening at a rate of 25% of their capacity.

On July 22, 2020, the Egyptian government officially announced the amendment of the working hours of restaurants and cafes, starting from Sunday, July 26, 2020, to close at twelve midnight instead of ten in the evening, 50% of its capacity instead of 25%, and closing shops and malls at ten in the evening instead of The nine p.m. and the continued closure of parks, parks and beaches, and the preservation of the capacity of theaters and cinemas estimated at 25%. The decisions included allowing the possibility of holding official conferences and meetings, so that the maximum number of participants is 50 people only, and provided that the capacity of the hall in which the conference or meeting is held is not less than 100 people And preparing to start organizing major exhibitions, starting from the beginning of next October, with an emphasis on the importance of reviewing the preventive and precautionary measures that are applied, and standing on the latest developments in the medical situation first hand.

As a result, it is expected that the economic and commercial operations of the various economic activities will be affected. 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.

36. Events subsequent to the date of the financial statements

On March 30, 2021 The Company's Board of Directors proposed distribution of dividends for the year ending December 31, 2020 to the shareholders of 1.25 Egyptian pound per share and an amount of EGP 3 756 000 to the board of directors' members, the distribution proposal will be presented to the Company's general assembly for approval.

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.

37. Consolidated financial statements issuance date

The Board of Directors authorized the consolidated financial statements for the year ended December 31, 2020 for issue on March 30, 2021.