

GEFINOR S.A.
Société Anonyme
5 rue Guillaume Kroll
L-1882 Luxembourg

R.C. B8282

Quarterly consolidated financial report for the period ended September 30, 2017
(prepared in compliance with Art 5 para 2 of law of January 2008)

MANAGEMENT REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2017

We are pleased to present to you the management report on the consolidated financial statements accounts for the period ended September 30, 2017.

Financial statements

Total consolidated assets at September 30, 2017 were USD 138.7 million compared with USD 166.3 million as of December 31, 2016. Consolidated stockholders' equity was USD 100.7 million at September 30, 2017 compared with USD 102.3 million at December 31, 2016.

Net loss for the period of USD 2.9 million includes a foreign exchange loss of USD 2.2 million recognized by Gefinor Finance SA on its USD exposure, compensated by the foreign exchange revaluation of USD 0.8 million on the Geneva building and a translation gain of USD 1.3 million. The consolidated total comprehensive loss for the period of USD 1,592 thousand neutralizes these foreign exchange impacts and presents the net performance of the Group for the period. The overheads for the period were USD 1'544 thousand of which USD 675 thousand paid in management fees.

Organisation and activities

Gefinor Finance Holding Limited, Gibraltar

Gefinor Finance Holding Limited regroups the operations of Gefinor Finance SA, and Gefinor Finance Holding Limited.

For the period ended September 30, 2017 the net loss was USD 1'233 thousand, the comprehensive income after translation gain was a profit of USD 114 thousand.

Gefinor Private Equity Limited, Gibraltar

For the period ended September 30, 2017 the result was a loss of USD 398 thousand net of management fees paid. During the period the investment portfolio maintained its value.

➤ Gefus Capital Partners II, LP

During the period, Gefinor Private Equity Limited invested an additional USD 572 thousand in Gefus Capital Partners II, LP. The partnership has now called 67% of its committed capital.

➤ GEF Private Equity Partners, SPC (GEFPEP)

During the period, the company the company invested USD 28 thousand in GEFPEP and received USD 452 thousand in distributions from GEFPEP.

➤ Monterro I, AB

During the period, the company invested USD 60 thousand in Monterro I, AB.

Gefinor Real Estate Limited, Gibraltar

For the period ended September 30, 2017 the result was a loss of USD 1'137 thousand of which a management fee paid of USD 272 thousand and interest paid of USD 862 thousand.

Gefinor Real Estate Limited holds investments in Lebanon in the form of a 7.7% interest in the Garden City project in Beirut (formerly New City) as well as a loan of USD 69.4 million financing land for development in prime areas in Lebanon.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Period ended September 30, 2017

(Expressed in thousands of US dollars except earnings per share)

	<u>30.09.2017</u>	<u>30.09.2016</u>
Operating Income		
Dividends	-	208
Real estate income	272	249
Net realised gains / (losses) on investments	-	-
Net unrealised gains / (losses) on investments	640	977
Foreign exchange gains / (losses)	(2'204)	(1'848)
Income (Loss) from Investments	<u>(1'292)</u>	<u>(414)</u>
Net commission income / (expenses)	(13)	(5)
Income from Services	<u>(13)</u>	<u>(5)</u>
Total Operating Income (Loss)	<u>(1'305)</u>	<u>(419)</u>
Operating Expenses		
Office	(177)	(207)
Professional fees	(604)	(151)
Management fees	(675)	(981)
Other general administrative expenses	(82)	(117)
Depreciation	(6)	(19)
Total Operating Expenses	<u>(1'544)</u>	<u>(1'475)</u>
Net Operating Income (Loss)	<u>(2'849)</u>	<u>(1'894)</u>
Interest income	727	1'297
Interest expense	(631)	(840)
Net Interest	<u>96</u>	<u>457</u>
Other income / (expenses)	-	(18)
Income (Loss) Before Tax	<u>(2'753)</u>	<u>(1'455)</u>
Income tax expenses	(186)	(176)
Net Income (Loss)	<u>(2'939)</u>	<u>(1'631)</u>
Other Comprehensive Income, net of tax		
Items that may be reclassified subsequently to profit or loss		
Exchange difference on translating foreign operations	1'347	1'027
Total Comprehensive Income (Loss) for the period	<u>(1'592)</u>	<u>(604)</u>
Weighted average shares outstanding	39'551'180	39'551'180
Basic and Diluted Earnings per share from continuing and discontinuing operations (expressed in USD dollars per share)	(0.0743)	(0.0412)
Basic and Diluted Earnings per share from continuing operations (in USD dollars per share)	(0.0743)	(0.0412)

The notes are an integral part of the consolidated financial statements

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the period ended September 30, 2017

	<u>30.09.2017</u>	<u>31.12.2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	4'060	9'830
Loans and advances	9'400	57'044
Trade receivables and other current assets	461	727
Total Current Assets	<u>13'921</u>	<u>67'601</u>
Non-Current Assets		
Financial assets at fair value through P&L	107'667	82'228
Loans and advances	1'333	1'535
Investment property	12'894	12'253
Property, plant and equipment	2'839	2'702
Total Non-Current Assets	<u>124'733</u>	<u>98'718</u>
Total Assets	<u><u>138'654</u></u>	<u><u>166'319</u></u>
LIABILITIES		
Current Liabilities		
Bank overdrafts and short term bank debt	4'400	4'204
Client deposits	20'007	46'772
Trade and other payables	717	569
Current tax liabilities	192	395
Total Current Liabilities	<u>25'316</u>	<u>51'940</u>
Non-Current Liabilities		
Borrowings and other long term payable	11'425	10'934
Deferred tax liabilities	1'184	1'125
Total Non-Current Liabilities	<u>12'609</u>	<u>12'059</u>
Equity		
Share capital	50'000	50'000
Reserves	35'448	35'448
Retained earnings	23'316	22'707
Treasury shares	(5'096)	(5'096)
Net income (loss)	(2'939)	(739)
Total Equity	<u>100'729</u>	<u>102'320</u>
Total Liabilities	<u><u>138'654</u></u>	<u><u>166'319</u></u>

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