

B Investments Holding
"S.A.E."
Separate 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 separate condensed interim financial statements of B investments Holding – S.A.E which comprise the separate condensed interim statement of financial position as of June 30, 2019 and the related separate 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 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 June 30, 2019, and of its separate financial performance and its separate cash flows for the six months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo August 8, 2019



B Investments Holding
Separate Condensed Interim Statement of Financial Position as of June 30, 2019

| | <u>Note</u> | <u>June 30, 2019</u> <u>EGP</u> | <u>December 31, 2018</u> <u>EGP</u> |
|--------------------------------------------|-------------|------------------------------------|----------------------------------------|
| Assets | | | |
| <u>Non-current assets</u> | | | |
| Investments in subsidiaries (net) | | 9 453 732 | 9 453 732 |
| Investments in joint ventures (net) | (4) | 276 262 025 | 258 762 025 |
| Investments in associates (net) | | 153 856 436 | 153 856 436 |
| Available for sale investments | | 141 262 077 | 141 262 077 |
| Investment properties (net) | | 113 100 280 | 113 283 717 |
| Loans to associates | (5) | 103 064 767 | 105 294 533 |
| Project under construction | (6) | 17 610 342 | 7 893 989 |
| Total-non current assets | | 814 609 659 | 789 806 509 |
| <u>Current assets</u> | | | |
| Treasury bills | (7) | 363 649 634 | 416 658 384 |
| Due from related parties (net) | (8) | 2 146 342 | 6 000 |
| Other debit balances (net) | (9) | 9 969 406 | 15 502 601 |
| Cash at banks | (10) | 68 650 921 | 87 564 146 |
| Total current assets | | 444 416 303 | 519 731 131 |
| Total assets | | 1 259 025 962 | 1 309 537 640 |
| <u>Equity and liabilities</u> | | | |
| <u>Equity</u> | | | |
| Issued and paid-up capital | (13) | 800 122 080 | 800 122 080 |
| Reserves | | 254 876 193 | 251 345 904 |
| Retained earnings | | 132 739 271 | 147 029 450 |
| Net profit for the period | | 40 627 696 | 70 605 783 |
| Total equity | | 1 228 365 240 | 1 269 103 217 |
| <u>Non-Current liabilities</u> | | | |
| Deferred tax liabilities | | 6 242 313 | 9 437 090 |
| Total-non current liabilities | | 6 242 313 | 9 437 090 |
| <u>Current liabilities</u> | | | |
| Due to related parties | (11) | 4 640 402 | 5 016 014 |
| Accounts payable and other credit balances | | 5 307 452 | 5 980 742 |
| Income tax | | 8 609 010 | 13 192 988 |
| Provisions | (12) | 5 861 545 | 6 807 589 |
| Total current liabilities | | 24 418 409 | 30 997 333 |
| Total equity and liabilities | | 1 259 025 962 | 1 309 537 640 |

- 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

- Review report attached.

B. Investments Holding

Separate Condensed Interim Income Statement for the six months ended on June 30, 2019

| | Note | Six months ended | | Three months ended | |
|----------------------------------------------------------------|------|-------------------|-------------------|--------------------|-------------------|
| | | June 30, 2019 | June 30, 2018 | June 30, 2019 | June 30, 2018 |
| | | EGP | EGP | EGP | EGP |
| Income and profits | | | | | |
| Dividends income from available for sale investments | | 27 692 942 | 26 207 722 | 27 692 942 | 26 207 722 |
| Company's remuneration for membership in the BOD of associates | | - | 1 065 806 | - | 1 065 806 |
| Rental income | | - | 2 700 000 | - | 1 350 000 |
| Provisions no longer required | | - | 2 500 000 | - | - |
| Foreign exchange differences | | - | 1 553 988 | - | 2 351 445 |
| Finance income | (16) | 43 007 528 | 34 379 506 | 20 364 262 | 24 452 093 |
| | | 70 700 470 | 68 407 022 | 48 057 204 | 55 427 066 |
| Expenses and losses | | | | | |
| Depreciation of investment properties | | (183 436) | (159 156) | (91 718) | (79 578) |
| Management fees | (17) | (9 229 810) | (6 966 127) | (4 640 402) | (4 053 290) |
| Consulting fees and other expenses | | (2 944 942) | (10 181 260) | (1 468 706) | (5 175 343) |
| Board of directors allowances | | (83 544) | (212 853) | (34 152) | - |
| Foreign exchange differences | | (12 254 263) | - | (6 210 782) | - |
| Net profit for the period before income tax | | 46 004 475 | 50 887 626 | 35 611 444 | 46 118 855 |
| Income tax | | (8 571 562) | (6 242 480) | (4 793 289) | (6 242 480) |
| Deferred tax | | 3 194 783 | (399 829) | 1 870 222 | (399 829) |
| Net profit for the period | | 40 627 696 | 44 245 317 | 32 688 377 | 39 476 546 |
| Basic and diluted earnings per share | (14) | 0.25 | 0.34 | 0.20 | 0.30 |

- 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

B. Investments Holding

Separate Condensed Interim statement of Comprehensive Income for the six months ended on 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 | EGP | EGP |
| Net profit for the period | 40 627 696 | 44 245 317 | 32 688 377 | 39 476 546 |
| Other comprehensive income | - | - | - | - |
| Total other comprehensive income for the period | - | - | - | - |
| Total comprehensive income for the period | 40 627 696 | 44 245 317 | 32 688 377 | 39 476 546 |

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

B Investments Holding
Separate Condensed Interim Statement of Changes in Equity for the six months ended June 30, 2019

| | <u>Issued and paid-up capital</u> | <u>Amount paid under capital increase</u> | <u>Legal reserve</u> | <u>Capital issuance costs</u> | <u>Retained earnings</u> | <u>Net profit for the year</u> | <u>Total equity</u> |
|--------------------------------------------------|-----------------------------------|-------------------------------------------|----------------------|-------------------------------|--------------------------|--------------------------------|----------------------|
| | EGP | EGP | EGP | EGP | EGP | EGP | EGP |
| Balance as of January 1, 2018 | 584 464 310 | - | 10 577 468 | - | 104 004 637 | 45 289 276 | 744 335 691 |
| Items of other comprehensive income | | | | | | | |
| Net profit for the period | - | - | - | - | - | 44 245 317 | 44 245 317 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total Other Comprehensive income | - | - | - | - | - | 44 245 317 | 44 245 317 |
| The company's shareholders transactions | | | | | | | |
| Capital increase | 190 657 770 | 53 750 000 | 214 489 991 | (4 595 393) | - | - | 454 302 368 |
| Transferred to legal reserve | - | - | 2 264 463 | - | (2 264 463) | - | - |
| Transferred to retained earnings | - | - | - | - | 45 289 276 | (45 289 276) | - |
| Total company's shareholders transactions | 190,657,770 | 53 750 000 | 216 754 454 | (4 595 393) | 43 024 813 | (45 289 276) | 454 302 368 |
| Balance as of June 30, 2018 | 775 122 080 | 53 750 000 | 227 331 922 | (4 595 393) | 147 029 450 | 44 245 317 | 1242 883 376 |
| 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 period | - | - | - | - | - | 40 627 696 | 40 627 696 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total Other Comprehensive income | - | - | - | - | - | 40 627 696 | 40 627 696 |
| 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 distributions | - | - | - | - | (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 June 30, 2019 | 800 122 080 | - | 258 987 211 | (4 111 018) | 132 739 271 | 40 627 696 | 1 228 365 240 |

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

B Investments Holding

Separate Condensed Interim Statement of Cash Flows for the six months ended June 30, 2019

| Note | June 30, 2019 | June 30, 2018 |
|---------------------------------------------------------------------|----------------------|----------------------|
| | EGP | EGP |
| <u>Cash flows from operating activities</u> | | |
| Net profit for the period before income tax | 46 004 475 | 50 887 626 |
| <u>Adjusted by :</u> | | |
| Foreign exchange differences | 12 090 835 | (1 553 988) |
| Utilization of the provision | (946 044) | - |
| Credit interest - treasury bills | (36 175 425) | (18 665 628) |
| Credit interest | (6 832 103) | (15 713 878) |
| Provisions no longer required | - | (2 500 000) |
| Depreciation of investment properties | 183 436 | 159 156 |
| Operating profit before changes in working capital | 14 325 174 | 12 613 288 |
| Increase in due from related parties | (2 140 342) | - |
| Decrease in other debit balances | (4 866 146) | 302 201 |
| (Decrease)Increase in accounts payable and other credit balances | (375 612) | 1 063 348 |
| Decrease in due to related parties | (673 290) | (1 350 484) |
| Paid income tax during the period | (1 823 272) | (18 101 487) |
| Net Cash flows used in operation | 4 446 512 | (5 473 134) |
| <u>Cash flows from investment 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 | (338 490 525) |
| Net proceeds from sale and redemption of treasury bills | 2 141 155 | 99 454 826 |
| Net cash flows generated by (used in) investment activities | 13 934 001 | (290 281 927) |
| <u>Cash flows from financing activities</u> | | |
| Proceeds from capital increase | - | 409 914 205 |
| Payment for new shares issuance cost | - | (10 695 983) |
| Proceeds from the payment under capital increase | - | 53 750 000 |
| Paid dividends distributions | (81 365 673) | - |
| Net cash flows (used in) generated by financing activities | (81 365 673) | 452 968 222 |
| Net change in cash and cash equivalents during the period | (62 985 160) | 157 213 161 |
| Cash and cash equivalents at the beginning of the period | 431 286 479 | 26 461 610 |
| Effects of foreign exchange rate changes | 163 428 | 54 283 |
| Cash and cash equivalents at the end of the period | 368 464 747 | 183 729 054 |

- The attached notes form an integral part of these separate 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 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 separate condensed interim financial statements for the six months ended June 30, 2019 issue on August 8, 2019.

2. Statement of compliance

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

3. Separate financial statements' basis of preparation

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, 2018.

4. Investments in joint ventures (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 S.A.E ⁿ Inergia | 5 532 124 | %68.04 | 55 321 240 | 55 321 240 |
| Ebtikar for Financial Investment | 869 412 | %19.68 | 94 609 700 | 77 109 700 |
| 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. | -- | -- | 33 703 830 | 33 703 830 |
| Red Sea Venture for Solar Energy | 7 425 | %49.5 | 5 727 150 | 5 727 150 |
| <u>Less:</u> Impairment in Red Sea Venture for Solar Energy | | | (5 727 150) | (5 727 150) |
| | | | <u>276 262 025</u> | <u>258 762 025</u> |

The increase in the balance is due to the Company's subscription during the period in the capital increase of "Ebtikar for Financial Investments" by an amount of EGP 17 500 000.

5. 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.

6. 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.

B Investments Holding "S.A.E"
Notes to the separate condensed interim financial statements
For the six months ended June 30, 2019

7. **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> |

8. **Due from related parties (net)**

| | <u>Relationship</u> | <u>Account</u> | <u>June 30, 2019</u> | <u>December 31,</u> |
|---------------------------------------------------|---------------------|----------------|-------------------------|---------------------|
| | <u>nature</u> | <u>nature</u> | <u>EGP</u> | <u>2018</u> |
| | | | <u>EGP</u> | <u>EGP</u> |
| Red Sea venture for solar energy | Joint venture | Current ac. | 1 149 958 | 1 149 958 |
| Infinity Solar B.V 1 | Associate | Current ac. | 712 985 | -- |
| Infinity Solar B.V 2 | Associate | Current ac. | 727 075 | -- |
| Infinity Solar B.V 3 | Associate | Current ac. | 700 282 | -- |
| Less: Impairment in due from related party | | | (1 143 958) | (1 143 958) |
| | | | <u>2 146 342</u> | <u>6 000</u> |

The increase in the balance is mainly due to cash transfers during the period to Infinity Solar B.V 1, Infinity Solar B.V 2 and Infinity Solar B.V 3 (note 15).

9. **Other debit balances (Net)**

| | <u>June 30,2019</u> | <u>December 31, 2018</u> |
|--------------------------------------------------|-------------------------|--------------------------|
| | <u>EGP</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> |

B Investments Holding "S.A.E"
Notes to the separate condensed interim financial statements
For the six months ended June 30, 2019

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 .

10. 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 | 180 045 | 23 398 |
| Time deposits - foreign currencies | 63 835 808 | 72 936 051 |
| | <u>68 650 921</u> | <u>87 564 146</u> |

For the purpose of preparing separate 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 | 68 650 921 | 132 717 229 |
| 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>368 464 747</u> | <u>183 729 054</u> |

11. Due to related parties

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

12. Provisions

| | <u>December 31, 2018</u> | <u>Used during the</u> | <u>June 30, 2019</u> |
|----------------------|---------------------------------|-------------------------------|-----------------------------|
| | <u>EGP</u> | <u>period</u> | <u>EGP</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> |

13. **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.

14. **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>June 30, 2019</u> | <u>June 30, 2018</u> |
|---------------------------------------------|----------------------|----------------------|
| | <u>EGP</u> | <u>EGP</u> |
| Net profit for the period | 40 627 696 | 44 245 317 |
| Weighted average number of shares | 160 024 416 | 131 007 857 |
| Basic and diluted earnings per share | 0.25 | 0.34 |

15. **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

| <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 transfer to related party | 712 985 |
| Infinity Solar B.V 2 | Associate | Credit interest | 2 527 511 |
| | | Cash transfer to related party | 727 075 |
| Infinity Solar B.V 3 | Associate | Credit interest | 1 014 989 |
| | | Cash transfer to related party | 700 282 |

16. Finance income

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> |
|------------------------------------------------------------|-----------------------------|-----------------------------|
| | <u>EGP</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 .

17. Management agreement

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 accumulated 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.

B Investments Holding "S.A.E"

Notes to the separate condensed interim financial statements

For the six months ended June 30, 2019

18. 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.

19. 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 shareholders 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 .