

BPE Holding for Financial Investments "S.A. E"
Separate Condensed Interim Financial Statements
For the three months ended March 31, 2018
Together with Limited Review Report

Translation of Review Report
Originally Issued in Arabic

Review Report

To: The Board of Directors of BPE Holding for Financial Investments "S.A.E."

Introduction

We have reviewed the accompanying separate condensed interim financial statements of BPE Holding for Financial Investments - S.A.E which comprise the separate condensed interim statement of financial position as of March 31, 2018 and the related separate interim statements of income, comprehensive income, changes in equity and cash flows for the three months' period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the separate condensed interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements". Our responsibility is to express a conclusion on these separate condensed interim financial statements based on our review.

Scope of Review

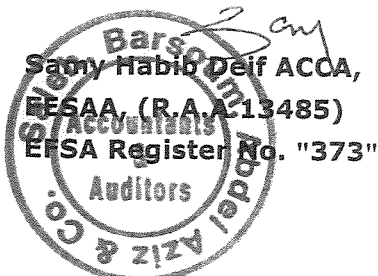
We conducted our review in accordance with Egyptian Standard on Review Engagements (2410) "Review of Interim Financial Statement Performed by the Independent Auditor of the Entity". Review of separate condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate condensed interim financial statements do not present fairly in all material respects the separate financial position of the entity as at March 31, 2018, and of its separate financial performance and its separate cash flows for the three months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo May 15, 2018


Samy Habib Deif ACCA,
IFESAA, (R.A.A.13485)
IFSA Register No. "373"

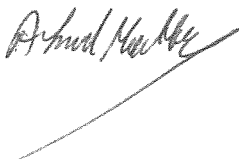


BPE Holding for Financial Investments "S.A.E"
Separate Condensed Interim Statement of Financial Position as at March 31, 2018

	<u>Note</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
		<u>EGP</u>	<u>EGP</u>
<u>Assets</u>			
<u>Non-current assets</u>			
Investments in subsidiaries (net)		9 453 732	9 453 732
Investments in joint ventures (net)	(4)	85 321 040	71 571 040
Investments in associates (net)		153 856 436	153 856 436
Available for sale investments		141 262 077	141 262 077
Investment properties (net)		113 388 909	113 468 487
Loans to associates	(5)	96 614 774	94 717 354
Total non-current assets		599 896 968	584 329 126
<u>Current assets</u>			
Share price stability guarantee fund	(6)	55 650 000	-
Treasury bills	(7)	56 620 211	105 464 030
Due from related parties		6 000	-
Other debit balances		8 865 278	8 203 724
Cash and cash at banks	(8)	486 559 981	94 831 788
Total current assets		607 701 470	208 499 542
Total assets		1 207 598 438	792 828 668
<u>Equity and liabilities</u>			
<u>Equity</u>			
Issued and paid-up capital	(11)	584 464 310	584 464 310
Payment under capital increase	(11)	400 552 368	-
Legal reserve		12 841 931	10 577 468
Retained earnings		147 029 450	104 004 637
Net profit for the period / year		4 768 771	45 289 276
Total equity		1 149 656 830	744 335 691
<u>Non-Current liabilities</u>			
Deferred tax liabilities		7 588 805	8 922 951
Total-non current liabilities		7 588 805	8 922 951
<u>Current liabilities</u>			
Due to related parties	(13)	5 112 837	2 951 376
Accounts payable and other credit balances	(9)	18 986 894	7 865 578
Income tax		18 355 176	18 355 176
Provisions	(10)	7 897 896	10 397 896
Total current liabilities		50 352 803	39 570 026
Total equity and liabilities		1 207 598 438	792 828 668

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

Chief Financial Officer
Ahmed Abdel Monem Madbouly



Chief Executive Officer
Dr. Mohamed Abdel Monem Omran

Chairman
Mohamed Hazem Adel Barakat



BPE Holding for Financial Investments "S.A.E"
Separate Condensed Interim Income Statement of Income for the three months ended on March 31, 2018

	Note	Three months ended	
		March 31, 2018	March 31, 2017
		EGP	EGP
Income and Profits			
Dividends income from available for sale investments		-	17 686 985
Dividends income from investments in associates		-	10 120 763
Company's remuneration for membership in the BOD of the investees		-	3 746 058
Rental income		1,350,000.00	225 000
Foreign exchange differences		-	207 861
Reversal of impairment in notes receivable		-	3 209 132
Reversal provisions no longer required	(10)	2 500 000	-
Finance income	(14)	9 927 413	2 272 626
		<u>13 777 413</u>	<u>37 468 425</u>
Expenses and Losses			
Depreciation of investment properties		(79 578)	(79 578)
Management fees		(2 912 837)	(2 912 837)
Consulting fees and other expenses	(15)	(5 218 770)	(550 860)
Foreign exchange differences		(797 457)	-
Net profit for the period before income tax		<u>4 768 771</u>	<u>33 925 150</u>
Income tax		-	(1 269 161)
Deferred tax		-	-
Net profit for the period after income tax		<u>4 768 771</u>	<u>32 655 989</u>
Basic and diluted earnings per share from the net profit for the Period	(12)	<u>0.04</u>	<u>0.28</u>

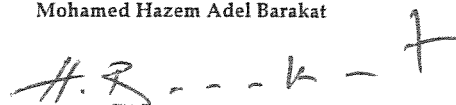
- The attached notes form an integral part of these separate condensed interim financial statements, and to be read therewith.

Chief Financial Officer
Ahmed Abdel Monem Madbouly



Chief Executive Officer
Dr. Mohamed Abdel Monem Omran

Chairman
Mohamed Hazem Adel Barakat



BPE Holding for Financial Investments "S.A.E"

Separate Condensed Interim statement of Comprehensive Income for the three months ended on March 31, 2018

	<u>Three months ended</u>	
	<u>March 31, 2018</u>	<u>March 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	4 768 771	32 655 989
Item of Other Comprehensive Income	-	-
Total Comprehensive Income for the period	4 768 771	32 655 989

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

BPE Holding for Financial Investments "S.A.E."
Separate Condensed Interim Statement of Changes in Equity for the three months ended March 31, 2018

	Issued and paid-up capital	Payment under capital increase	Legal reserve	Retained earnings	Net profit for the period	Total
	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2017	584 464 310	-	6 997 113	35 977 893	71 607 099	699 046 415
Net profit for the period	-	-	-	-	32 655 989	32 655 989
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	32 655 989	32 655 989
The company's shareholders transactions						
Transferred to Legal Reserve	-	-	3 580 355	(3,580,355)	-	-
Transferred to retained earnings	-	-	-	71 607 099	(71 607 099)	-
Total of the company's shareholders transactions	-	-	3 580 355	68 026 744	(71 607 099)	-
Balance as of March 31, 2017	584 464 310	-	10 577 468	104 004 637	32 655 989	731 702 404
Balance as of January 1, 2018	584 464 310	-	10 577 468	104 004 637	45 289 276	744 335 691
Net profit for the period	-	-	-	-	4 768 771	4 768 771
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	-	-	-	-	4 768 771	4 768 771
The company's shareholders transactions						
Capital Increase	-	409 914 206	-	-	-	409 914 206
Issuance costs of the new shares (net of tax)	-	(9 361 838)	-	-	-	(9 361 838)
Transferred to Legal Reserve	-	-	2 264 463	(2 264 463)	-	-
Transferred to retained earnings	-	-	-	45 289 276	(45 289 276)	-
Total of the company's shareholders transactions	-	400 552 368	2 264 463	43 024 813	(45 289 276)	400 552 368
Balance as of March 31, 2018	584 464 310	400 552 368	12 841 931	147 029 450	4 768 771	1 149 656 830

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

BPE Holding for Financial Investments "S.A.E."
Separate Condensed Interim Statement of Cash Flows for the three months ended March 31, 2018

	<u>Note</u>	<u>March 31, 2018</u>	<u>March 31, 2017</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before income tax		4 768 771	33 925 150
<u>Adjusted by :</u>			
Foreign exchange differences		797 457	(207 861)
Reversal of impairment in notes receivable		-	(3 209 132)
Credit interest - treasury bills		(4 022 827)	-
Credit interest		(4 181 453)	(2 272 626)
Reversal Provisions no longer required		(2 500 000)	-
Depreciation of investment properties		79 578	79 578
Operating (loss) gain before changes in working capital		(5 058 474)	28 315 109
Decrease in notes receivable		-	3 000 000
Increase in due from related parties		(6 000)	(59 801)
Increase in other debit balances		(661 554)	(12 111 990)
Increase in share price stability guarantee		(55 650 000)	-
Increase in due to related parties		2 161 461	8 786
Increase (decrease) in accounts payable and other credit balances		9 434 951	(3 235 425)
Net Cash flows (used in) generated by operating activities		(49 779 616)	15 916 679
<u>Cash flows from investment activities</u>			
Credit interest received		3 216 779	2 272 626
Payments to acquire investments in joint ventures		(13 750 000)	-
Change in treasury bills		52 866 646	-
Net cash flows generated by investment activities		42 333 425	2 272 626
<u>Cash flows from financing activities</u>			
proceeds from the payment under capital increase		409 914 206	-
Payment for new shares issuance cost		(9 361 838)	-
Net cash flows generated by financing activities		400 552 368	-
Net change in cash and cash equivalents during the period		393 106 177	18 189 305
Cash and cash equivalents at the beginning of the period		26 461 610	110 250 273
Effects of foreign exchange rate changes on balances of cash held in foreign currencies		(1 046 635)	152 548
Cash and cash equivalents at the end of the period	(8)	418 521 152	128 592 126

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

BPE Holding for Financial Investments "S.A.E."
Subject to the provisions of Law No. 95 for year 1992 and its executive regulations
Notes to the Separate Condensed Interim Financial Statements
For the three months ended March 31, 2018

1. General information

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

The Company's purpose is to participate in incorporation of other entities, which issue securities, or increase their capital. The Company may have interest or participate in any form with corporate companies pursuing similar activities, or which may assist it in realizing its purpose in Egypt or abroad. The Company may also merge, purchase or become a subsidiary to companies according to the provisions of law and its executive regulation. The Company's duration is 20 years commencing from the Commercial Register date.

The Company's principle business activity is investment in other entities, in accordance with its established investment policy. The Company aims to identify, research, negotiate, make and monitor the progress of and sell, realize and exchange investments and distribute proceeds of such investments with the principle objective of providing shareholders with a high relative overall rate of return by means of both income, capital growth and exit.

On January 11, 2016 the Company's extraordinary general 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 24th, 2016.

The Board of Directors authorized these separate condensed interim financial statements for issue on May 15, 2018.

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

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

3. Significant accounting policies applied

The separate condensed interim financial statements have been prepared using the same accounting policies applied in the last year. The interim financial statements are to be read in conjunction with separate financial statements issued for the year ended December 31, 2017.

4. Investments in joint venture

	<u>No. of Shares</u>	<u>Share Rate</u>	<u>March 31, 2018 EGP</u>	<u>December 31, 2017 EGP</u>
Inergia Technologies for Information Systems S.A.E "Inergia	5 532 124	68.04%	55 321 240	55 321 240
Red Sea Venture for Solar Energy	7 425	49.5%	5 727 150	5 727 150
Ebtikar for Financial Investment	299 998	24.99%	29 999 800	16 249 800
Less: Impairment in investments in Red Sea Venture for Solar Energy			(5 727 150)	(5 727 150)
			<u>85 321 040</u>	<u>71 571 040</u>

The increase is due to the subscription in the capital increase of "Ebtikar for Financial Investments" by an amount of EGP 13 750 000.

5. Loans to associates

	<u>March 31, 2018 EGP</u>	<u>December 31, 2017 EGP</u>
Infinity Solar BV 1	28 827 728	28 261 580
Infinity Solar BV 2	48 364 853	47 415 014
Infinity Solar BV 3	19 422 193	19 040 760
	<u>96 614 774</u>	<u>94 717 354</u>

The increase in the outstanding loans balances is due to the interest income accrual of the first quarter in 2018 by an amount of EGP 2 356 457, the increase is offset by the foreign currency translation loss by an amount of EGP 459 038.

6. Share price stability guarantee fund

The account's balance represents the guarantee deposit transferred to the stabilization fund's bank account in the name of the offering manager on March 29, 2018 by an amount of MEGP 55,65. Pursuant to the public subscription notice with respect to the sale of the 5 million shares to the public. The duration of the stabilization fund is 30 days starting from the first trading date on the Egyptian Stock Exchange. On May 2, 2018 the deposit amount was refunded to the Company after the expiry of the guarantee period, no utilization of the fund's balance took place during the guarantee period.

7. Treasury bills

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills	60 200 000	112 250 000
Less: Unrealized interest	<u>(3 579 789)</u>	<u>(6 785 970)</u>
	<u>56 620 211</u>	<u>105 464 030</u>

The decrease in treasury bills is due to collected and sold treasury bills during the period by an amount of EGPM 91,4, this is offset by the purchased treasury bills during the period by an amount of EGPM 38,5. The maturities of the treasury bills are due in a period from 6 – 12 months.

8. Cash and cash equivalent

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Current Accounts – Local Currency *	418 207 716	4 934 409
Current Accounts – Foreign Currency	313 437	751 718
Time Deposits – Local Currency	--	20 775 483
Time Deposits – Foreign Currency	68 038 828	68 370 178
	<u>486 559 981</u>	<u>94 831 788</u>

* The cash accounts consist of restricted cash balance related to collected proceeds for the Company' capital increase by an amount of EGPM 409,9. On April 26, 2018 the capital increase proceeds were released by the bank upon registering of this increase in the Company's commercial register at April 24,2018

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

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Cash at Banks	486 559 981	221 180 326
Less :Time deposits (More than 3 months)	<u>(68 038 829)</u>	<u>(92 588 200)</u>
	<u>418 521 152</u>	<u>128 592 126</u>

9. Accounts payable and other credit balances

The increase in accounts payable and other credit balances is due to recorded accruals during this quarter for the consultancy fees and other expenses related to offering of the company's shares in the Egyptian stock market.

10. Provisions

	<u>December 31,2017</u>	<u>Provisions no longer required</u>	<u>March 31, 2018</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provision claim	10 397 896	(2 500 000)	7 897 896
	<u>10 397 896</u>	<u>(2 500 000)</u>	<u>7 897 896</u>

11. Capital

The Company's authorized capital amounted to EGP 2.4 billion, and the issued and paid-up capital amounted to EGP 584 464 310 divided into 116 892 862 shares of EGP 5 par value each on 31 March 2018.

On December 20, 2017, the extra ordinary generally assembly approved the increase of the company's issued capital with a maximum amount of EGP 375 million, the increase will be effected through an initial public offering and private subscription provided that the subscription of such increase shall be offered based on the fair value of the new shares as determined by an independent financial advisor.

The capital increase was registered in the commercial register on April 24, 2018, The capital structure after the completion of the legal procedures became issued and paid-up capital with total amount of EGP 775 122 080 divided into 155 024 416 shares of EGP 5 par value each.

Total proceeds collected from the capital increase amounted to EGP 409 914 205 comprise of EGP 190 657 770 representing the par value of the issued shares, EGP 214 489 991 representing share premium of the issued shares, and EGP 4 766 444 representing shares' issuance fees. The collected proceeds were offset by an amount of EGP 9 361 837 representing shares' issue costs incurred by the Company.

During 2017, the company, the management company and the shareholders signed a new shareholders' agreement to cancel the rights and obligations under the original shareholders' agreements including the put option rights which were granted in the old shareholders' agreements, the cancelation of these rights are conditional that no delisting of the Company's shares during a period of six months following the trading of the company's shares on EGX which was started on March 29, 2018.

12. Basic and diluted earnings per share

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

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all convertible financial instruments and share options. The net profit is adjusted by omission of the cost of convertible debt instruments

taking tax effect into consideration. As there are no debt instruments that are convertible to shares, so diluted and basic earnings per share are equal.

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	4 768 771	32 655 989
Weighted average number of shares	116 892 862	116 892 862
Basic and diluted earnings per share	<u>0.04</u>	<u>0.28</u>

13. Related party's transactions

<u>Company name</u>	<u>Type of relation</u>	<u>Nature of transactions</u>	<u>Revenue (expense)</u>
BPE Partners	Management company	Management fees	(2 912 837)
		Expenses paid on behalf of the company	(2 200 000)

14. Finance income

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest for time deposits	3 548 128	2 272 626
Credit interest for loans issued to related party companies	2 356 457	--
Treasury bills interest	4 022 828	--
	<u>9 927 413</u>	<u>2 272 626</u>

The increase in finance income during the period is mainly due to the recognition of credit interest on loans issued to related party companies with total amount of EGPM 2,4, in addition to recognizing interest from treasury bills amounted to EGPM 4,02, and the increase in credit interest from time deposits with an amount of EGPM 1.27.

15. Consulting fees & other expenses

The main reason for the increase in consulting fees and other expenses during the period relates to the costs associated with offering of the Company's shares in the Egyptian stock market.

16. Management agreement

On 19 July 2017, The Company has signed a new management agreement with BPE Partners SAE, the signed new management agreement will be effective once the listing of the company's shares take effect on the EGX. The trading on the company's shares has 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 capital up to EGP 600 million and 1.5% of any capital increase of more than EGP 600 million Up to EGP 1.2 billion and 1% on any capital increase of more than EGP 1.2 billion.

Additionally, the management company is entitled to a performance fee, the performance fee will be due to the management company only on the exit of investments entered into by the Company.

Performance fees for existing investments at the date the new management agreement takes effect will be 15% of the gains on any existing investment calculated as the difference between cash proceeds net of taxes and fees received from the disposal and distribution (dividend, interest, or rent) of the investment and the adjusted cost of the existing investment. The adjusted cost is the historical cost of the investment accumulated at an acceptable rate of return on investment (10% per annum) for each year following the acquisition date of the investment until the date on which the new management agreement takes effect.

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.

17. Subsequent events

During April, the General Assembly of Total Egypt decided to distribute profit dividends, the company's share of those profit dividends is EGP 26.2 million.

On April 24, 2018 the necessary legal procedures to increase the company's capital were completed, and the shares were issued, as a result the amounts recorded as payments under capital increase in the company's equity by March 31, 2018, were recognized in issued and paid capital, share premium reserve and other reserves in the subsequent period.

On May 8, 2018 the Company's extraordinary general assembly decided to change the Company name to be "B Investments Holding SAE".