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**B Investments Holding
"S.A.E."
Consolidated Condensed Interim Financial Statements
For the nine months ended September 30, 2018
Together with Review Report**

*Translation of review
Report Originally Issued in Arabic*

Review Report

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

Introduction

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

Scope of Review

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

Basis for Qualified Conclusion

Following to our qualified opinion on the consolidation financial statements of the prior year and as disclosed in more details in note (2) to the consolidated financial statements, one of the Company's joint venture entities, which is accounted for in the attached consolidated condensed interim financial statements using the equity method, applying the International Accounting Standard No. (17) - Leases as issued by the International Accounting Standard Board to account for its financially leased administrative building, which constitutes a departure from the Egyptian Accounting Standard No. 20 – Accounting for finance lease agreements.

The effect of this departure is overstating the investments in joint venture entities, the consolidated net profit for the period and the consolidated opening retained earnings as at September 30, 2018 by EGP 56 737 990, EGP 16 996 894 and EGP 39 741 096 respectively.

Qualified Conclusion

Based on our review, except for the effect of the matter described in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements do not present fairly, in all material respects, the consolidated interim financial position of the entity as at September 30, 2018, and of its consolidated interim financial performance and its consolidated interim cash flows for the nine months period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo November 14, 2018



B Investments Holding

"S.A.E"

Consolidated Condensed Interim Statement of Financial Position as of September 30, 2018

	Note	September 30, 2018 EGP	December 31, 2017 EGP
Assets			
Non-current assets			
Intangible assets (net)		2 718 601	2 723 159
Investments in associates (net)	(5)	373 080 671	314 580 875
Available for sale investments		141 262 077	141 262 077
Investments in joint ventures (net)	(6)	284 923 048	190 849 155
Investment properties (net)		113 375 433	113 468 487
Loans to associates	(7)	102 944 712	94 717 354
Payments for acquisition of investments	(8)	65 100 941	-
Total-non current assets		1083 405 483	857 601 107
Current assets			
Treasury bills	(9)	414 139 458	105 464 030
Due from related parties (net)	(10)	1 689 727	1 176 069
Inventory (net)		-	-
Other debit balances (net)	(11)	11 790 521	8 203 724
Cash and cash at banks	(12)	149 021 798	94 963 954
Total current assets		576 641 504	209 807 777
Total assets		1 660 046 987	1 067 408 884
Equity and liabilities			
Equity			
Issued and paid-up capital	(14)	800 122 080	584 464 310
Legal reserve	(15)	255 456 922	10 577 468
Other reserves		24 821 568	28 238 547
Retained earnings		388 477 481	257 564 834
Net profit for the period/ year attributable to shareholders of the Parent Company		147 043 498	133 177 110
Equity attributable to shareholders of the parent company		1 615 921 549	1 014 022 269
Non-controlling interests		5 327 037	4 444 603
Total equity		1 621 248 586	1 018 466 872
Non-Current liabilities			
Deferred tax liability		9 346 743	8 922 951
Total non- current liabilities		9 346 743	8 922 951
Current liabilities			
Due to related parties	(16)	4 813 773	2 951 630
Accounts payable and other credit balances	(17)	6 886 762	8 314 359
Income tax		9 853 227	18 355 176
Provisions	(13)	7 897 896	10 397 896
Total current liabilities		29 451 658	40 019 061
Total equity and liabilities		1 660 046 987	1 067 408 884

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

Chief Financial Officer
Ahmed Abdel Monem Madbouly



Chief Executive Officer
Dr. Mohamed Abdel Monem Omran



Chairman
Mohamed Hazem Adel Barakat



- Review report attached.

A.

**B Investments Holding
"S.A.E"**

Consolidated Condensed Interim Income Statement for the nine months ended on september 30, 2018

	Note	Nine months ended		Three months ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		EGP	EGP	EGP	EGP
Revenues & Profits					
Dividend income from available for sale investments		26 207 722	17 686 986	-	-
Group's share of profits of joint venture and associate entities	(19)	91 146 707	78 835 242	23 480 926	8 840 455
Finance income	(20)	61 189 076	14 090 631	26 809 570	6 913 826
Reverse of impairment in notes receivable		-	1 213 701	-	(1 995 431)
Provisions no longer required	(13)	2 500 000	-	-	-
Foreign exchange difference		1 876 733	-	322 745	-
Other income		4 275 975	5 933 572	256 490	1 493 023
		<u>187 196 213</u>	<u>117 760 132</u>	<u>50 869 731</u>	<u>15 251 873</u>
Expenses & Losses					
Management fees	(21)	(11 620 408)	(8 738 512)	(4 654 281)	(2 912 837)
Consulting fees and other expenses	(22)	(12 830 299)	(2 918 859)	(2 559 915)	(1 178 329)
Board of directors allowances		(239 553)	-	(26 700)	-
Depreciation of investment properties		(238 734)	(238 734)	(79 578)	(79 578)
Foreign exchange difference		-	(3 986 843)	-	(3 814 283)
Impairment in other debit balances		(2 954 500)	-	(2 954 500)	-
Impairment in intangible assets		-	(2 716 275)	-	(2 716 275)
Net profit for the period before tax		<u>159 312 719</u>	<u>99 160 909</u>	<u>40 594 757</u>	<u>4 550 571</u>
income tax		(11 046 749)	(2 402 000)	(4 804 269)	(385 992)
Deferred tax		(423 792)	-	(23 963)	-
Net profit for the period		<u>147 842 178</u>	<u>96 758 909</u>	<u>35 766 525</u>	<u>4 164 579</u>
Attributable as follow:					
Shareholders' of the Parent Company		147 043 498	98 214 819	35 257 867	5 862 257
Non-controlling interests		798 680	(1 455 910)	508 658	(1 697 678)
		<u>147 842 178</u>	<u>96 758 909</u>	<u>35 766 525</u>	<u>4 164 579</u>
Basic and diluted earnings per share from the net profit for the period	(18)	<u>1.05</u>	<u>0.84</u>	<u>0.25</u>	<u>0.05</u>

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

Chief Financial Officer
Ahmed Abdel Monem Madbouly



Chief Executive Officer
Dr. Mohamed Abdel Monem Omran



Chairman
Mohamed Hazem Adel Barakat



B Investments Holding

"S.A.E"

Consolidated Condensed Interim statement of Other Comprehensive Income Statement for nine months ended on september 30, 2018

	Nine months ended		Three months ended	
	September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
	EGP	EGP	EGP	EGP
Net profit for the period	147 842 178	96 758 909	35 766 525	4 164 579
Other comprehensive income				
Translation reserve difference of subsidiaries' financial statements	209 384	(7 627 343)	163 143	(8 546 197)
Company's shares in foreign currency translation and other reserves in the joint venture company financial statements	568 409	(10 553 015)	174 899	(194 732)
Total other comprehensive income for the period	777 793	(18 180 358)	338 042	(8 740 949)
Total comprehensive income for the period	148 619 971	78 578 551	36 104 567	(4 576 370)
Distributed as follows:				
Equity attributable to shareholders of the parent company	147 737 537	83 085 398	35 530 651	539 787
Non-controlling interests	882 434	(4 506 847)	573 916	(5 116 157)
Total other comprehensive income for the period	148 619 971	78 578 551	36 104 567	(4 576 370)

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

Reinvestment Holding
S.A.E.

Consolidated Condensed Interim Statement of Changes in Equity for the nine months ended on September 30, 2018

Note	Issued and paid-up capital	Net exposure of shares issuance		Legal reserves		Company's share in equity change of associates		Company's share in reserves combination of joint venture		Translation reserve of financial statements		Company's share in foreign currency translation in the joint venture		Equity attributable to shareholders of the Parent Company in net profit of the period		Total Equity attributable to shareholders of the Parent Company		Minority controlling interests		Total equity	
		EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP		
	584 464 310	-	-	6 997 113	(5 033 645)	(4 215 865)	12 894 179	-	-	-	-	15 076 487	109 613 935	152 636 257	98 214 819	692 432 091	98 214 819	4 079 711	(1 495 910)	96 758 909	
Balance as of January 1, 2017	-	-	-	-	-	-	(4 576 406)	-	-	-	(10 553 015)	-	-	-	-	(4 576 406)	(10 553 015)	(3 050 937)	(3 050 937)	17 627 343	
Net profit of the period	-	-	-	-	-	-	-	-	-	-	(10 553 015)	-	-	-	-	-	83 085 398	-	-	(10 553 015)	76 578 551
Items of Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation reserve of subsidiaries' financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Company's share in foreign currency translation in the joint venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with the company shareholders																					
Transferred to legal reserve	-	-	-	3 380 155	5 033 645	(3 066 435)	-	-	-	-	-	-	149 835 982	(152 636 257)	-	-	-	-	-	-	3 622 207
Company's share in equity of associate	-	-	-	-	-	-	-	-	-	-	-	-	(1 105 803)	-	-	-	-	-	-	-	-
Total transaction with the company shareholders	-	-	-	3 380 155	5 033 645	(3 066 435)	-	-	-	-	-	-	147 950 899	(152 636 257)	-	-	-	-	-	-	3 622 207
Balance as of September 30, 2017	584 464 310	-	-	10 577 468	-	(4 522 300)	8 317 973	24 523 392	-	257 564 834	-	98 214 819	257 564 834	98 214 819	979 140 096	4 372 864	-	-	-	-	983 713 360
Balance as of January 1, 2018	584 464 310	-	-	10 577 468	-	(4 522 300)	8 224 398	24 536 449	-	257 564 834	-	133 177 110	257 564 834	133 177 110	1 014 022 269	4 444 603	-	-	-	-	1 018 466 872
Net profit of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	147 842 178
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Translation reserve of subsidiaries' financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Company's share in foreign currency translation and other reserves on the joint venture financial statements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with the company shareholders																					
Transferred to legal reserve	-	-	-	2 264 463	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital increase	190 657 770	(4 595 393)	714 689 991	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400 552 368
Capital increase	25 000 000	484 375	28 125 000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53 609 375
Total transaction with the company shareholders	215 657 770	(4 111 018)	244 879 454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	454 161 743
Balance as of September 30, 2018	800 122 080	(4 211 018)	255 656 912	-	-	(4 522 300)	8 350 020	25 184 858	-	308 477 481	-	147 043 498	308 477 481	147 043 498	1 615 921 549	5 327 037	-	-	-	-	1 621 248 586

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

B Investments Holding
"S.A.E"

Consolidated Condensed Interim Statement of Cash Flows for the nine months ended on september 30, 2018

	Note	September 30, 2018	September 30, 2017
		EGP	EGP
Cash flows from operating activities			
Net profit for the period before tax		159 312 719	99 160 909
Adjustments to reconcile net profit to cash flows from operating activities			
Group's share of profits of associates and joint venture entities		(91 146 707)	(78 835 242)
Depreciation of investment properties		238 734	238 734
Foreign exchange differences		(1 876 733)	3 986 843
Impairment losses on other debit balances		2 954 500	-
Impairment in related parties		-	2 000 000
Impairment in Intangible assets		-	2 716 275
Reversal of impairment in notes receivable		-	(1 213 701)
Treasury bills return		(41 545 360)	(1 798 489)
Credit interest		(19 643 716)	(12 292 144)
Provisions no longer required		(2 500 000)	-
Operating profit before changes in working capital		5 793 437	13 963 185
(Increase) decrease in due from related parties		(307 491)	9 594 217
Decrease in accounts and notes receivable		-	61 836 933
Increase in other debit balances		(4 460 540)	(2 747 966)
Increase in balances due to related parties		1 862 143	153 285
Decrease in accounts payable and other credit balances		(1 427 597)	(7 702 533)
Income tax paid during the period		(18 355 176)	-
Net cash flows (used in) generated by operating activities		(16 895 224)	75 097 121
Cash flows from investing activities			
Payments to acquire investments in joint ventures		(60 850 200)	(4 999 900)
Payments for acquisition of investments		(65 100 941)	-
Payments to acquire investment properties		(145 680)	-
Change in long term deposits		(2 010 128)	24 391 673
Proceeds from credit interest		10 434 461	12 292 144
Payments for acquisition of treasury bills		(414 475 492)	(89 039 855)
Proceeds from sale of treasury bills		246 349 706	-
Net cash flows used in investing activities		(285 798 274)	(57 355 938)
Cash flows from financing activities			
Proceeds from the capital increase		463 664 205	-
Payment for new shares issuance cost		(10 695 983)	-
Net cash flows generated by financing activities		452 968 222	-
Net change in cash and cash equivalents during the Period		150 274 724	17 741 183
Cash and cash equivalents at the beginning of the Period		26 593 776	110 396 427
Effects of exchange rate changes on balances of cash held in foreign currencies		22 852	(3 986 843)
Cash and cash equivalents at the end of the Period	(12)	176 891 352	124 150 767

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

B Investments Holding "S.A.E"

Subject to the provisions of Law No. 95 for year 1992 and its executive regulations

Notes to the Consolidated Condensed Interim Financial Statements

For the nine months ended September 30, 2018

1. General information

B investment Holding (BPE holding for financial investments-Formerly) "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 24, 2016.

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

The Board of Directors authorized these consolidated condensed interim financial statements for issue on November 14, 2018.

2. Statement of compliance

The consolidated condensed interim financial statements have been prepared according to the Egyptian Accounting Standard No. (30) "Interim financial statements" Except for the treatment described below:

In its financial statements, Giza Systems applied the International Accounting Standard (IAS) 17 – Leases as issued by the International Accounting Standard Board to account for its financially leased administrative building. Giza systems recognized the building as a fixed asset at the present value of minimum lease payments, and recognized a liability to the finance lease company. Lease payments are apportioned between finance cost and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The building is depreciated based on its estimated useful life.

In contrast, Egyptian Accounting Standard EAS (20) - Accounting for finance leases requires the lessor to recognize all payments under finance leases in the period they are incurred, and the lessor is not allowed to recognize the leased asset as fixed asset.

The Company accounts for its investment in Inergia and Giza Systems using the equity method. Had Giza Systems applied the EAS 20 instead of IAS 17, the investment carrying amount as at September 30, 2018, net income for the period, and opening retained earnings will decrease by EGP 56 737 990, EGP 16 996 894 and EGP 39 741 096 respectively.

3. Significant accounting policies applied

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

4. Subsidiaries companies

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

	Country of Domicile	Ownership %
Beard AG Company "Beard"	Switzerland	60

5. Investments in associates (net)

	No. of <u>Shares</u>	Ownership	<u>September 30, 2018</u> EGP	<u>December 31, 2017</u> EGP
AL Retail for Trade and Investment S.A.E.	727 526	22,79%	342 113	324 723
Madinet Nasr for Housing and Development "MNHD" S.A.E.	90 064 514	%7,51	358 779 064	302 032 670
Metalart S.A.E.	147 777	%51,92	66 939 703	65 292 521
Infinity Solar BV 1	246	%24.6	--	--
Infinity Solar BV 2	175	%17.5	--	--
Infinity Solar BV 3	175	%17.5	--	--
<u>Less: Impairment in investments (Metalart)</u>			(52 980 209)	(53 069 039)
			<u>373 080 671</u>	<u>314 580 875</u>

The increase in investments in associates is due to the increase in investments in Madinet Nasr for Housing and Development "MNHD", Metalart and AL Retail for Trade and Investment by the recognized the group's share of profits of Associate in the income statement by an amount of EGP 394 56 746 and 1 727 637 EGP and 17 390 EGP respectively (note 19).

6. Investments in joint venture (net)

	<u>Ownership interest</u>	<u>No. of Shares</u>	<u>September 30, 2018</u>	<u>December 31, 2017</u>
			<u>EGP</u>	<u>EGP</u>
Inergia Technologies for Information Systems "Inergia"	68.04 %	5 532 124	204 998 248	174 599 355
Ebtikar for Financial Investment	21.21%	771 000	79 924 800	16 249 800
Red Sea Venture for Solar Energy	49.5%	7 425	5 727 150	5 727 150
<u>Less: Impairment in investments</u>				
Red Sea Venture for Solar Energy			(5 727 150)	(5 727 150)
			<u>284 923 048</u>	<u>190 849 155</u>

The increase in the investment in joint venture is mainly due to the increase of group's share of profits from the investment in "Inergia" and Ebtikar for Financial Investment by an amount of EGP 29 830 486 and EGP 2 824 800 respectively (note 19). In addition to the group share in the foreign currency translation in "Inergia" which charged at the change in equity by an amount of EGP 568 407, also during the period the Company subscribed in the capital increase of "Ebtikar for Financial Investments" by an amount of EGP 60 850 200.

7. Loans to associates

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Infinity Solar BV 1	30 716 443	28 261 580
Infinity Solar BV 2	51 533 587	47 415 014
Infinity Solar BV 3	20 694 682	19 040 760
	<u>102 944 712</u>	<u>94 717 354</u>

The increase in the account balance is due to the accrual of interest income by an amount of EGP 7 128 496 in addition to the recognition of foreign currency revaluation gain by an amount of EGP 1 098 862.

8. Payments Under acquisition of Investments

During September 2018, the Company signed a shareholders agreement for acquiring at least 52.9 % of the capital of Gourmet Egypt.Com (SEA), the agreement entails that the acquisition will be concluded through the acquisition of 40% of Gourmet' shares owned by one of the existing shareholders, to be followed by a capital increase, so the Company's share will increase to reach at least 52.9 %. By end of September 2018, the Company paid the purchase price of the 40% stake in Gourmet's capital, according to the annexes of the shareholders agreement the Company has the right to get back the paid amount to acquire the 40% stake if the acquisition transaction is not

completed by end of November 2018. This amount was classified as paid under acquisition of investments until the completion of acquisition procedures related to the remaining stake of the capital of Gourmet Egypt.com.

9. Treasury bills

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills	429 300 000	112 250 000
Less: Unrealized return	(15 160 542)	(6 785 970)
	<u>414 139 458</u>	<u>105 464 030</u>

The increase in treasury bills is due to purchase of treasury bills during the period by an amount of EGP 513 million, selling and redemption of treasury bills by an amount of EGP 246 million in addition to return on treasury bills by an amount of EGP 41 million (note 20). The maturities of the treasury bills are due in a period from 3 to 6 months.

10. Due from related parties (net)

<u>Company name</u>	<u>Type of relation</u>	<u>Nature of transactions</u>	<u>September 30, 2018</u>	<u>December 31, 2017</u>
			<u>EGP</u>	<u>EGP</u>
Metalart Company	Associate	Current account	3 686 379	3 176 069
Red Sea Venture for Solar Energy Company	joint venture	Current account	1 143 958	1 143 958
<u>Less: Impairment in due from related parties</u>			(3 140 610)	(3 143 958)
			<u>1 689 727</u>	<u>1 176 069</u>

11. Other debit balances (net)

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Deposit held with others	46 795	46 795
Accrued interest	2 080 759	2 456 585
Accrued rent	3 629 500	2 250 000
Accrued dividends revenue	--	2 585 420
Prepaid expenses	334 556	113 353
Debit income tax	47 852	47 852
Withholding tax	9 000	9 000
Taxes on treasury bills	6 656 541	--
Advance payments to suppliers	1 334 018	694 719
Other	606 000	--
<u>Less: Impairment losses on other debit balances</u>	(2 954 500)	--
	<u>11 790 521</u>	<u>8 203 724</u>

The increase in other debit balances is mainly due to increase of tax on treasury bills by an amount of EGP 6 656 541, as a result of selling and redemption of treasury bills during the period addition to collection of the accrued dividends.

12. Cash and cash at banks

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts –local currency	77 783 357	4 934 405
Current accounts –foreign currency	103 713	883 888
Time deposits – local currency	--	20 775 483
Time deposits – foreign currency	71 134 728	68 370 178
	<u>149 021 798</u>	<u>94 963 954</u>

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

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	149 021 798	192 291 981
Treasury bills - less than 3 months	99 004 282	--
<u>(Less)</u> Time deposits – more than 3 months	(71 134 728)	(68 141 214)
	<u>176 891 352</u>	<u>124 150 767</u>

13. Provisions

	<u>December 31, 2017</u>	<u>Provisions no longer required</u>	<u>September 30, 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>

14. 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 December 31, 2017.

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 was effected through an initial public offering and private subscription, the subscription of such increase was offered based on the fair value of the new shares as determined by an independent financial advisor. On March, 2018 the subscriptions were allocated to shareholders by 38 131 554 shares of EGP 10.75 per share includes issuance cost of EGP .125 per share. 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 which transferred to legal reserve, 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.

On December 20, 2017 the extraordinary general assembly meeting approved increase the issued capital by cash increase following the private subscription through issuing shares by the same number of shares that sold through initial public offering amounted 5 000 000 share and the subscription in this increase to be limited on shareholders that selling their shares through the public offering and the subscription to be done by the same public offering price. Total proceeds from the capital increase amounted to

EGP 53 750 000 which comprise of EGP 25 000 000 representing the par value of the issued shares, EGP 28 125 000 representing share premium of the issued shares and EGP 625 000 representing shares' issuance cost and has been registered on the commercial register on July18, 2018.

The issued and paid-up after the increase amount of EGP 800 122 080 divided into 160 024 416 shares of EGP 5 par value each.

During 2017, the company, the management company and the shareholders signed a new shareholders' agreement to cancel the rights and obligations stipulated under the original shareholders' agreements including the put option rights which were granted in the old shareholders' agreements.

15. Legal reserve

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Legal reserve	10 577 468	6 997 113
Transferred from prior year net profit	2 264 463	3 580 355
Legal reserve - share premium *	242 614 991	--
	<u>255 456 922</u>	<u>10 577 468</u>

* The balance represents the share premium paid by the subscribers in the capital increase (note 14), which was transferred into legal reserve in accordance with the requirements of Law No. 159 of 1981.

16. Due to related parties

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
BPE Partners	4 813 773	2 951 630
	<u>4 813 773</u>	<u>2 951 630</u>

Related party's transactions

The transactions during the period on the current accounts with a monetary nature represents the management fees in addition to the paid expenses on behalf of the company or that paid by the company on behalf of the related parties.

<u>Company name</u>	<u>Type of relation</u>	<u>Nature of transactions</u>	<u>Volume transaction during the year</u>
BPE Partners	Management company	Management fees	(11 620 408)
		Expenses paid on behalf of the company	(159 492)

17. Accounts payable and other credit balances

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Payables	751 043	248 429
Accrued Expense	6 017 315	8 003 459
Withholding tax	118 404	62 471
	<u>6 886 762</u>	<u>8 314 359</u>

The main reason for decrease accounts payable and other credit balances is due to the payment of part of the accrued expenses related to the offering the companies' shares on the Egyptian stock market.

18. Basic and diluted earnings per share

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

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all convertible financial

Instruments and share options. The net profit is adjusted by omission of the cost of convertible debt instruments taking tax effect into consideration. As there are no debt instruments that are convertible to shares, so diluted and basic earnings per share are equal.

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	147 043 498	98 214 819
Weighted average number of shares	<u>140 614 652</u>	<u>116 892 862</u>
Basic and diluted earnings per share	<u>1.05</u>	<u>0.84</u>

19. Group's share of profits of associates and joint venture entities

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Madinet Nasr for Housing and Development	56 746 394	50 171 279
Inergia Company	29 830 486	27 462 084
Metalart	1 727 637	1 172 404
Ebtikar for Financial Investment	2 824 800	--
Al Retail for Trade and Investment	17 390	29 475
	<u>91 146 707</u>	<u>78 835 242</u>

20. Finance income

	<u>September 30, 2018</u>	<u>September 30, 2017</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest on time deposits and current accounts	12 515 220	12 292 142
Credit interest on loans issued to associates	7 128 496	--
Treasury bills return	41 545 360	1 798 489
	<u>61 189 076</u>	<u>14 090 631</u>

The increase in finance income during the period is mainly due to the increasing of credit interest on loans issued to associates with total amount of EGP 7.13 million in addition to the increasing the interest from treasury bills amounted to EGP 39.7 million.

21. Management fees

The increase in management fees is due to the capital increase which is used as a base for the management fees' calculation based on the new management agreement signed with BPE partners (the management company), the new management agreement is effective on March 29, 2018 (note 23).

22. Consulting fees & other expenses

The increase in consulting fees and other expenses during the period is mainly due to the costs associated with offering of the Company's shares in the Egyptian stock market.

23. Management agreements

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 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.

24. Subsequent events

On October 14, 2018, MNHD has received an offer from 6th of October Company for Development and Investment S.A.E. (SODIC) regarding an intent of Mandatory Purchase Offer for the company's shares by direct exchange (Share swap only).

On October 15, 2018, MNHD Board of Directors had decided studying the offer and delegate MNHD Managing Director for appointing an independent financial advisor to present his report to Board of Directors, also appointing a legal counsel for that transaction and the exchange of information between the two companies, until MNHD receives the final offer from SODIC.