

B Investments Holding

"S.A.E."

Separate 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 Separate Financial Statements

We have audited the accompanying separate financial statements of B Investments Holding "S.A.E." which comprise the separate statement of financial position as of December 31, 2020, and the related separate statements of profits and losses, 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 Separate Financial Statements

These separate financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the Egyptian Accounting Standards and the prevailing Egyptian laws and regulations. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the separate 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 separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and applicable Egyptian Laws. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate 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 separate 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 separate 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 separate financial statements.

Opinion

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

Report on the Legal and Other Organizational Requirements

The Company maintains proper books of accounts, which include all that is required by the law and the statutes of the Company and the financial statements agree thereto.

The financial information referred to in the Board of Directors Report is prepared in compliance with Law No. 159 for 1981 and its executive regulation thereto and is in agreement with the Company's books of accounts.

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.

Separate Statement of Financial Position as of December 31, 2020

	Note	December 31, 2020	December 31, 2019
		EGP	EGP
Assets			
Non-current assets			
Investments in subsidiaries (net)	(6)	-	9 453 732
Investments in joint ventures (net)	(7)	310 195 605	331 652 325
Investments in associates (net)	(8)	153 856 436	153 856 436
Available for sale investments	(9)	369 915 468	141 262 077
Investment properties (net)	(10)	93 296 112	95 046 535
Loans to associates	(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		1060 647 503	835 203 644
Current assets			
Loans to joint ventures	(12)	11 234 610	-
Notes receivable (net)	(13)	3 740 374	1 920 993
Treasury bills (net)	(14)	460 757 645	368 486 593
Due from related parties (net)	(15)	2 003 173	2 043 042
Other debit balances (net)	(16)	11 788 733	12 214 329
Cash at banks	(17)	179 256 649	70 388 197
Total current assets		668 781 184	455 053 154
Total assets		1 729 428 687	1 290 256 798
Equity and liabilities			
Equity			
Issued and paid-up capital	(22)	800 122 080	800 122 080
Treasury stocks	(23)	(5 471 154)	-
Reserves	(24)	258 300 840	254 876 193
Available for sale investment revaluation reserve	(9)	189 220 998	-
Retained earnings		132 865 199	132 739 271
Net profit for the year		222 663 744	68 492 934
Total equity		1 597 701 707	1 256 230 478
Non-Current liabilities			
Deferred tax liabilities	(25)	65 385 105	4 892 547
Total non-current liabilities		65 385 105	4 892 547
Current liabilities			
Due to related parties	(18)	21 667 649	4 691 395
Accounts payable and other credit balances	(19)	4 192 247	7 953 630
Current income tax		38 441 328	14 448 097
Provisions	(20)	2 040 651	2 040 651
Total current liabilities		66 341 875	29 133 773
Total equity and liabilities		1 729 428 687	1 290 256 798

- The attached notes form an integral part of the separate 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.**Separate Statement of profit or loss for the year ended December 31, 2020**

	Note	December 31, 2020	December 31, 2019
		EGP	EGP
<u>Income and profits</u>			
Dividends income from available for sale investments	(28)	38 075 645	27 692 942
Dividends income from joint ventures and associate entities	(29)	63 395 057	16 816 724
Rental income of investment properties	(10)	3 932 500	650 000
Finance income	(30)	70 390 913	77 127 954
Reversal of impairment loss on other debit balances		150 000	-
Capital gain from partial disposal of investment available for sale	(9)	118 112 758	-
Capital gain from disposal of investment in subsidiaries	(6)	4 177 859	-
Gain from selling investment properties		-	1 613 373
		298 234 732	123 900 993
<u>Expenses and losses</u>			
Depreciation of investment properties	(10)	(1 729 885)	(580 638)
Investment Manager fees	(32)	(34 627 348)	(18 612 600)
Consulting fees and other expenses	(31)	(4 817 260)	(7 080 990)
Board of directors allowances and other expenses		(263 100)	(130 944)
Foreign exchange losses		(2 969 719)	(19 136 787)
Net profit for the year before income tax		253 827 420	78 359 034
Income tax		(38 355 653)	(14 410 649)
Deferred tax	(25)	7 191 977	4 544 549
Net profit for the year		222 663 744	68 492 934
Basic earnings per share	(26)	1.37	0.42
Diluted earnings per share	(26)	1.37	0.42

- The attached notes form an integral part of these separate 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.

Separate 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	222 663 744	68 492 934
Other comprehensive income		
Available for sale investment revaluation reserve after tax (9)	189 220 998	-
Total other comprehensive income for the year	<u>189 220 998</u>	<u>-</u>
Total comprehensive income for the year	<u><u>411 884 742</u></u>	<u><u>68 492 934</u></u>

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8. Investments Holding S.A.E.
Separate Statement of Changes in Equity for the year ended December 31, 2020

Note	Issued and Paid-up capital	Treasury stocks	Legal reserve	Available for sale investment revaluation reserve	Capital issuance costs	Retained earnings	Net profit for the year	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2019	800 122 080	-	255 456 922	-	(4 111 018)	147 029 450	70 605 783	1269 103 217
Items of other comprehensive income								
Net profit for the year	-	-	-	-	-	-	68 492 934	68 492 934
Other comprehensive income	-	-	-	-	-	-	-	-
Total Other Comprehensive income	-	-	-	-	-	-	68 492 934	68 492 934
The company's shareholders transactions								
Transferred to legal reserve	-	-	3 530 289	-	-	(3 530 289)	-	-
Transferred to retained earnings	-	-	-	-	-	70 605 783	(70 605 783)	-
Dividends Distribution	-	-	-	-	-	(81 365 673)	-	(81 365 673)
Total company's shareholders transactions	-	-	3 530 289	-	-	(14 290 179)	(70 605 783)	(81 365 673)
Balance as of December 31, 2019	800 122 080	-	258 987 211	-	(4 111 018)	132 739 271	68 492 934	1256 230 478
Balance as of January 1, 2020	800 122 080	-	258 987 211	-	(4 111 018)	132 739 271	68 492 934	1256 230 478
Items of other comprehensive income								
Net profit for the year	-	-	-	-	-	-	222 663 744	222 663 744
Other comprehensive income	-	-	-	-	-	-	-	-
Available for sale investment revaluation reserve	-	-	-	189 220 998	-	-	-	189 220 998
Total Other Comprehensive income	-	-	-	189 220 998	-	-	222 663 744	411 884 742
The company's shareholders transactions								
Transferred to legal reserve	-	-	3 424 647	-	-	(3 424 647)	-	-
Treasury stocks	-	(5 471 154)	-	-	-	-	-	(5 471 154)
Transferred to retained earnings	-	-	-	-	-	68 492 934	(68 492 934)	-
Dividends Distribution	-	-	-	-	-	(64 942 359)	-	(64 942 359)
Total company's shareholders transactions	-	(5 471 154)	3 424 647	-	-	125 928	(68 492 934)	(70 413 513)
Balance as of December 31, 2020	800 122 080	(5 471 154)	262 411 858	189 220 998	(4 111 018)	132 865 199	222 663 744	1 597 703 707

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

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

	Note	December 31, 2020	December 31, 2019
		EGP	EGP
<u>Cash flows from operating activities</u>			
Net profit for the year before income tax		253 827 420	78 359 034
<u>Adjusted by :</u>			
Reversal of dividends income from joint ventures and associate entities		(63 395 057)	(16 816 724)
Reversal of dividends income from available for sale investments		(38 075 645)	(27 692 942)
Foreign exchange losses		2 969 719	18 717 229
Provisions used during the year		-	(4 766 938)
Credit interest - treasury bills		(59 282 335)	(63 527 157)
Credit interest		(10 410 377)	(13 600 797)
Capital gain from investment properties		-	(1 613 373)
Reversal of impairment loss on other debit balances		(150 000)	-
Depreciation of investment properties		1 729 885	580 638
Capital gain from disposal of investment in subsidiaries		(4 177 859)	-
Capital gain from partial disposal of available for sale investment		(118 112 758)	-
Operating (loss) before changes in working capital		(35 077 007)	(30 361 030)
Decrease/(Increase) in notes receivable		1 920 993	(1 920 993)
(Increase) in due from related parties		-	(2 140 341)
(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		(3 948 021)	1 972 888
Income tax paid during the year		(1 109 488)	(1 000 043)
Proceeds from dividends income from available for sale investments		38 075 645	27 692 942
Proceeds from dividends income from joint ventures and associate entities		63 395 057	16 816 724
Net Cash flows generated by operation		68 264 414	2 321 230
<u>Cash flows from investment activities</u>			
Proceeds from credit interest		53 748 497	71 130 336
Payments for investments in joint ventures acquisition		-	(72 890 300)
Payments for investment properties acquisition		-	(20 836 094)
Net proceeds from sale of investment properties		-	47 520 000
Investment properties disposal		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 of (payments for) treasury bills		(141 354 465)	(324 218 780)
Net cash flows generated by (used in) investment activities		119 681 654	(295 567 852)
<u>Cash flows from financing activities</u>			
Purchase of treasury stocks		(5 471 154)	-
Dividends paid		(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		117 689 193	(374 612 295)
Cash and cash equivalents at the beginning of the year	(17)	57 093 742	431 286 479
Effect of changes in exchange rates on cash balances held in foreign currencies		(225 576)	419 558
Cash and cash equivalents at the end of the year	(17)	174 557 359	57 093 742

Non-cash transaction:**Elimination of non-cash transactions represented in the below:**

- 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-7).
- 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 these separate financial statements, and to be read therewith.

1. General information

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

The company's new Location is 24 Talaat Harb Street, Cinema Radio Building – 1st Floor - Cairo. 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 primary business activity is investing in other entities, in accordance with its established investment policy. The Company aims to identify, research, negotiate, make and monitor the progress of and sell, realize and exchange investments and distribute proceeds of such investments with the principle objective of providing shareholders with a high relative overall rate of return by means of both income, capital growth and exit. On January 11, 2016 the Company's extraordinary general assembly decided to change the Company name to be BPE Holding for Financial Investments, the change was registered in the Company's commercial register on February 24, 2016.

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

2. Statement of compliance

The financial statements have been prepared in accordance with the Egyptian Accounting Standards issued by the Minister of Investment Resolution No. (110) of 2015 and in light of the relevant Egyptian laws and regulations. The Egyptian accounting standards require reference to the International Financial Reporting Standards (IFRS) for events and transactions for which an Egyptian accounting standard has not been issued explaining how Processed.

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

On March 28, 2019, the Minister of Investment issued decree no.69 of 2019 amending some provisions of the Egyptian Accounting Standards issued by Minister of Investment No. 110 of 2015, which includes some new accounting standards and amendments to some of the existing standards. These amendments were published in the Official Gazette on April 7, 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 current year 2020.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 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 the decree 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 issued – No. (47) Financial Instruments, (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. Separate financial statements' basis of preparation

The separate financial statements have been prepared on the historical cost basis except for financial assets and financial liabilities that are measured at fair value, and financial assets and financial liabilities that are designated at initial recognition as at fair value through profit or loss. The Company's investments in subsidiaries, jointly ventures and associates are accounted for using the cost method (less impairments, if existed), and they are presented in the accompanying separate financial statements based on the company's direct equity interest rather than on its interest in reported results and the investees companies' net assets. For a better understanding of the financial position, business results and cash flows of the company and its subsidiaries, jointly ventures and associates, reference should be made to the Company's consolidated financial statements.

4. Critical accounting judgments and key sources of uncertain estimation

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 separate 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.

5. Significant accounting policies

The following is a presentation for the most important implemented policies for preparing financial statements:

a. Investments in subsidiaries

A subsidiary company is an entity including an unincorporated entity such as a partnership that is controlled by another entity (known as the parent).

Control is achieved when the Group has the right into variable returns through its contribution in the investee when exposed or entitled to variable returns and have the ability to effect that returns through its power on investee, the company control the investee when the company has the following:

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

b. Investments in associates

An associate company is an entity over which the company is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

Investments in associate companies are carried at cost, unless classified as non-current investments held-for-sale in which case, they are measured at the lower of the carrying amount or fair value less cost to sell. And the company don't follow the Equity method to account for its investments in associates in the attached separate financial statements according to phrase (17) of the EAS (18).

In case of an objective evidence that an impairment loss has been incurred on investments in associate companies at the date of the financial statements, the carrying amount of the investment is reduced to the recoverable amount with impairment losses recognized immediately in the profit or loss.

c. Investments in joint venture

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

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

Investments in jointly controlled entities are carried at cost, unless classified as non-current investments held-for-sale in which case, they are measured at the lower of the carrying amount or fair value less cost to sell. In case of an objective evidence that an impairment loss has been incurred on investments in jointly controlled entities at the date of the financial statements, the carrying amount of the investment is reduced to the recoverable amount with impairment losses recognized immediately in separate statement of profits and losses.

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, available for sale 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 available for sale 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 available for sale investments, 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. 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.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property is included in the separate statement of profits and losses in the period in which the property is derecognized. 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 separate 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%

f. 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.

g. Separate statement of Cash flows

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

h. Foreign currency translation

The financial statements are presented in Egyptian pounds, being the currency of the primary economic environment in which the entity operates (its functional currency). 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 that are 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 translated 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.

i. 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:

- Revenue is measured reliably.
- It is highly expected the flow of economic benefits related to the entity.
- Accurate measurement possibility to complete the operation at the financial position date.
- 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.

j. 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 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 separate 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.

k. Provisions

Provisions are recognized when the Company 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 value of time. This increase is recognized in the separate statement of profits and losses as finance costs.

l. Dividends

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

m. 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.

n. 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 subsidiary, 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 separate 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.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

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.

O. 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 separate 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. Moreover, that if the separation conditions is applicable on the established contracts and have the same general properties as the separate financial derivatives.

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.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

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 core 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)

	<u>No. of</u>	<u>Ownership</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Shares</u>	<u>%</u>	<u>EGP</u>	<u>EGP</u>
Beard A.G. Company "Beard"	39 000	60 %	--	18 703 076
Payments under Investments in subsidiaries			--	18 162 758
<u>Less:</u> Impairment in Beard A.G.			--	(27 412 102)
			<u>--</u>	<u>9 453 732</u>

The Board of Directors meeting held on December 30, 2020, approved the sale of the entire stake of the company in Beard A.G. 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, the present value of those checks reached amount of EGP 13 631 591 (Note 13). The company has achieved capital gains amounted to EGP 4 177 859.

Accordingly, the company 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 company excluded the net assets and liabilities of Beard A.G and recognized the profits from disposal in the statement of profits and losses.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

7. Investments in joint ventures (net)

	<u>No. of</u>	<u>Ownership</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>Shares</u>	<u>%</u>	<u>EGP</u>	<u>EGP</u>
Inergia Technologies for Information Systems S.A.E" Inergia	5 532 124	68.04%	55 321 240	55 321 240
Ebtikar Holding for Financial Investment	1 180 593	20.25%	150 000 000	150 000 000
Basata Financial Holding S.A.E.	10 125	20.25%	1 012 500	--
Gourmet Egypt.Com Foods S.A.E.	3 127 950	52.9%	92 627 255	92 627 255
Payments under capital increase in Gourmet Egypt.Com Foods S.A.E.	--	--	11 234 610	33 703 830
Red Sea Venture for Solar Energy	7 425	49.5%	5 727 150	5 727 150
<u>Less:</u> Impairment in investments (Red Sea Venture for Solar Energy)			(5 727 150)	(5 727 150)
			310 195 605	331 652 325

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.

Ebtikar Holding for Financial Investment

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.

Basata Financial Holding Company

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.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

Gourmet Egypt .com S.A.E.

During September 2018, the Company signed a shareholders agreement for acquiring shares in the capital of Gourmet Egypt (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 have joint control over Gourmet. Acquisition cost reached an amount of EGPM 126.3 by the end of 2018 that included an amount of EGPM 33.7 recorded as credit balance to shareholders in Gourmet's books until 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".- Note (12).

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 years as a result of the cessation of the investee's business activities.

8. Investments in associates (net)

	<u>No. of Shares</u>	<u>Ownership</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Name of Company</u>		<u>%</u>	<u>EGP</u>	<u>EGP</u>
Al Retail for Trade and Investment	727 526	22.79%	7 275 258	7 275 258
Madinet Nasr for Housing and Development S.A.E "MNHD"	108 077 416	7.51%	153 854 685	153 854 685
Infinity Solar (1) B.V	246	24.6%	--	--
Infinity Solar (2) B.V	175	17.5%	--	--
Infinity Solar (3) B.V	175	17.5%	--	--
Less: Impairment in Al Retail for Trade and Investment			(7 273 507)	(7 273 507)
			153 856 436	153 856 436

Madinet Nasr for Housing and Development S.A.E "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

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

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.

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

In partnership with Infinity Solar Energy and Ib Vogt, the Company invested in three solar power generation plants located in Ben Ban- Aswan 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 112.3M equivalent to USD 7.2M at December 31, 2020 - Note (11).

9. Available for sale investments

	<u>No. of</u> <u>Shares</u>	<u>Ownership</u> <u>%</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Name of Company</u>			<u>EGP</u>	<u>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%	(28 252 142)	--
<u>Add:</u> Valuation of remaining shares ***	330 248	6.375%	256 905 533	--
			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

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

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.

10. Investment properties (Net)

	<u>Mohandseen Administration</u>		<u>Maadi Administration Building</u>		<u>Total</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 December 31, 2020	--	--	57 922 825	35 373 287	93 296 112
Net book value as of December 31, 2019	--	--	57 922 825	37 123 710	95 046 535

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

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 8. 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 as of December 31, 2020 reached EGP 112.3M equivalent to USD 7.2M with interest rate of 10 % per annum.

12. Loan to Joint ventures

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Current portion from loan to joint ventures	11 234 610	--
Non-current portion from loan to joint ventures	11 234 610	--
	<u>22 469 220</u>	<u>--</u>

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 A share in the capital of Gourmet Egypt.com S.A.E. "Gourmet" which is related to capitalizing the credit balance of the company in

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

the books of Gourmet Egypt.com "Gourmet" in light of the targeted business results of Gourmet Egypt.com Company "Gourmet".

The total credit balance referred to above is subject to annual interest of 1% plus the corridor rate announced by the Central Bank of Egypt, calculated from January 1, 2021.

13. Notes receivable (net)

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

14. Treasury bills (net)

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

15. Due from related parties (net)

	<u>Relationship</u>	<u>Account nature</u>	<u>December 31,</u>	<u>December 31,</u>
	<u>nature</u>		<u>2020</u>	<u>2019</u>
			<u>EGP</u>	<u>EGP</u>
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 party			(1 143 958)	(1 143 958)
			2 003 173	2 043 042

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

16. Other debit balances (net)

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Deposits held with others	46 795	46 795
Accrued interest	16 987	1 096 786
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 (Note-21)	 (2 804 500)	 (2 954 500)
	<u>11 788 733</u>	<u>12 214 329</u>

17. Cash at banks

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts in local currency	27 814 933	8 356 545
Current accounts in foreign currencies	146 742 426	82 961
Time deposits in foreign currencies	4 699 290	61 948 691
	<u>179 256 649</u>	<u>70 388 197</u>

For the purpose of preparing cash flow 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	70 388 197
Treasury bills – with maturities of less than 3 months	--	48 654 236
Less: Time Deposits – with maturities of more than 3 months	(4 699 290)	(61 948 691)
	<u>174 557 359</u>	<u>57 093 742</u>

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

18. Due to related parties

	<u>Relationship</u> <u>nature</u>	<u>Account nature</u>	<u>December 31, 2020</u> <u>EGP</u>	<u>December 31, 2019</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>EGP</u>	<u>December 31, 2019</u> <u>EGP</u>
Accounts payable	128 509	448 328
Accrued expenses	2 618 889	4 003 437
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>4 192 247</u>	<u>7 953 630</u>

20. Provisions

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

Provisions balance is related 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.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

21. Impairment in financial and non-financial assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Impairment in joint ventures investment	5 727 150	5 727 150
Impairment in subsidiaries	--	27 412 102
Impairment in associates investment	7 273 507	7 273 507
Impairment in due from related parties	1 143 958	1 143 958
Impairment in other debit balances	2 804 500	2 954 500
	<u>16 949 115</u>	<u>44 511 217</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 as of 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	254 876 193	251 345 904
Transferred from prior year net profit	3 424 647	3 530 289
	<u>258 300 840</u>	<u>254 876 193</u>

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

25. Deferred tax liabilities

	<u>December 31,</u>	<u>Movement during the year asset / (Liability)</u>		<u>December 31, 2020</u>
	<u>2019</u>	<u>Separate Statement</u>	<u>Separate statement of</u>	<u>EGP</u>
	<u>EGP</u>	<u>of profits and losses</u>	<u>Comprehensive Income</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)
	(4 892 547)	7 191 977	(67 684 535)	(65 385 105)

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
	18 989 766	46 551 868

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

26. Basic and diluted profits per share

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the year	222 663 744	68 492 934
Less: Board of directors' profit share	(3 756 000)	(1 253 109)
	<u>218 907 744</u>	<u>67 239 825</u>
Weighted average number of shares	160 024 416	160 024 416
Basic and diluted earnings per share	<u>1.37</u>	<u>0.42</u>
Less: treasury stocks		
Weighted average number of shares after deducting treasury shares	159 501 215	160 024 416
Diluted earnings per share	<u>1.37</u>	<u>0.42</u>

27. Significant related parties' transactions

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

Company name	Type of relation	Type of transaction	Volume of transactions for the year
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 income	3 106 227
Infinity Solar(2) B.V	Associate	Credit interest income	5 211 381
Infinity Solar(3) B.V	Associate	Credit interest income	2 092 769

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

28. 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 L.L.C.	38 075 645	27 692 942
	<u>38 075 645</u>	<u>27 692 942</u>

29. Dividends income from joint ventures and associates entities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Madinet Nasr for Housing and development	43 771 353	--
Inergia Technologies for Information Systems	19 623 704	16 816 724
	<u>63 395 057</u>	<u>16 816 724</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 on 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. Consulting fees and other expenses

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Bank charge	17 111	42 923
Consulting fees	2 381 621	3 386 294
Travelling expenses for share promotion	24 682	201 491
Insurance expenses	311 203	290 655
Government fees	600 055	1 030 880
Other expenses	1 482 588	2 128 747
	<u>4 817 260</u>	<u>7 080 990</u>

32. 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.

33. Financial instruments and risk management

The Company's financial instruments comprise financial assets and liabilities. Financial assets comprise cash at banks and treasury bills, balances due on others or related parties. Financial liabilities comprise creditors, certain creditor's, and amounts due to related parties.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

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 at banks	179 256 649	70 388 197
Loans and receivables	162 150 772	120 110 903
Financial assets available for sale	830 673 113	509 748 670
<u>Financial liabilities</u>		
Financial liabilities at amortized cost	25 859 896	12 645 025

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, 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.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

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 related parties on a regular basis.

The Company reviews this risk and submits on regular base reports to the audit committee for this risk, and the means of facing its impact on the interim financial statements. The maximum credit risk is represented as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	179 256 649	70 388 197
Notes receivable	13 631 591	1 920 993
Due from related parties	2 003 173	2 043 042
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>551 257 364</u>

34. Tax position

Corporate Tax

The Company is subject to Corporate Income Tax Law No. 91 of 2005 and its amendments.

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, 2019 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:

Inspection completed and settlements were made.

Years 2017/2019:

The Company has not received any notices for income tax inspection till date.

Salary tax:

Years 2005 /2010:

Inspection completed and settlements were made.

Years 2011 /2018:

The Company was notified with an estimated tax based on form no. (38) For salaries. The Company appealed in the legal deadlines, taking into consideration that the Company has no employees and the related documents has been provided.

B Investments Holding "S.A.E"
Notes to the separate financial statements
For the year ended December 31, 2020

Year 2019: The Company has not received any notices for income tax inspection till date.

Stamp Tax

From inception till 2019:

The Company has not received any notices for stamp duty inspection.

Withholding Tax

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

35. 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.

36. 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.

37. 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.

38. Separate financial statements issuance date

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