

B Investments Holding

"S.A.E."

Condensed Separate Interim Financial Statements

For the six months ended June 30, 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 June 30, 2022 and the related interim statements of profits or losses, 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 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 June 30, 2022, and of its financial performance and its cash flows for the six months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo, August 15, 2022

Farid Samir Farid

F.R.A. No. (210)

R.A.A. 8739



B Investments Holding "S.A.E"
Condensed separate interim Statement of Financial Position as of June 30, 2022

	<u>Note</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>
		EGP	EGP
Assets			
Non-current assets			
Investments in subsidiaries		130 998 147	130 998 147
Investments in joint ventures (net)	(4)	358 871 515	342 802 405
Investments in associates (net)	(5)	182 229 125	153 856 436
Investments at fair value through OCI	(6)	381 572 723	381 572 723
Investment properties (net)		91 518 782	91 721 954
Loans to associates (net)	(7)	129 574 633	111 445 145
Notes receivable (net)	(9)	6 663 493	7 431 543
Total non-current assets		1 281 428 418	1 219 828 353
Current assets			
Loans to joint ventures (net)	(8)	12 396 885	24 707 408
Notes receivable (net)	(9)	2 353 490	2 447 060
Treasury bills (net)	(11)	260 990 326	318 082 381
Due from related parties (net)		121 737	120 930
Other debit balances (net)	(10)	4 053 603	7 690 918
Cash at banks	(12)	42 749 420	61 799 285
Total current assets		322 665 461	414 847 982
Total assets		1 604 093 879	1 634 676 335
Equity and liabilities			
Equity			
Issued and paid-up capital	(16)	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		178 594 636	145 008 052
Net profit for the period / year		58 709 216	123 430 307
Total equity		1 510 170 329	1 535 133 321
Non-current liabilities			
Deferred tax liabilities	(15)	74 446 742	69 489 898
Total non-current liabilities		74 446 742	69 489 898
Current liabilities			
Due to related parties	(13)	4 643 284	4 691 395
Accounts payable and other credit balances		5 743 261	4 935 606
Current income tax		6 364 782	16 385 464
Provisions	(14)	2 725 481	4 040 651
Total current liabilities		19 476 808	30 053 116
Total equity and liabilities		1 604 093 879	1 634 676 335

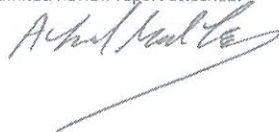
- The attached notes form an integral part of the condensed separate interim financial statements and to be read

Chief Financial Officer
Ahmed Abdel Monem Madbouly

Chief Executive Officer
Dr. Mohamed Abdel Monem Omran

Chairman
Mohamed Hazem Adel Barakat

- Limited Review report attached.





Translation of Condensed Separate Interim Financial Statements
Originally Issued in Arabic

B Investments Holding "S.A.E"
Condensed separate interim Statement of Profits or Losses
For the six months ended June 30, 2022

	Note	The six months ended		The three months ended	
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		EGP	EGP	EGP	EGP
Income and profits					
Dividends income from investments at fair value through OCI		26 853 298	20 201 805	26 853 298	20 201 805
Dividends income from associate entities		--	46 203 095	--	46 203 095
Rental income of investment properties		4 364 189	2 047 500	2 223 588	1 023 750
Credit Interest	(19)	26 231 501	39 495 655	13 113 690	18 714 374
Other revenue		199 662	9 378 000	199 662	9 378 000
		57 648 650	117 326 055	42 390 238	95 521 024
Expenses and losses					
Investment properties' depreciation		(865 522)	(893 866)	(434 141)	(448 640)
Investment manager fees	(20)	(9 229 810)	(9 229 810)	(4 640 402)	(4 640 402)
Consulting fees and other expenses		(2 056 893)	(2 867 028)	(1 384 289)	(1 761 032)
Board of directors allowances and other expenses		(117 300)	(151 800)	(117 300)	(151 800)
Expected credit losses		(512 774)	--	(468 363)	--
Foreign exchange gains / (losses)		25 164 491	(665 143)	4 514 192	(187 055)
Net profit for the period before tax		70 030 842	103 518 408	39 859 935	88 332 095
Income tax		(6 364 782)	(9 941 855)	(3 016 194)	(6 149 334)
Deferred tax	(15)	(4 956 844)	(239 690)	(889 399)	17 528
Net profit for the period after tax		58 709 216	93 336 863	35 954 342	82 200 289
Basic earnings per share	(17)	0.37	0.58	0.22	0.51
Diluted earnings per share	(17)	0.37	0.59	0.22	0.52

- 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 the six months ended June 30, 2022

	<u>The six months ended</u>		<u>The three months ended</u>	
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period	58 709 216	93 336 863	35 954 342	82 200 289
Other comprehensive income	--	--	--	--
Total comprehensive income for the period	<u>58 709 216</u>	<u>93 336 863</u>	<u>35 954 342</u>	<u>82 200 289</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 the six months ended June 30, 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	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									1 597 701 707
<u>Items of comprehensive income</u>																
Net profit of the period	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	93 336 863
Total Comprehensive income	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	93 336 863
<u>The company's shareholders transactions</u>																
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	--
Dividends distributions	--	--	--	--	--	--	(203 786 520)	--	--	--	--	--	--	--	(203 786 520)	--
Total company's shareholders transactions	--	5 471 154	11 133 187	--	--	--	12 546 300	--	--	--	--	--	--	(222 663 744)	--	(203 786 520)
Balance as of June 30, 2021	800 122 080		273 545 045	189 220 998	145 411 499	(4 111 018)	145 411 499	197 138 855	(4 111 018)	145 008 052	93 336 863	1 497 525 467				(193 513 103)
Balance as of January 1, 2022	800 122 080		273 545 045	197 138 855	273 545 045	(4 111 018)	145 008 052	197 138 855	(4 111 018)	145 008 052	123 430 307	1 535 133 321				1 535 133 321
<u>Items of comprehensive income</u>																
Net profit of the period	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	58 709 216
Total Comprehensive income	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	58 709 216
<u>The company's shareholders transactions</u>																
Transferred to legal reserve	--	--	6 171 515	--	--	--	--	--	--	--	--	--	--	(6 171 515)	--	--
Transferred to retained earnings	--	--	--	--	--	--	117 258 792	--	--	--	--	--	--	(117 258 792)	--	--
Dividends distributions	--	--	--	--	--	--	(83 672 208)	--	--	--	--	--	--	--	(83 672 208)	--
Total company's shareholders transactions	--	--	6 171 515	--	--	--	33 586 584	--	--	--	--	--	--	(123 430 307)	--	(83 672 208)
Balance as of June 30, 2022	800 122 080		279 716 560	197 138 855	279 716 560	(4 111 018)	178 594 636	197 138 855	(4 111 018)	178 594 636	58 709 216	1 510 170 329				1 510 170 329

- 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 the six months ended June 30, 2022

	<u>Note</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net profit for the period before tax		70 030 842	103 518 408
<u>Adjustments to reconcile net profit to cash flows from operating activities</u>			
Reverse of dividends income from investments at fair value through OCI		(26 853 298)	(20 201 805)
Reverse of dividends income from associate entities		--	(46 203 095)
Foreign currency exchange differences		(25 164 491)	665 143
Credit interest - treasury bills		(17 939 449)	(32 691 017)
Credit interest		(8 292 052)	(6 804 638)
Expected credit losses		512 774	--
Provisions used	(14)	(1 315 170)	--
Investment properties depreciation		865 522	893 866
Operating (losses) before changes in working capital		(8 155 322)	(823 138)
Decrease in notes receivable		1 000 000	2 000 000
Decrease in loans to associates and joint ventures		20 386 662	9 811 359
(Increase) in other debit balances		(8 033 456)	(3 770 069)
(Increase) / Decrease in balances due from related parties		(4 698)	2 003 173
(Decrease) in balances due to related parties		(48 111)	(17 022 029)
(Decrease) in accounts payable and other credit balances		(290 345)	(236 512)
Income tax paid during the period		(4 704 986)	(26 458 200)
Proceeds from dividends income from investments at fair value through OCI		26 853 298	20 201 805
Proceeds from dividends income from associate entities		--	15 262 098
Net cash flows generated from operating activities		27 003 042	968 487
<u>Cash flows from investing activities</u>			
Proceeds from credit interest		2 032 164	16 967 020
(Payments) to acquire investments in joint ventures		(10 126 000)	(16 404 500)
(Payments) to advance for investments in joint ventures		(5 943 110)	--
(Payments) to acquire investments in associates		(28 372 689)	--
(Payments) to acquire investment properties		(662 350)	(204 847)
Change in long term time deposits		--	3 137 290
Net proceeds/ payments from sale, redemption and acquisition of treasury bills		75 019 225	54 203 104
Net cash flows generated from investing activities		31 947 240	57 698 067
<u>Cash flows from financing activities</u>			
Proceeds from sale of treasury stocks		--	10 273 417
Dividends paid		(82 574 208)	(203 473 520)
Net cash flows (used in) financing activities		(82 574 208)	(193 200 103)
Net change in cash and cash equivalents during the period		(23 623 926)	(134 533 549)
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		4 264 061	(369 692)
Cash and cash equivalents at the end of the period	(12)	40 874 420	39 654 118

- 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 six months ended June 30, 2022, on August 15, 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>June 30, 2022</u>	<u>December 31, 2021</u>
			<u>EGP</u>	<u>EGP</u>
Inergia Technologies for Information Systems 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. "Gourmet"	3 722 261	52.9	103 861 865	103 861 865
Advance for investment in Gourmet Egypt.com Foods S.A.E. "Gourmet"	--	--	5 943 110	--
Red Sea Venture for Solar Energy S.A.E.	7 425	49.5	5 727 150	5 727 150
<u>Deduct:</u>				
Impairment of investment in Red Sea Venture for Solar Energy S.A.E.			(5 727 150)	(5 727 150)
			<u>358 871 515</u>	<u>342 802 405</u>

The main reason for the increase in Investments in joint ventures is due to the following:

- Payment of the company's share in Basata Financial Holding S.A.E. capital increase by an amount of EGP 10 126 000, and that increase was registered in the investee company's commercial register on January 19, 2022.
- Payment of the company's share in Gourmet Egypt.com Foods S.A.E. "Gourmet" capital increase by an amount of EGP 5 943 110, and that increase was registered in the investee company's commercial register on July 03, 2022.

5. Investments in associates (net)

<u>Name of Company</u>	<u>No. of Shares</u>	<u>Ownership</u> %	<u>June 30, 2022</u>	<u>December 31, 2021</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 S.A.E.	157 752 545	7.51	182 227 374	153 854 685
Infinity Solar 1 B. V.	246	24.6	--	--
Infinity Solar 2 B. V.	175	17.5	--	--
Infinity Solar 3 B. V.	175	17.5	--	--
<u>Deduct:</u>				
Impairment of Investment in Al Retail for Trade and Investment S.A.E.			(7 273 507)	(7 273 507)
			<u>182 229 125</u>	<u>153 856 436</u>

The main reason for the increase in Investments in associates is due to payment of the company's share in Madinet Nasr for Housing and Development S.A.E capital increase, and that increase was registered in the investee company's commercial register on May 29, 2022.

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

<u>Name of Company</u>	<u>No. of Quotas</u>	<u>Ownership</u>	<u>June 30, 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
Add: Valuation of remaining Quotas			268 562 788	268 562 788
			381 572 723	381 572 723

The Company's management made an assessment to measure the fair value of the investment in Total Egypt LLC "Total" on June 30, 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) and the conflict break out between Russia and Ukraine, which has a negative impact on the economies of many countries, 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>June 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Infinity Solar (1) B.V.	37 785 515	32 696 342
Infinity Solar (2) B.V.	64 502 577	56 731 029
Infinity Solar (3) B.V.	28 009 041	22 259 077
Deduct: Expected credit losses	(722 500)	(241 303)
	129 574 633	111 445 145

The main reason for the increase in loans to associates is due to the recognition of the accrued interest amounted to EGP 6 025 470 for the period in addition to unrealized foreign currency revaluation gains by an amount of EGP 20 900 430, 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>June 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Gourmet Egypt.com Foods S.A.E. "Gourmet"	12 449 333	24 772 315
Deduct: Expected credit losses	(52 448)	(64 907)
	12 396 885	24 707 408

The main reason for the decrease in loans to joint ventures is due to the collection of an amount of EGP 13 537 705 from the balance due during the period, taking into consideration the recognition of the accrued interest income during the period by an amount of EGP 1 214 723.

9. **Notes receivable (net)**

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Current portion of notes receivable	3 000 000	3 000 000
Deduct: Present value of the current portion	(640 525)	(549 668)
Deduct: Expected credit losses	(5 985)	(3 272)
Short term notes receivable – Net	2 353 490	2 447 060
Non-current portion of notes receivable	11 000 000	12 000 000
Deduct: Present value of the non-current portion	(4 316 263)	(4 559 117)
Deduct: Expected credit losses	(20 244)	(9 340)
Long term notes receivable – Net	6 663 493	7 431 543

The main reason for the decrease in Notes receivable is due to the collection of an amount of EGP one million during the period.

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Deposits held with others	46 795	46 795
Accrued interest	13 973	3 902
Accrued rental income	2 804 500	2 804 500
Prepaid expenses	552 375	148 105
Withholding tax receivable	91 602	131 277
Withholding tax on treasury bills	1 597 786	6 325 602
Advance payment to tax authority	400 000	400 000
Advance payment to suppliers	892 397	243 932
Other debit balances	466 112	394 476
Deduct: Expected credit losses	(2 811 937)	(2 807 671)
	4 053 603	7 690 918

The main reason for the decrease in the other debit balances is due to the decrease in withholding tax on treasury bills and withholding tax receivable due to using their beginning balances in the settlement of a portion of the accrued income tax of the prior year.

11. **Treasury bills (net)**

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills – maturity of more than three months	273 825 000	321 350 000
Deduct: Unrealized interest	(12 811 283)	(3 256 507)
Deduct: Expected credit losses	(23 391)	(11 112)
	260 990 326	318 082 381

12. Cash at banks

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Current accounts in local currency	17 178 164	47 810 974
Current accounts in foreign currencies	23 713 559	12 430 632
Time deposits at banks in foreign currencies	1 875 000	1 565 000
Deduct: Expected credit losses	<u>(17 303)</u>	<u>(7 321)</u>
	<u>42 749 420</u>	<u>61 799 285</u>

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	42 749 420	41 216 118
Deduct: Time Deposits – More than three months	<u>(1 875 000)</u>	<u>(1 562 000)</u>
	<u>40 874 420</u>	<u>39 654 118</u>

13. Due to related parties

	<u>Relationship nature</u>	<u>Account nature</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>
			<u>EGP</u>	<u>EGP</u>
BPE Partners S.A.E.	Management company	Management fees	4 643 284	4 691 395
			<u>4 643 284</u>	<u>4 691 395</u>

14. Provisions

	<u>January 1st, 2022</u>	<u>Used during the period</u>	<u>June 30, 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.

15. Deferred tax liabilities

	<u>Movement during the period</u>			<u>June 30, 2022</u> <u>Asset / (Liability)</u>
	<u>January 1st, 2022</u> <u>Asset / (Liability)</u>	<u>Asset/(Liability)</u>		
		<u>Charged to</u> <u>condensed</u> <u>separate interim</u> <u>statement of</u> <u>profits or losses</u>	<u>Charged to</u> <u>condensed</u> <u>separate interim</u> <u>statement of</u> <u>comprehensive</u> <u>income</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)	(52 278)	--	(675 179)
Deferred tax asset (liability) arising from unrealized foreign Currency exchange differences	2 556 936	(4 904 566)	--	(2 347 630)
Differences in valuation of investments at fair value through OCI	(71 423 933)	--	--	(71 423 933)
	<u>(69 489 898)</u>	<u>(4 956 844)</u>	<u>--</u>	<u>(74 446 742)</u>

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Impairment of investments in joint ventures	5 727 150	5 727 150
Impairment of Investments in associates	7 273 507	7 273 507
Provisions	2 725 481	4 040 651
Expected credit losses on financial assets	4 808 228	4 295 454
	<u>20 534 366</u>	<u>21 336 762</u>

16. 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.

17. 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 the omission of the cost of convertible debt instruments taking tax effect into consideration.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	58 709 216	93 336 863
Weighted average number of outstanding ordinary shares	160 024 416	160 024 416
Basic earnings per share	0.37	0.58
Net profit for the period	58 709 216	93 336 863
Weighted average number of outstanding ordinary shares	160 024 416	160 024 416
Deduct: Treasury stocks	--	(523 201)
Weighted average number of shares after deducting treasury stocks	160 024 416	159 501 215
Diluted earnings per share	0.37	0.59

18. Significant related parties' transactions

Transactions during the financial period are represented by management fees and expenses paid on behalf of the company or what the company has paid on behalf of those Parties and interest charged to related parties.

The significant transactions during the period are as follows:

<u>Company name</u>	<u>Relationship nature</u>	<u>Nature of transaction</u>	<u>Volume of transactions during the period</u>
			<u>EGP</u>
BPE Partners S.A.E.	Management company	Management fees	(9 229 810)
Infinity Solar (1) B.V.	Associate	Credit interest	1 756 495
Infinity Solar (2) B.V.	Associate	Credit interest	3 013 472
Infinity Solar (3) B.V.	Associate	Credit interest	1 255 503
Gourmet Egypt.com Foods S.A.E.	Joint venture	Credit interest	1 214 723

19. Credit Interest

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest of time deposits and bank current accounts	1 051 859	429 894
Credit interest of loans to associates	6 025 470	5 232 661
Credit interest of loans to joint ventures	1 214 723	1 142 083
Credit interest of treasury bills	17 939 449	32 691 017
	26 231 501	39 495 655

The main reason for the decrease in finance income during the period is due to the decrease of credit interest of treasury bills by an amount of EGP 14.7 million.

20. Investment manager fees

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Management fees	9 229 810	9 229 810
	9 229 810	9 229 810

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 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 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.

21. Dividends

On May 24, 2022, the Company's Ordinary General Assembly Meeting approved dividends for the year ended December 31, 2021, to the shareholders by 50 piasters per share with a total amount of EGP 80 012 208 and an amount of EGP 3 660 000 to the board of directors' members.

22. Significant events during the period

The continuous spread of the epidemic of emerging coronavirus (COVID-19) during the year 2022 is still having 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 April 27, 2022, Prime Minister Decision No. 1568 of 2022 was issued to amend some provisions of the Egyptian Accounting Standards by adding Annex (B) to the Egyptian Accounting Standard No. (13) "The effects of changes in foreign exchange rates". This annex aims to develop a special accounting treatment to deal with The effects of the exceptional economic decision related to the moving of the exchange rate by placing an additional, temporary option for paragraph No. (28) of the Egyptian Accounting Standard No. (13) "The effects of changes in foreign exchange rates", which requires the recognition of foreign currencies exchange differences in the statement of profit or loss for the period in which these differences arise, and alternatively, it is allowed for the entity that has outstanding liabilities in foreign currency at the date of moving the exchange rate, related to fixed assets, property investments, intangible assets (excluding goodwill) and exploration and evaluation assets acquired during the period from the beginning of January 2020 until the date of moving the exchange rate, to recognize the debit foreign currencies exchange differences resulting from the translation of these liabilities on the date of moving the exchange rate within the cost of these assets, and the treatment also allows the entity to recognize the debit and credit foreign currencies exchange differences Resulting from translating the balances of monetary assets and liabilities in foreign currencies that exist at the date of moving the exchange rate within the items of other comprehensive income and closing it in the retained earnings of the same period. 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 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 June 23, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided in its meeting to keep the rates of the overnight deposit and lending rates and the price of the main operation of the Central Bank at 11.25%, 12.25% and 11.75%, respectively. The credit and discount rates were also kept at 11.75%.

23. Subsequent Events to the date of the financial statements

On 28 July 2022, Total Energies Marketing Afrique SAS ("TEMA") announced its proposed sale to Abu Dhabi National Oil Company for Distribution PJSC ("ADNOC") of a 50% shareholding in Total Energies Marketing Egypt LLC ("TE").

B Investments Holding for Financial Investments SAE ("BINV") holds 6.38% of the shares in TE, together with an affiliated company, which holds a further 9.00% (together, the "BINV Group Shares").

BINV and its affiliate have received a Transfer Notice from TEMA stating that TEMA has received a bona fide written offer from ADNOC to purchase 34.62 % of TEMA's shares in TE ("TEMA Shares"), together with the BINV Group Shares, subject, inter alia, to TEMA exercising its call option over the BINV Group Shares.

The Transfer Notice states, inter alia, that:

- BINV, together with its affiliate, has a right of pre-emption, exercisable before 29 August 2022, to purchase the TEMA Shares on the same conditions as the offer from ADNOC; and
- Completion of the sale of the TEMA Shares to ADNOC is subject to a number of conditions precedent, including the exercise by TEMA of its call option to purchase the BINV Group Shares or BINV and its affiliate exercising a put option in respect of the BINV Group Shares.

TEMA and BINV, together with its affiliate, are also parties to a legally binding agreement entered into in March 2022 (the "March Agreement") governing the terms of the sale by TEMA to ADNOC of shares in TE.

24. Comparative figures

On June 30, 2021, the company did not have investments in subsidiaries and in accordance with the Egyptian Accounting Standards, the company prepared one set of financial statements in which investments in associates and joint ventures are treated using the equity method and to obtain comparative figures for the separate financial statements for the financial period ended June 30, 2022, The effect of applying the equity method has been eliminated and investments in associates and joint ventures were recognized at cost.