

B Investments Holding

"S.A.E."

Condensed Separate Interim Financial Statements

For the three months ended March 31, 2022

Together with Limited Review Report

Translation of Limited Review
Report Originally Issued in Arabic

Limited review report for the condensed separate interim financial statements

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

Introduction

We have reviewed the accompanying condensed separate interim financial statements of B investments Holding S.A.E. which comprise the condensed separate interim statement of financial position as of March 31, 2022 and the related interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three months' period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of the condensed separate interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Our responsibility is to express a conclusion on these condensed separate 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 condensed separate 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 condensed separate interim financial statements do not present fairly in all material respects the financial position of B Investments Holding S.A.E. as of March 31, 2022, and of its financial performance and its cash flows for the three months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo, May 30, 2022

Samy Habib
Samy Habib Deif, ACCA
F.E.S.A.A (R.A.A. 13485)

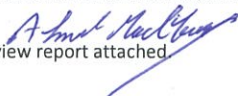


B Investments Holding "S.A.E"
Condensed separate interim Statement of Financial Position as of March 31, 2022

	<u>Note</u>	<u>March 31, 2022</u> <u>EGP</u>	<u>December 31, 2021</u> <u>EGP</u>
Assets			
Non-current assets			
Investments in subsidiaries		130 998 147	130 998 147
Investments in joint ventures (net)	(4)	352 928 405	342 802 405
Investments in associates (net)	(5)	181 956 564	153 856 436
Investments at fair value through OCI	(6)	381 572 723	381 572 723
Investment properties (net)		91 290 573	91 721 954
Loans to associates (net)	(7)	123 099 982	111 445 145
Notes receivable (net)		7 431 274	7 431 543
Total non-current assets		1 269 277 668	1 219 828 353
Current assets			
Loans to joint ventures (net)	(8)	24 514 035	24 707 408
Notes receivable (net)		2 447 990	2 447 060
Treasury bills (net)	(10)	306 689 476	318 082 381
Due from related parties (net)		120 930	120 930
Other debit balances (net)	(9)	24 407 068	7 690 918
Cash at banks	(11)	36 338 258	61 799 285
Total current assets		394 517 757	414 847 982
Total assets		1 663 795 425	1 634 676 335
Equity and liabilities			
Equity			
Issued and paid-up capital	(15)	800 122 080	800 122 080
Reserves		275 605 542	269 434 027
Revaluation reserve of investments at fair value through OCI		197 138 855	197 138 855
Retained earnings		262 266 844	145 008 052
Net profit for the period / year		22 754 874	123 430 307
Total equity		1 557 888 195	1 535 133 321
Non-current liabilities			
Deferred tax liabilities	(14)	73 557 343	69 489 898
Total non-current liabilities		73 557 343	69 489 898
Current liabilities			
Due to related parties	(12)	4 619 303	4 691 395
Accounts payable and other credit balances		5 271 051	4 935 606
Current income tax		19 734 052	16 385 464
Provisions	(13)	2 725 481	4 040 651
Total current liabilities		32 349 887	30 053 116
Total equity and liabilities		1 663 795 425	1 634 676 335

- The attached notes form an integral part of the Condensed separate 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



- Limited Review report attached.

B Investments Holding "S.A.E"
Condensed separate interim Statement of Profit or Loss
For three months ended March 31, 2022

	<u>Note</u>	<u>March 31, 2022</u> <u>EGP</u>	<u>March 31, 2021</u> <u>EGP</u>
<u>Incomes and profits</u>			
Rental income of investment properties		2 140 601	1 023 750
Credit Interest	(18)	13 117 811	20 781 281
		<u>15 258 412</u>	<u>21 805 031</u>
<u>Expenses and losses</u>			
Investment properties' depreciation		(431 381)	(445 226)
Investment manager fees	(19)	(4 589 408)	(4 589 408)
Consulting fees and other expenses		(672 604)	(1 105 996)
Expected credit losses		(44 411)	--
Foreign exchange gains / (losses)		20 650 299	(478 088)
Net profit for the period before tax		<u>30 170 907</u>	<u>15 186 313</u>
Current Income tax		(3 348 588)	(3 792 521)
Deferred tax	(14)	(4 067 445)	(257 218)
Net profit for the period after tax		<u>22 754 874</u>	<u>11 136 574</u>
Basic earnings per share	(16)	<u>0.14</u>	<u>0.07</u>
Diluted earnings per share	(16)	<u>0.14</u>	<u>0.07</u>

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

B Investments Holding "S.A.E"

Condensed separate interim Statement of Comprehensive Income

For three months ended March 31, 2022

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	22 754 874	11 136 574
Other comprehensive income	--	--
Total comprehensive income for the period	<u>22 754 874</u>	<u>11 136 574</u>

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

B Investments Holding "S.A.E"
Condensed separate Interim Statement of Changes In Equity
For three months ended March 31, 2022

	Issued and paid-up capital	Treasury stocks	Legal reserve	Revaluation reserve of investments at fair value through OCI	Shares Issuance Reserve	Retained earnings	Net profit for the period	Total equity
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2021	800 122 080	(5 471 154)	262 411 858	189 220 998	(4 111 018)	132 865 199	222 663 744	1 597 701 707
Items of other comprehensive income								
Net profit of the period	--	--	--	--	--	--	11 136 574	11 136 574
Total Other Comprehensive income	--	--	--	--	--	--	11 136 574	11 136 574
The company's shareholders transactions								
Transferred to legal reserve	--	--	11 133 187	--	--	--	(11 133 187)	--
Transferred to retained earnings	--	--	--	--	--	211 530 557	(211 530 557)	--
Sale of treasury stocks	--	5 471 154	--	--	--	4 802 263	--	10 273 417
Total company's shareholders transactions	--	5 471 154	11 133 187	--	--	216 332 820	(222 663 744)	10 273 417
Balance as of March 31, 2021	800 122 080	--	273 545 045	189 220 998	(4 111 018)	349 198 019	11 136 574	1 619 111 698
Balance as of January 1, 2022	800 122 080	--	273 545 045	197 138 855	(4 111 018)	145 008 052	123 430 307	1 535 133 321
Items of other comprehensive income								
Net profit of the period	--	--	--	--	--	--	22 754 874	22 754 874
Total Other Comprehensive income	--	--	--	--	--	--	22 754 874	22 754 874
The company's shareholders transactions								
Transferred to legal reserve	--	--	6 171 515	--	--	--	(6 171 515)	--
Transferred to retained earnings	--	--	--	--	--	117 258 792	(117 258 792)	--
Total company's shareholders transactions	--	--	6 171 515	--	--	117 258 792	(123 430 307)	--
Balance as of March 31, 2022	800 122 080	--	279 716 560	197 138 855	(4 111 018)	262 266 844	22 754 874	1 557 888 195

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

B Investments Holding "S.A.E"
Condensed separate interim Statement of Cash Flows
For three months ended March 31, 2022

	<u>Note</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before tax		30 170 907	15 186 313
<u>Adjustments to reconcile net profit to cash flows from operating activities:</u>			
Foreign currency exchange differences		(20 650 299)	478 088
Interest income - treasury bills		(9 295 914)	(17 418 361)
Credit interest		(3 821 897)	(3 362 920)
Expected credit losses		44 411	--
Provisions used during the period		(1 315 170)	--
Depreciation of investment properties		431 381	445 226
Operating (loss) before changes in working capital		(4 436 581)	(4 671 654)
Decrease in notes receivable		--	1 000 000
Decrease in loans to associates and joint ventures		7 617 259	--
(Increase) in other debit balances		(16 724 030)	(1 241 783)
(Decrease) / Increase in balances due to related parties		(72 092)	2 003 173
Increase / (Decrease) in accounts payable and other credit balances		335 445	(3 811 248)
Net cash flows (used in) operating activities		(13 279 999)	(6 721 512)
<u>Cash flows from investing activities</u>			
Proceeds from credit interest		1 839 753	784 124
(Payments) to acquire investments in joint ventures		(10 126 000)	(16 404 500)
(Payments) for investments in associates		(28 100 128)	--
(Payments) to acquire investment properties		--	(204 847)
Net proceeds from redemption and sale (Payments) of treasury bills		20 442 142	(153 786 198)
Net cash flows (used in) investing activities		(15 944 233)	(169 611 421)
<u>Cash flows from financing activities</u>			
Proceeds from sale of treasury stocks		--	10 222 734
Net cash flows generated from financing activities		--	10 222 734
Net change in cash and cash equivalents during the period		(29 224 232)	(166 110 199)
Cash and cash equivalents at the beginning of the period		60 234 285	174 557 359
Effects of exchange rate changes on balances of cash held in foreign currencies		3 508 205	(353 012)
Cash and cash equivalents at the end of the period	(11)	34 518 258	8 094 148

- The attached notes form an integral part of the Condensed separate 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 new location is 24 Talaat Harb Street, Cinema Radio Building – 1st Floor - Cairo. The company's new location was registered on July 15,2020 in the 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 primary business activity is investing in other entities, in accordance with its established investment policy. The Company aims to identify, research, negotiate, make and monitor the progress of and sell, realize and exchange investments and distribute proceeds of such investments with the principal 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 S.A.E, the change was registered in the company's commercial register on July 8, 2018.

The Board of Directors authorized the issuance of the condensed separate interim financial statements for the three months ended March 31,2022 on May 30, 2022.

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

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

3. Basis for preparation of the condensed separate interim financial statements

The condensed separate interim financial statements have been prepared using the same accounting policies applied in the last year. The condensed separate interim financial statements are to be read in conjunction with the separate financial statements issued for the year ended December 31, 2021.

4. **Investments in joint ventures (net)**

<u>Name of Company</u>	<u>No. of Shares</u>	<u>Ownership</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
		<u>%</u>	<u>EGP</u>	<u>EGP</u>
Inergia Technologies for Information Systems "Inergia" S.A.E.	5 532 124	68.04	55 321 240	55 321 240
Ebtikar Holding for Financial Investments S.A.E.	168 600 600	16.45	116 241 000	116 241 000
Basata Financial Holding S.A.E.	775 043	20.25	77 504 300	67 378 300
Gourmet Egypt.com Foods S.A.E.	3 722 261	52.9	103 861 865	103 861 865
Red Sea Venture for Solar Power S.A.E.	7 425	49.5	5 727 150	5 727 150
Less:				
Impairment of investment in Red Sea Venture for Solar Energy S.A.E.			(5 727 150)	(5 727 150)
			352 928 405	342 802 405

The main reason for the increase in Investments in joint ventures is due to the settlement of the company's share in Basata Financial Holding S.A.E. capital increase by an amount of EGP 10 126 000. The increase was registered in the investee company's commercial register on January 19, 2022.

5. **Investments in associates (net)**

<u>Name of Company</u>	<u>No. of Shares</u>	<u>Ownership</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
		<u>%</u>	<u>EGP</u>	<u>EGP</u>
Al Retail for Trade and Investment S.A.E.	727 526	22.79	7 275 258	7 275 258
Madinet Nasr for Housing and Development "MNHD" S.A.E.	112 400 513	7.51	153 854 685	153 854 685
Advance for investment in Madinet Nasr for Housing and Development "MNHD" S.A.E.			28 100 128	--
Infinity Solar 1 B. V.	246	24.6	--	--
Infinity Solar 2 B. V.	175	17.5	--	--
Infinity Solar 3 B. V.	175	17.5	--	--
Less:				
Impairment of Investment in Al Retail for Trade and Investment S.A.E.			(7 273 507)	(7 273 507)
			181 956 564	153 856 436

The main reason for the increase in Investments in associates is due to advance for investment in Madinet Nasr for Housing and Development "MNHD" S.A.E. The legal procedures for registering in the investee company's commercial register have not yet been completed till the issuance date of the condensed separate interim financial statements.

6. **Investments at fair value through OCI**

<u>Name of Company</u>	<u>No. of Shares</u>	<u>Ownership</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
			<u>EGP</u>	<u>EGP</u>
Total Egypt LLC "Total"	330 248	6.375%	113 009 935	113 009 935
<u>Add: Valuation of remaining Quotas **</u>			<u>268 562 788</u>	<u>268 562 788</u>
			<u>381 572 723</u>	<u>381 572 723</u>

The Company's management made an assessment to measure the fair value of the investment in Total Egypt LLC "Total" on March 31, 2022 and concluded that the value does not differ from that measured on December 31, 2021. The company has considered the effect of the new Corona virus (COVID-19) considering the conflict break out between Russia and Ukraine, which has a negative impact on the economies of many countries, which was reflected on the performance of the capital market and the volume of global trade as well as any other influences.

7. **Loans to associates (net)**

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Infinity Solar (1) B.V.	35 780 412	32 696 342
Infinity Solar (2) B.V.	61 079 723	56 731 029
Infinity Solar (3) B.V.	26 533 103	22 259 077
<u>Less: Expected credit losses</u>	<u>(293 256)</u>	<u>(241 303)</u>
	<u>123 099 982</u>	<u>111 445 145</u>

The main reason for the increase in loans to associates' balance is due to the recognition of the accrued interest amounted by EGP 2 879 911 for the period in addition to unrealized foreign currency revaluation gains by an amount of EGP 17 142 094 taking into consideration the collection of an amount of EGP 8 315 214 from the balance due during the period.

8. **Loans to joint ventures (net)**

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Gourmet Egypt.com Foods S.A.E. "Gourmet"	24 572 503	24 772 315
<u>Less: Expected credit losses</u>	<u>(58 468)</u>	<u>(64 907)</u>
	<u>24 514 035</u>	<u>24 707 408</u>

The main reason for the decrease in loans to joint ventures' balance is due to the recognition of the accrued interest income during the period by an amount of EGP 567 886 taking into consideration the collection of an amount of EGP 767 698 from the balance due during the period.

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Deposits held with others	46 795	46 795
Accrued interest	9 025	3 902
Accrued rental income	3 497 950	2 804 500
Prepaid expenses	442 513	148 105
Withholding tax receivable	176 829	131 277
Withholding tax on treasury bills	12 196 968	6 325 602
Advance payment to tax authority	400 000	400 000
Advance payment to suppliers	9 907 866	243 932
Other debit balances	544 673	394 476
<u>Less: Expected credit losses</u>	<u>(2 815 551)</u>	<u>(2 807 671)</u>
	<u>24 407 068</u>	<u>7 690 918</u>

The main reason for the increase in the other debit balances is mainly due to deducted withholding tax on treasury bills during the period amounted to EGP 5 871 366.

10. **Treasury bills (net)**

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills – maturity of more than three months	323 250 000	321 350 000
<u>Less: Unrealized interest</u>	<u>(16 557 048)</u>	<u>(3 256 507)</u>
<u>Less: Expected credit losses</u>	<u>(3 476)</u>	<u>(11 112)</u>
	<u>306 689 476</u>	<u>318 082 381</u>

11. **Cash at banks**

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts in local currency	10 399 368	47 810 974
Current accounts in foreign currencies	24 125 525	12 430 632
Time deposits at banks in foreign currencies	1 820 000	1 565 000
<u>Less: Expected credit losses</u>	<u>(6 635)</u>	<u>(7 321)</u>
	<u>36 338 258</u>	<u>61 799 285</u>

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

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	36 338 258	12 787 768
<u>Less: Time Deposits – More than three months</u>	<u>(1 820 000)</u>	<u>(4 693 620)</u>
	<u>34 518 258</u>	<u>8 094 148</u>

12. Due to related parties

	<u>Relationship nature</u>	<u>Account nature</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
			<u>EGP</u>	<u>EGP</u>
BPE Partners S.A.E.	Management company	Management fees	4 619 303	4 691 395
			<u>4 619 303</u>	<u>4 691 395</u>

13. Provisions

	<u>December 31,2021</u>	<u>Used during the period</u>	<u>March 31,2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provision for claims	4 040 651	(1 315 170)	2 725 481
	<u>4 040 651</u>	<u>(1 315 170)</u>	<u>2 725 481</u>

Provision balance is related to claims from external parties arising from the ordinary course of business. Management reviews these provisions on quarterly basis and revise the amounts based on the latest developments, or negotiations or agreements reached with claiming parties.

14. Deferred tax liabilities

	<u>December 31, 2021</u>	<u>Movement during the period</u>		<u>March 31, 2022</u>
	<u>Asset / (Liability)</u>	<u>Asset/(Liability)</u>		<u>Asset / (Liability)</u>
	<u>EGP</u>	<u>Charged to statement of profits or losses</u>	<u>Charged to statement of other comprehensive income</u>	<u>EGP</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Deferred tax liability arising from variance between accounting and taxable base of investment properties	(622 901)	(8 505)	--	(631 406)
Deferred tax (liability) asset arising from unrealized foreign currency exchange	2 556 936	(4 058 940)	--	(1 502 004)
Differences in valuation of investments at fair value through OCI	(71 423 933)	--	--	(71 423 933)
	<u>(69 489 898)</u>	<u>(4 067 445)</u>	--	<u>(73 557 343)</u>

The deferred tax assets were not recognized on the following items due to insufficient assurance to realize them in the future, the temporary differences are related to the following items:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Impairment of investment in joint ventures	5 727 150	5 727 150
Impairment of investment in associates	7 273 507	7 273 507
Provisions	2 725 481	4 040 651
Expected credit losses on financial assets	4 339 865	4 295 454
	<u>20 066 003</u>	<u>21 336 762</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 period.

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

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	22 754 874	11 136 574
Weighted average number of shares	<u>160 024 416</u>	<u>160 024 416</u>
Basic earnings per share	<u>0.14</u>	<u>0.07</u>
Net profit for the period	22 305 673	50 624 090
Weighted average number of shares	160 024 416	160 024 416
<u>Less:</u> Treasury shares	--	(311 612)
<u>Earnings per share will be as follows:</u>		
Weighted average number of shares including treasury shares	<u>160 024 416</u>	<u>159 712 804</u>
Diluted earnings per share	<u>0.14</u>	<u>0.07</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 and interest charges to related parties.

The significant transactions during the period are as follows:

<u>Company name</u>	<u>Type of relation</u>	<u>Type of transaction</u>	<u>Volume of transactions during the period</u>
BPE Partners S.A.E.	Management company	Management fees	(4 589 408)
Infinity Solar (1) B.V.	Associate	Credit interest income	841 228
Infinity Solar (2) B.V.	Associate	Credit interest income	1 451 047
Infinity Solar (3) B.V.	Associate	Credit interest income	587 636
Gourmet Egypt.com Foods S.A.E.	Joint venture	Credit interest income	567 886

18. Credit Interest

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest on time deposits and bank current accounts	374 100	160 385
Credit interest for loans to associates	2 879 911	2 634 649
Credit interest for loans to joint ventures	567 886	567 886
Return on treasury bills	9 295 914	17 418 361
	<u>13 117 811</u>	<u>20 781 281</u>

The main reason for the decrease in credit interest during the period is mainly due to the decrease of return on treasury bills by an amount of EGP 8 million.

19. Investment manager fees

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Management fees	4 589 408	4 589 408
	<u>4 589 408</u>	<u>4 589 408</u>

On 19 July 2017, the company signed a new management agreement with BPE Partners SAE, the new management agreement became effective on the date of completion of listing the company's shares on the Egyptian Stock Market. 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 management fees of 2% of the company's paid-up capital up to EGP 600 million and 1.5% of any capital increase (Included share premium) of more than EGP 600 million Up to EGP 1.2 billion and 1% on any capital increase of more than EGP 1.2 billion.

Additionally, the management company is entitled to a performance fee, the performance fee will be due to the management company only on the exit of investments entered into by the Company. Performance fees for existing investments are accrued for the management company and calculated as the difference between cash proceeds net of taxes and fees received from the disposal and distribution (dividend, interest, or rent) of the investment and the adjusted cost of the existing investment. The adjusted cost is the historical cost of the investment at an acceptable rate of return on investment (10% annually) for each year following the acquisition date of the investment until the date on which the new management agreement takes effect.

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

20. Significant events during the period

The spread of the epidemic of emerging coronavirus (COVID-19) during the year 2020 had a negative impact on the performance of financial markets and the volume of global trade countries of the world, including the Arab Republic of Egypt till now.

The governments of world's countries, including the Egyptian government, have taken several actions of precautionary measures to limit the spread of this epidemic, and as a result, the industrial and commercial operations of various economic activities were affected, which led to a state of economic slowdown at the global and local levels.

The company has conducted a study for the purpose of evaluating the potential risks and the management evaluation included the following factors:

- The risk of impairment of real estate assets and investment portfolio.
- Risks of not being able to collect debit balances and loans due from debtors and related parties on the maturity date.
- The risk of not being able to pay obligations owed to creditors on maturity.
- Risks that may arise from any claims resulting from lawsuits

The management concluded that there is no impact on the company's work that could lead to a decrease in the value of real estate assets and investment portfolio in addition to debit balances and loans due from debtors and related parties, and the company pays all its obligations on the due date as well.

And the continuous and accelerating changes associated with that pandemic still impose a state of uncertainty and the inability to accurately predict due to the continuing economic repercussions of the Coronavirus crisis.

The administration closely monitors the situation and adjusts the necessary plans to face these repercussions, by extension, if the situation continues to evolve for a longer period of time.

In February 2022, the Russian-Ukrainian conflict erupted. Situations change rapidly resulting in high volatility in all markets. Nevertheless, management is closely monitoring and analyzing market developments in this highly volatile situation. However, it is too early to fully assess the effects of the situation. Despite the current uncertainties, there is currently no indication of a major disruption in the company's business or non-fulfilment of the Group's obligations to its customers, and there are no indications of a material impact on its future operational performance.

On March 21, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided in its extraordinary meeting to raise the rates of the overnight deposit and lending rates and the price of the main operation of the Central Bank by 100 basis points to 9.25%, 10.25% and 9.75%, respectively. The credit and discount rates were also raised by 100 basis points to reach 9.75%.

On March 30, 2022, the Company's board of directors proposed distribution of dividends for the year ended December 31, 2021, to the shareholders by 50 piasters per share and an amount of EGP 3 660 000 to the board of directors' members.

21. Events subsequent to the date of the condensed separate interim financial statements

On April 27, 2022, the Presidency of the Council of Ministers issued Resolution No. (1568) for the year 2022 amend some provisions of the Egyptian Accounting Standards by adding Annex (B) to the Egyptian Accounting Standard No. (13) regarding the effects of changes in foreign exchange rates. The annex aimed to establish a special accounting treatment to deal with the effects of the exceptional economic decision related to moving the exchange rate by adding a temporary additional and optional treatment for the paragraph No. (28) of the Egyptian Accounting Standard No. (13) - Effects of changes in foreign exchange rates which requires the recognition of currency differences in the statement of profit or loss for the period in which these differences arise, and alternatively allows the entity that has outstanding liabilities in foreign currency at the date of the exchange rate by recognizing the debit currency differences resulting from the translation of these obligations on the date of moving the exchange rate within the cost of these assets. The management has chosen not to apply this accounting treatment.

On May 19, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided in its extraordinary meeting to raise the rates of the overnight deposit and lending rates and the price of the main operation of the Central Bank by 200 basis points to 11.25%, 12.25% and 11.75%, respectively. The credit and discount rates were also raised by 200 basis points to reach 11.75%.

On May 24, 2022, the Company's OGM approved the distribution of dividends for the year ended December 31, 2021, to the shareholders by 50 piasters per share and an amount of EGP 3 660 000 to the board of directors' members.