

B Investments Holding
"S.A.E."
Consolidated Condensed Interim Financial Statements
For the six months ended June 30, 2019
Together with Limited 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 June 30, 2019 and the related consolidated condensed interim statements of income, comprehensive income, changes in equity and cash flows for the six months' period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the consolidated condensed interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements". Our responsibility is to express a conclusion on these consolidated condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial statements do not present fairly in all material respects the consolidated financial position of the entity as at June 30, 2019, and of its consolidated financial performance and its consolidated cash flows for the six months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo, August 8, 2019

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Samy Habib Deif
R.A.A. 13485



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

	<u>Note</u>	<u>June 30, 2019</u>	<u>December 31, 2018</u>
		<u>EGP</u>	<u>EGP</u>
Assets			
Non-current assets			
Intangible assets (net)		2 554 725	2 721 176
Investments in associates (net)	(5)	425 123 242	389 773 536
Available for sale investments		141 262 077	141 262 077
Investments in joint venture (net)	(6)	462 381 370	427 405 040
Investment properties (net)		113 100 280	113 283 717
Loans to associate	(7)	103 064 767	105 294 533
Project under constructions	(8)	17 610 342	7 893 989
Total-non current assets		1 265 096 803	1 187 634 068
Current assets			
Inventory (net)		-	-
Accounts receivable (net)		-	-
Due from related parties (net)	(9)	3 926 777	1 227 651
Other debit balances (net)	(10)	9 969 406	15 502 601
Treasury bills	(11)	363 649 634	416 658 384
Cash at banks	(12)	68 848 031	87 730 873
Total current assets		446 393 848	521 119 509
Total assets		1 711 490 651	1 708 753 577
Equity and liabilities			
Equity			
Issued and paid-up capital	(15)	800 122 080	800 122 080
Reserves		272 185 331	280 205 967
Retained earnings		497 438 259	388 477 481
Net profit for the period / year attributable to shareholders of the Parent Company		104 817 122	193 856 740
Equity attributable to shareholders of the parent company		1 674 562 792	1 662 662 268
Non-controlling interests		5 845 132	5 082 911
Total equity		1 680 407 924	1 667 745 179
Non-Current liabilities			
Deferred tax liabilities		6 242 313	9 437 090
Total non- current liabilities		6 242 313	9 437 090
Current liabilities			
Due to related parties	(13)	4 640 402	5 016 014
Accounts payable and other credit balances		5 729 457	6 554 717
Income tax		8 609 010	13 192 988
Provisions	(14)	5 861 545	6 807 589
Total current liabilities		24 840 414	31 571 308
Total equity and liabilities		1 711 490 651	1 708 753 577

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

Chief Financial Officer
Ahmed Abdel Monem Madbouly

Chief Executive Officer
Dr. Mohamed Abdel Monem Omran

Chairman
Mohamed Hazem Adel Barakat

- Review report attached.

*Translation of consolidated financial statements
Originally Issued in Arabic*

B Investments Holding "S.A.E"
Consolidated Condensed Interim Income Statement for the six months ended June 30, 2019

	Note	<u>Six months ended</u>			<u>Three months ended</u>		
		June 30, 2019 EGP	June 30, 2018 EGP	June 30, 2019 EGP	June 30, 2018 EGP		
Revenues & profits							
Dividends Income from available for sale Investments		27 692 942	26 207 722	27 692 942	26 207 722		
Group's share of profits of associates & joint venture entities	(18)	64 455 795	67 665 781	37 076 776	38 961 159		
Finance income	(19)	43 007 528	34 379 506	20 364 262	24 452 093		
Provisions no longer required		-	2 500 000	-	-		
Other income		436 541	4 019 485	210 731	2 563 177		
Foreign exchange gain		-	1 553 988	-	2 351 445		
		135 592 806	136 326 482	85 344 711	94 535 596		
Expenses & losses							
Management fees		(9 229 810)	(6 966 127)	(4 640 402)	(4 053 290)		
Consulting fees and other expenses	(20)	(3 125 324)	(10 270 384)	(1 585 960)	(5 002 487)		
BOD allowances		(83 544)	(212 853)	(34 152)	(212 853)		
Investment Properties depreciation		(183 436)	(159 156)	(91 718)	(79 578)		
Foreign exchange loss		(12 254 263)	-	(6 210 782)	-		
		110 716 429	118 717 962	72 781 697	85 187 388		
Net profit for the period before tax		(8 571 562)	(6 242 480)	(4 793 289)	(6 242 480)		
Income tax		3 194 783	(399 829)	1 870 222	(399 829)		
Deferred tax		105 339 650	112 075 653	69 858 630	78 545 079		
Net profit for the period		94 962 871	105 433 344	66 935 563	72 002 770		
Attributable as follows:							
Attributable to the shareholders' of the Parent Company		104 817 122	111 785 631	69 642 023	78 322 097		
Non-controlling interests		522 528	290 022	216 607	222 982		
		105 339 650	112 075 653	69 858 630	78 545 079		
Net profit for the period		0.66	0.85	0.44	0.60		
Basic and diluted earnings per share	(16)						

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Chief Financial Officer
Ahmed Abdel Monem Madbouly

Chief Executive Officer
Dr. Mohamed Abdel Monem Omran

Chairman
Mohamed Hazem Adel Barakat

B Investments Holding "S.A.E"

Consolidated Condensed Interim statement of Comprehensive Income for the six months ended June 30, 2019

	<u>Six months ended</u>		<u>Three months ended</u>	
	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
	EGP	EGP		
Net profit for the period	105 339 650	112 075 653	69 858 630	78 545 079
Other comprehensive income				
Translation reserve difference of subsidiaries' financial statements	599 233	46 241	413 327	112 585
Company's shares in Other comprehensive income items in joint venture and associates entities' financial statements	(11 910 465)	393 510	(9 095 860)	536 214
Total other comprehensive income for the period	(11 311 232)	439 751	(8 682 533)	648 799
Total comprehensive income for the period	94 028 418	112 515 404	61 176 097	79 193 878
Distributed as follows:				
Interests attributable to shareholders of the parent company	93 266 197	112 206 886	60 794 159	78 925 862
Non-controlling interests	762 221	308 518	381 938	268 016
Total comprehensive income for the period	94 028 418	112 515 404	61 176 097	79 193 878

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

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

	Issued and paid-up capital	Amount paid under capital increase	Capital issuance costs	The Group's share in the reserve for consolidation of joint ventures	Legal reserve	The Group's share in the reserve of subsidiaries financial statements	The Group's share in the other comprehensive income of in joint venture and associates entities' financial statements	Retained earnings	Equity attributable to shareholders of the Parent Company in net profit of the period	Total Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2018	584 464 310	-	10 577 468	(4 522 300)	8 224 400	24 536 447	257 564 834	133 177 110	1014 022 269	4 444 603	1018 466 872	
Net profit of the period	-	-	-	-	-	-	-	111 785 631	111 785 631	290 022	112 075 653	
Items of other comprehensive income												
Translation reserve of subsidiaries' financial statements	-	-	-	-	27 745	-	-	-	-	27 745	18 496	46 241
The Group's share in the other comprehensive income of investee entities	-	-	-	-	-	393 510	-	-	-	393 510	-	393 510
Total Other Comprehensive income	-	-	-	-	27 745	393 510	-	-	111 785 631	112 206 886	308 518	112 515 404
The company's shareholders transactions												
Capital increase	190 657 770	53 750 000	(4 595 393)	-	214 489 991	-	-	-	-	454 302 368	-	454 302 368
Transferred to retained earnings	-	-	-	-	2 264 463	-	-	133 177 110	(133 177 110)	-	-	-
Transferred to legal reserve	-	-	-	-	-	-	-	(2 264 463)	-	-	-	-
Total company's shareholders transactions	190 657 770	53 750 000	(4 595 393)	-	216 754 454	-	-	130 912 647	(133 177 110)	454 302 368	-	454 302 368
Balance as of June 30, 2018	775 121 080	53 750 000	(4 595 393)	(4 522 300)	8 252 145	24 929 957	388 477 481	111 785 631	1 580 531 523	4 753 121	1 585 284 644	
Balance as of January 1, 2019	800 122 080	-	(4 111 018)	(4 522 300)	8 232 146	25 150 217	388 477 481	193 856 740	1 662 662 268	5 082 911	1 667 745 179	
Net profit of the period	-	-	-	-	-	-	-	104 817 122	104 817 122	522 528	105 339 650	
Items of other comprehensive income												
Translation reserve of subsidiaries' financial statements	-	-	-	-	359 540	-	-	-	-	359 540	239 693	599 233
The Group's share in the other comprehensive income of in joint venture and associates entities' financial statements	-	-	-	-	-	(11 910 465)	-	-	-	(11 910 465)	-	(11 910 465)
Total Other Comprehensive income	-	-	-	-	359 540	(11 910 465)	-	-	104 817 122	93 266 197	762 221	94 028 418
The company's shareholders transactions												
Transferred to legal reserve	-	-	3 530 289	-	-	-	(3 530 289)	-	-	-	-	-
Transferred to retained earnings	-	-	-	-	-	-	193 856 740	(193 856 740)	-	-	-	-
Dividends distributions	-	-	-	-	-	-	(81 365 673)	-	-	(81 365 673)	-	(81 365 673)
Total company's shareholders transactions	-	-	3 530 289	-	-	-	108 960 778	(193 856 740)	(81 365 673)	(81 365 673)	-	(81 365 673)
Balance as of June 30, 2019	800 122 080	-	(4 111 018)	(4 522 300)	8 591 686	13 239 752	497 438 259	104 817 122	1 674 562 792	5 845 132	1 680 407 924	

- The attached notes form an integral part of the 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 six months ended June 30, 2019

	<u>Note</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before tax		110 716 429	118 717 962
<u>Adjustments to reconcile net profit to cash flows from operating activities</u>			
Group's share of profits of associates & joint venture entities		(64 455 795)	(67 665 781)
Depreciation of investment properties		183 436	159 156
Foreign exchange differences		12 090 835	(1 553 988)
Credit interest - treasury bills		(36 175 425)	(18 665 628)
Credit interest		(6 832 103)	(15 713 878)
Utilization of the provision		(946 044)	-
Provisions no longer required		-	(2 500 000)
Operating profit before changes in working capital		14 581 333	12 777 843
Increase in due from related parties		(2 699 126)	(280 971)
(Increase)Decrease in other debit balances		(4 381 168)	308 499
(Decrease)Increase in due to related parties		(375 612)	1 063 094
Decrease in accounts payable and other credit balances		(825 260)	(1 355 270)
Income tax paid during the period		(1 823 272)	(18 101 487)
Net cash flows used in operating activities		4 476 895	(5 588 292)
<u>Cash flows from investing activities</u>			
Proceeds from credit interest		34 720 988	9 603 972
Payments to acquire investments in joint ventures		(17 500 000)	(60 850 200)
Payments for Project under construction		(9 716 353)	-
Change in long term deposits		4 288 211	-
Proceeds from sale and redemption of treasury bills		2 141 155	(239 035 699)
Net cash flows generated by (used in) investing activities		13 934 001	(290 281 927)
<u>Cash flows from financing activities</u>			
Proceeds from capital Increase		-	409 914 205
Payments for issuance shares		-	(10 695 983)
Proceeds from the payment under capital increase		-	53 750 000
Dividends distribution paid		(81 365 673)	-
Net cash flows generated by financing activities		(81,365,673.00)	452 968 222
Net change in cash and cash equivalents during the period		(62 954 777)	157 098 003
Cash and cash equivalents at the beginning of the period		431 453 206	26 593 776
Effects of exchange rate changes on balances of cash held in foreign currencies		163 428	80 611
Cash and cash equivalents at the end of the period	(12)	368 661 857	183 772 390

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

1. General information

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

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

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

On January 11, 2016 the company's extraordinary general assemble meeting decided to change the company name to be BPE Holding for Financial Investments, the change was registered in the Company's commercial register on February 24th, 2016.

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

The Board of Directors authorized these consolidated condensed interim financial statements for the three months ended June 30, 2019 issue on August 8, 2019.

2. Statement of compliance

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

3. Basis for preparation of consolidated financial statements

The consolidated condensed interim financial statements have been prepared using the same accounting policies applied in the last year. The interim financial statements are to be read in conjunction with consolidated financial statements issued for the year ended December 31, 2018.

4. Subsidiaries companies

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

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

5. Investments in associates (net)

	<u>No. of Shares</u>	<u>Ownership %</u>	<u>June 30, 2019 EGP</u>	<u>December 31, 2018 EGP</u>
Al Retail For Trade and Investment	727 526	22.79%	321 477	347 112
Madinet Nasr for Housing and Development "MNHD"	108 077 416	7.50%	409 604 866	375 560 391
Metalart		51.92%	64 983 471	66 896 422
Infinity Solar B.V 1	246	24.6%	--	--
Infinity Solar B.V 2	175	17.5%	--	--
Infinity Solar B.V 3	175	17.5%	--	--
Less: Impairment in Metalart			(49 786 572)	(53 030 389)
			<u>425 123 242</u>	<u>389 773 536</u>

The increase in investments in associates is mainly due to the increase in investments in Madinet Nasr for Housing and Development "MNHD", Metalart by the recognized group's share of profits of associate in the income statement by an amount of EGP 34 044 474 and EGP 1 050 162 respectively (note 18).

For the Solar entities represents in Infinity Solar B.V 1, Infinity Solar B.V 2 and Infinity Solar B.V 3 the group's share of profits in the income statement is EGP 1 737 572, EGP 2 288 374 and EGP 669 394 respectively also the group share of loss in other comprehensive income items in Solar entities is EGP 1 737 572, EGP 2 288 374 and EGP 669 394 respectively recognized in the comprehensive income, the net investment in the solar entities became EGP nil.

6. Investments in joint Venture (net)

	<u>No. of Shares</u>	<u>Ownership %</u>	<u>June 30, 2019 EGP</u>	<u>December 31, 2018 EGP</u>
Inergia Technologies for Information Systems "Inergia"	5 532 124	68.04	233 837 960	221 751 348
Red Sea Venture for Solar Power	7 425	49.5	5 727 150	5 727 150
Ebtikar for financial investment	869 412	19.68	97 582 152	78 362 267
Gourmet Egypt .com Foods	3 127 950	52.9	97 257 428	93 587 595
Payments under capital increase in Gourmet Egypt.Com Foods S.A.E.	--	--	33 703 830	33 703 830
Less: Impairment in Red Sea Venture for Solar Energy			(5 727 150)	(5 727 150)
			<u>462 381 370</u>	<u>427 405 040</u>

The increase in the investment in joint ventures is mainly due to the increase in the investment in "Inergia", Ebtikar for Financial Investment and Gourmet Egypt .com Foods by the recognized group's share of profits of joint venture in the income statement by an amount of EGP 19 301 736, EGP 1 719 885 and EGP 3 408 179 respectively (note 18). In addition to the group share in the foreign currency translation loss in "Inergia" which charged to other comprehensive income by an amount of EGP 7 215 125, also during the period the Company subscribed in the capital increase of "Ebtikar for Financial Investments" by an amount of EGP 17 500 000.

7. Loans to associates

	<u>June 30, 2019 EGP</u>	<u>December 31, 2018 EGP</u>
Infinity Solar B.V 1	30 752 259	31 417 578
Infinity Solar B.V 2	51 593 692	52 709 895
Infinity Solar B.V 3	20 718 816	21 167 060
	<u>103 064 767</u>	<u>105 294 533</u>

The Decrease in the account balance is due to the recognition of foreign currency revaluation loss by an amount of EGP 7 278 782, in addition to the accrual of interest income by an amount of EGP 5 049 016.

8. Project under construction

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

9. Due from related parties (net)

	<u>Relationship</u> <u>nature</u>	<u>Account</u> <u>nature</u>	<u>June 30,</u> <u>2019</u> <u>EGP</u>	<u>December</u> <u>31, 2018</u> <u>EGP</u>
Red Sea venture for solar energy	Joint venture	Current account	1 149 958	1 149 958
Metalar	Associate	Current account	3 656 729	3 220 194
Infinity Solar B.V 1	Associate	Current account	712 985	--
Infinity Solar B.V 2	Associate	Current account	727 075	--
Infinity Solar B.V 3	Associate	Current account	700 282	--
Less: Impairment in due from related party			(3 020 252)	(3 142 501)
			<u>3 926 777</u>	<u>1 227 651</u>

The increase in the balance is mainly due to cash transfers to current account during the period to Infinity Solar B.V 1, Infinity Solar B.V 2 and Infinity Solar B.V 3 (note 17).

10. Other debit balances (Net)

	<u>June 30, 2019</u> <u>EGP</u>	<u>December 31, 2018</u> <u>EGP</u>
Deposits held with others	46 795	46 795
Accrued interest	2 030 656	932 930
Accrued rental income	2 954 500	3 404 500
Accrued dividends income	--	2 207 002
Prepaid expenses	516 177	128 308
Debit income tax	47 852	47 852
Withholding tax receivable	9 000	9 000
Withholding tax on treasury bills	6 797 845	11 332 271
Advance payment to suppliers	521 081	348 443
Less : Impairment in other debit balances	(2 954 500)	(2 954 500)
	<u>9 969 406</u>	<u>15 502 601</u>

The decrease in other debit balances is mainly due to the decrease of withholding tax on treasury bills due to the opening balance used during the period to settle part of income tax liability in addition to collection of the accrued dividends by an amount of EGP 2 207 002 .

11. Treasury bills

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills - less than three months	377 300 000	432 125 000
Less: unrealized interest	(13 650 366)	(15 466 616)
	<u>363 649 634</u>	<u>416 658 384</u>

12. Cash and cash at banks

	<u>June 30, 2019</u>	<u>December 31, 2018</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts - local currencies	4 635 068	14 604 697
Current accounts - foreign currencies	377 155	190 125
Time deposits - foreign currencies	63 835 808	72 936 051
	<u>68 848 031</u>	<u>87 730 873</u>

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	68 848 031	132 760 565
Treasury bills - less than three months	363 649 634	120 009 475
Less: Time Deposits - More than three months	(63 835 808)	(68 997 650)
	<u>368 661 857</u>	<u>183 772 390</u>

13. Due to related parties

	<u>Relationship</u>	<u>Account</u>	<u>June 30,</u>	<u>December</u>
	<u>nature</u>	<u>nature</u>	<u>2019</u>	<u>31, 2018</u>
			<u>EGP</u>	<u>EGP</u>
BPE Partners S.A.E	Management company	Management fees and other expenses	4 640 402	5 016 014
			<u>4 640 402</u>	<u>5 016 014</u>

14. Provisions

	<u>December 31,</u> <u>2018</u> <u>EGP</u>	<u>Used during</u> <u>the period</u> <u>EGP</u>	<u>June 30,</u> <u>2019</u> <u>EGP</u>
Provision for claims	6 807 589	(946 044)	5 861 545
	<u>6 807 589</u>	<u>(946 044)</u>	<u>5 861 545</u>

15. 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.

16. 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>June 30, 2019</u> <u>EGP</u>	<u>June 30, 2018</u> <u>EGP</u>
Net profit for the period attributable to the shareholders' of the Parent Company	104 817 122	111 785 631
Weighted average number of shares	160 024 416	131 007 857
Basic and diluted earnings per share	<u>0.66</u>	<u>0.85</u>

17. Significant related parties transactions

Transactions made during the financial period consist of accounts of an ongoing basis in management fees and expenses paid on behalf of the company or the company's payment on behalf of those Parties.

The significant transactions during the year are as follows:

<u>Company name</u>	<u>Type of relation</u>	<u>Type of transaction</u>	<u>Value of transaction</u>
BPE Partners S.A.E.	Management company	Management fees	(9 229 810)
		Expenses paid on behalf of the company	(467 791)
Infinity Solar B.V 1	Associate	Credit interest	1 506 516
		Cash transfers to related party	712 985
Infinity Solar B.V 2	Associate	Credit interest	2 527 511
		Cash transfers to related party	727 075
Infinity Solar B.V 3	Associate	Credit interest	1 014 989
		Cash transfers to related party	700 282

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

	<u>June 30,</u> <u>2019</u> <u>EGP</u>	<u>June 30,</u> <u>2018</u> <u>EGP</u>
MNHD	34 044 474	39 705 601
Inergia Technologies for information systems	19 301 736	25 176 665
Metalar co.	1 050 162	560 499
Ebtikar for finance investment	1 719 885	2 218 397
Al Retail for Trade and Investment	(25 635)	4 619
Gourmet Egypt .com Foods	3 669 833	--
Infinity Solar B.V 1	1 737 572	--
Infinity Solar B.V 2	2 288 374	--
Infinity Solar B.V 3	669 394	--
	<u>64 455 795</u>	<u>67 665 781</u>

19. Finance income

	<u>June 30, 2019</u> <u>EGP</u>	<u>June 30, 2018</u> <u>EGP</u>
Interest income on time deposits and bank current accounts	1 783 087	10 977 363
Credit interest for loans to associates	5 049 016	4 736 515
Return on treasury bills	36 175 425	18 665 628
	<u>43 007 528</u>	<u>34 379 506</u>

The increase in finance income during the period is mainly due to the increase of return on treasury bills by an amount of EGP 17.5 million, taking into consideration decrease in the interest income on time deposits and current accounts by an amount of EGP 9.2 million .

20. management agreements

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

Pursuant to the terms of the new management agreement, the management company is entitled to a management fees of 2% of the company's capital up to EGP 600 million and 1.5% of any capital increase (Included share premium) of more than EGP 600 million Up to EGP 1.2 billion and 1% on any capital increase of more than EGP 1.2 billion.

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

Performance fees for existing investments at the date the new management agreement takes effect will be 15% of the gains on any existing investment calculated as the

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

The date on which the new management agreement takes effect will be 15% of the gain on the investment calculated as the difference between the cash proceeds net of taxes and fees received from the disposal and distribution (dividend, interest, or rent) of the investment and the aggregate cost of such investment.

21. Contingent liabilities

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

22. Significant Events During the period

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