

U Consumer Finance
“ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)
Standalone financial statements
For the year ended December 31, 2025
With Auditor’s Report

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)
Financial statements for the year ended December 31, 2025**

<u>Contents</u>	<u>Page</u>
Auditor’s Report	
Separate statement of Financial Position	1
Separate income statement	2
Separate statement of Comprehensive Income	3
Separate statement of Changes in Equity	4
Separate statement of Cash Flows	5
Notes to the Separate Financial Statements	6-54



MOHAMED HILAL & WAHID ABDEL GHAFFAR

Degla view building -Ring road,
Katameya,Cairo, Egypt

C61, Plot# 11, 10th Sector,
Zahraa El Maadi, Cairo.

87 Ramsis Street, Cairo.
Egypt

T: +2 2725 10 04
T: +2 2725 10 08
T: +2 2725 10 09

T: +2 2310 10 31,32,33,34,35

T: +2 2574 48 10
T: +2 2577 07 85

info@bakertillyeg.com
www.bakertillyeg.com

*Translation of Audit report
originally issued in Arabic*

AUDITOR'S REPORT

To The SHAREHOLDERS of U Consumer Finance “ValU Consumer Finance Company, previously” (S.A.E) Report on the Separate Financial Statements

We have audited the accompanying Separate financial statements of U Consumer Finance “ValU Consumer Finance Company, previously” (S.A.E) " which comprise the statement of the Separate financial position as at 31 December 2025, and the Separate statements of income, comprehensive income, Separate statements changes in equity and Separate statements cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these Separate financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws, management responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Separate financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Separate financial statements.

ADVISORY • ASSURANCE • TAX

Mohamed Hilal & Wahid Abdel Ghaffar trading as Baker Tilly Hilal & Abdel Ghaffar is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Opinion

In our opinion, the Separate financial statements referred to above present fairly, in all material respects, the financial position of U Consumer Finance "ValU Consumer Finance Company, previously" (S.A.E) " as of December 31, 2025 and of its Separate financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account, which include all that is required by law and by the statutes of the Company and the financial statements are in agreement thereto.

The management maintain adequate provision in the light of the bases of calculation stated in article 6 of decree no 101 for year 2020 from the board of directors of the financial reporting authority, regarding the capital adequacy for the companies operating in the consumer finance activity.

The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

Cairo, March 12, 2026



Amr Wahid

Auditor

Amr Wahid Abdel Ghaffar

Bakertilly Mohamed Hilal & Wahid Abdel Ghaffar.
Accountants and Consultants

U Consumer Finance "ValU Consumer Finance Company, previously"
(Egyptian Joint Stock Company)

Translation of financial statements
Originally Issued in Arabic

Separate Statement of financial position as of December 31, 2025

(All amount in Egyptian pound)

	Note	31/12/2025	31/12/2024
Assets			
Non - current assets			
Account receivables for consumer finance	(8)	5 084 183 025	3 841 102 654
Investments at fair value through OCI	(9)	3 050 100	3 050 100
Investments in subsidiary companies	(11)	401 564 460	519 329 410
Payments under Investments in Subsidiaries	(12)	337 239 000	-
Fixed assets	(3)	259 976 930	278 956 904
Right of use assets	(5)	44 676 094	57 131 504
Intangible assets	(4)	30 698 619	40 142 803
Total non - current assets		6 161 388 228	4 739 713 375
Current assets			
Cash and cash equivalents	(6)	529 560 944	739 828 494
Account receivables for consumer finance	(8)	5 394 659 215	3 686 653 008
Financial investments at fair value through profit or loss	(10)	4 499 429	3 746 775
Debitors and Other debit balances	(7)	453 292 970	304 373 975
Securitization surplus	(28)	353 526 124	292 353 725
Due from related parties	(13)	706 937 193	865 772 722
Total current assets		7 442 475 875	5 892 728 699
Total assets		13 603 864 103	10 632 442 074
Equity			
Issued & paid - in capital	(14)	210 635 652	199 590 140
Legal reserve		105 317 826	99 795 071
Share premium		710 898 836	710 898 836
Impairment reserve for consumer finance	(31)	111 133 401	95 596 990
Retained Earnings		908 250 062	483 069 051
Total equity		2 046 235 777	1 588 950 088
Liabilities			
Non - current liabilities			
Loans and borrowings	(15)	1 133 929 513	4 808 438 194
Subordinated loans	(17)	-	440 000 000
Deferred tax liabilities	(25)	17 300 541	18 559 840
Operating lease Liabilities	(5)	46 096 918	54 955 230
Total non - current liabilities		1 197 326 972	5 321 953 264
Current liabilities			
Loans and borrowings	(15)	6 606 796 725	548 529 403
Banks overdrafts	(16)	2 279 676 587	1 763 930 398
Subordinated loans	(17)	-	110 000 000
Due to related parties	(13)	6 107 459	24 272 696
Creditors and other credit balances	(18)	609 945 363	839 091 109
Merchant provisions	(19)	631 956 554	333 385 311
Current income tax liabilities	(24)	15 000 000	4 000 000
Current portion of operating lease liabilities	(5)	192 042 468	80 314 339
		18 776 198	18 015 466
Total current liabilities		10 360 301 354	3 721 538 722
Total liabilities		11 557 628 326	9 043 491 986
Total equity and liabilities		13 603 864 103	10 632 442 074

The accompanying notes and accounting policies from page (6) to page (54) are an integral part of these Separate financial statements and are to be read therewith.

" Auditor's Report " Attached "

Non Executive Chairman
Fatma Ibrahim Lotfi

Managing Director
Walid Mahmoud Hassouna

CFO
Karem Riad

U Consumer Finance “ ValU Consumer Finance Company, previously”

(Egyptian Joint Stock Company)

Translation of financial statements

Originally Issued in Arabic

Separate Income Statement for the Year Ended 31 December 2025

(All amount in Egyptian pound)

	Note	For the year ended	
		31/12/2025	31/12/2024
Revenues from activity	(20)	2 865 688 004	2 090 374 475
Gain from Securitization and Discounting and Offloading	(28)	2 152 199 902	834 712 112
Finance cost	(21)	(2 450 722 038)	(1 527 623 725)
Net operating revenue		2 567 165 868	1 397 462 862
Add/(Deduct):			
Interest Income		183 206 737	228 415 995
Net change in fair value through profit or loss		752 654	941 505
Commissions and collection fees		(65 472 851)	(17 058 374)
Fixed assets Depreciation	(3)	(71 921 037)	(49 782 394)
Intangible assets Amortization	(4)	(9 992 528)	(5 491 045)
Right of use assets Amortization	(5)	(12 778 156)	(11 595 084)
Expected Credit Loss	(23)	(295 653 841)	(147 584 063)
Provisions Formed During The year	(19)	(11 000 000)	(3 000 000)
Provisions no longer needed	(19)	--	4 000 000
Foreign currency exchange differences		(21 374 480)	96 066 543
Capital (loss)		(608 247)	(3 125 244)
General and administrative expenses	(22)	(1 469 385 727)	(1 010 703 408)
Net profit for the year before income tax		792 938 392	478 547 293
(Deduct) / Add:			
Income tax	(24)	(192 042 468)	(80 314 339)
Deferred tax	(25)	1 259 299	(16 731 999)
Net Profit for the year		602 155 223	381 500 955
Earning Per Share in the profit for the Year	(26)	0.28	0.19

The accompanying notes and accounting policies from page (6) to page (54) are an integral part of these Separate financial statements and are to be read therewith.

Non Executive Chairman
Fatma Ibrahim Lotfi

Managing Director
Walid Mahmoud Hassouna

CFO
Karem Riad

U Consumer Finance “ ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Translation of financial statements
Originally Issued in Arabic

Separate Statement of Comprehensive Income for the Year Ended 31 December 2025

(All amount in Egyptian pound)

	For the year ended	
	31/12/2025	31/12/2024
Net Profit for the year	602 155 223	381 500 955
Total comprehensive income for the year	<u>602 155 223</u>	<u>381 500 955</u>

The accompanying notes and accounting policies from page (6) to page (54) are an integral part of these Separate financial statements and are to be read therewith.

Non-Executive Chairman

Fatma Ibrahim Lotfi

Managing Director

Walid Mahmoud Hassouna

CFO

Karem Riad

**U Consumer Finance “Vau Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

**Translation of financial statements
Originally Issued in Arabic**

Separate Statement of Changes in Equity for the Year Ended 31 December 2025

(All amount in Egyptian pound)

	Issued & paid-in capital	Legal reserve	Share premium	Impairment reserve for consumer finance	Retained Earnings	Total
Balance as at 1 January 2024	199 590 140	99 795 071	710 898 836	46 676 424	150 488 662	1 207 449 133
comprehensive income	--	--	--	--	381 500 955	381 500 955
Profit for the year						
Total comprehensive income	199 590 140	99 795 071	710 898 836	46 676 424	531 989 617	1 588 950 088
Transactions with owners of the Company	--	--	--	48 920 566	(48 920 566)	--
Impairment reserve for consumer finance						
Balance as at 31 December 2024	199 590 140	99 795 071	710 898 836	95 596 990	483 069 051	1 588 950 088
Balance as at 1 January 2025	199 590 140	99 795 071	710 898 836	95 596 990	483 069 051	1 588 950 088
comprehensive income	--	--	--	--	602 155 223	602 155 223
Profit for the year						
Total comprehensive income	199 590 140	99 795 071	710 898 836	95 596 990	1 085 224 274	2 191 105 311
Transactions with owners of the Company	--	--	--	--	(5 522 755)	--
Legal reserve						
Paid in capital increase Note (14)	11 045 512	--	--	--	--	11 045 512
Effect of restructuring - Note (11-2)	--	--	--	--	(117 764 950)	(117 764 950)
Impairment reserve for consumer finance	--	--	--	15 536 411	(15 536 411)	--
Dividends distributions for Employees	--	--	--	--	(38 150 096)	(38 150 096)
Balance as at 31 December 2025	210 635 652	105 317 826	710 898 836	111 133 401	908 250 062	2 046 235 777

The accompanying notes and accounting policies from page (6) to page (54) are an integral part of these Separate financial statements and are to be read therewith.

Non Executive Chairman
Fatma Ibrahim Lotfi

Managing Director
Walid Mahmoud Hassouna

CFO
Karem Riad

Separate Statement of Cash Flows for the Year Ended 31 December 2025

(All amount in Egyptian pound)

	Note	For the year Ended	
		31/12/2025	31/12/2024
Cash flows from operating activities			
Net profit for the year before income tax		792 938 392	478 547 293
Adjustments for :			
Fixed assets Depreciation	(3)	71 921 037	49 782 394
Intangible assets Amortization	(4)	9 992 528	5 491 045
Right of use assets Amortization	(5)	12 778 156	11 595 084
Capital (loss)		608 247	3 125 244
Effect of disposal of right of use asset		1 526 888	--
Interest income		(183 206 737)	(228 415 995)
Net change in fair value through profit or loss		(752 654)	(941 505)
Operating lease liability interest	(5)	11 108 707	11 548 430
Expected Credit Loss	(23)	295 653 841	147 584 063
Gain from Securitization and Discounting and Offloading	(28)	(2 152 199 902)	(834 712 112)
Provisions Formed during the year	(19)	11 000 000	3 000 000
Provisions no longer needed	(19)	--	(4 000 000)
		<u>(1 128 631 497)</u>	<u>(357 396 059)</u>
Change in:			
Debitors and Other debit balances		(158 011 415)	8 563 772
Account receivables from consumer finance		(6 797 033 655)	(8 135 373 832)
Securitization surplus		(61 172 399)	(60 464 375)
Creditors and other credit balances		(229 197 689)	635 672 300
Merchant		298 571 244	3 159 453
Due from related parties		158 835 528	(245 910 613)
Income tax paid		(80 314 339)	(71 192 918)
Due to related parties		(18 165 237)	8 606 724
Dividends distributions for Employees		(38 150 095)	--
Net cash (used in) operating activities		<u>(8 053 269 554)</u>	<u>(8 214 335 548)</u>
Cash flows from investing activities			
Payments to purchase fixed assets	(3)	(57 398 138)	(164 407 118)
Proceeds from the sale of fixed assets		3 848 828	44 350
Payments to purchase intangible assets	(4)	(548 344)	(27 764 611)
Payments under Investments in Subsidiaries		(337 239 000)	--
Interest Income		183 206 737	228 415 995
Net cash (used in) / provided from investing activities		<u>(208 129 917)</u>	<u>36 288 616</u>
Cash flows from financing activities			
Net change from Loans	(15)	2 383 758 641	2 856 991 975
Net change from subordinated loan	(17)	(550 000 000)	550 000 000
Paid in capital increase		11 045 512	--
Payments for operating lease		(21 055 921)	(16 805 160)
Proceeds from Securitization and Discounting and Offloading		5 711 637 500	4 935 750 000
Net cash provided from financing activities		<u>7 535 385 732</u>	<u>8 325 936 815</u>
Subordinated Loan	(12)		
Net change in cash and cash equivalents during the year		(726 013 739)	147 889 883
Cash and cash equivalents at the beginning of the year		(1 024 101 904)	(1 171 991 787)
Cash and cash equivalents at the end of the year	(6)	<u>(1 750 115 643)</u>	<u>(1 024 101 904)</u>

Non-cash transactions:

The amount 117 764 950 has been disposed from investment in subsidiary companies as the Effect of restructuring - Note (11-2)

The accompanying notes and accounting policies from page (6) to page (54) are an integral part of these Separate financial statements and are to be read therewith.

Non Executive Chairman

Fatma Ibrahim Lotfi

Managing Director

Walid Mahmoud Hassouna

CFO

Karen Riad

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

**Notes to Separate financial statements for the year ended December 31, 2025
(In the notes all amounts are shown in EGP unless otherwise stated)**

1-Company’s background

1-1 Legal status

ValU Consumer Finance Company (ValU for Instalment Services Company, previously) “Egyptian joint stock” has been established in accordance with the provisions of the Law of Joint Stock Companies, Partnerships Limited by Shares, and Limited Liability Companies, promulgated by Law No. 159 of 1981, and it’s implementing regulations with ratification records report No. 1268 of 2017. The company was registered in the commercial registry in Cairo office with No. 108873 dated August 20, 2017.

On October 25, 2020, the company’s situation was reconciled by leaving the scope of provision of law No. 159 of 1981 and comply under law No. 18 of 2020 so that the name of the company changes into ValU Consumer Finance to engage in the activity of consumer finance provision law No. 18 of 2020 and the decisions of the boards of financial regulatory authority issued instead of ValU for Instalment Services.

According to the Extraordinary General Assembly Meeting held on 19 March 2023, the name of the company was changed to (U Consumer Finance) "Egyptian Joint Stock" and was noted in the Commercial Register on 30 May 2023.

1-2 Purpose of the company

The purpose of the company is to practice consumer finance business in accordance with the provisions of Law No. 18 of 2020 and the decisions in effect, provided that the necessary licenses are issued to practice this activity.

The company may have an interest or participate in any way with companies and others that carry out business like its business, or that may help it achieve its objectives in the previous bodies, or buy it or attach it to them, in accordance with the provisions of the law and its executive regulations.

1-3 Company duration

Duration of company is 25 years from the date of registration in the commercial register.

1-4 The company is listed on the official list of the Egyptian Exchange.

1-5 Company location

The company’s registered office is located in Smart Village building No. B129, phase 3, KM 28 Cairo Alexandria Desert Road, 6 October, Egypt.

In accordance with the decision of the Extraordinary General Assembly held on May 21, 2023, the company’s headquarters was modified to become Unit No. (406&407&408&409- (VW), first floor above ground, located in the commercial center (Arkan 2) at the entrance to Zayed 2 - Sheikh Zayed City - Giza Governorate.

2- Basis of preparation of Financial Statements

2-1 Statement of compliance

- These financial statements have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian laws and regulations.
- The financial statements were authorized for issuance by the board of directors on March 12, 2026.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

2-2 Functional and presentation currency

These financial statements are presented in Egyptian Pounds (EGP), which is the Company’s functional currency and all the financial data presented are in Egyptian Pounds (EGP).

2-3 Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The change in accounting estimates is recognized in the period where the estimate is changed whether the change affects only that period, or in the period of change and the future periods if the change affects them both.

2-3-1 Fair value measurement

- The fair value of financial instruments is determined based on the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the prices of the transactions occurred recently, and guided by the current fair value of other similar tools substantially - discounted cash flow method - or any other evaluation method to get resulting values that can rely on.
- When using the discounted cash flow method to evaluate, the future cash flows are estimated based on the best estimates of management. And the discount rate used is determined in the light of the prevailing market price at the date of the financial statements that are similar in nature and conditions.

Translation of financial statements
Originally Issued in Arabic

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

3- Fixed assets

	Electrical Appliances	Computer Equipment	Office furniture & Fixtures	Vehicles	Total
Cost as at 1/1/2024	56 031 471	43 266 686	84 219 830	14 982 652	198 500 639
Additions during the year	22 578 260	42 060 732	44 074 662	55 693 464	164 407 118
Disposals during the year	(63 220)	--	--	(3 880 701)	(3 943 921)
Total cost as at 31/12/2024	<u>78 546 511</u>	<u>85 327 418</u>	<u>128 294 492</u>	<u>66 795 415</u>	<u>358 963 836</u>
Additions during the year	658 546	4 132 553	37 480 039	15 127 000	57 398 138
Disposals during the year	--	--	--	(5 810 106)	(5 810 106)
Total cost as at 31/12/2025	<u>79 205 057</u>	<u>89 459 971</u>	<u>165 774 531</u>	<u>76 112 309</u>	<u>410 551 868</u>
Accumulated depreciation					
Accumulated depreciation at 1/1/2024	10 099 341	11 122 045	9 406 233	371 250	30 998 869
Depreciation during the year	12 966 713	11 120 212	16 854 791	8 840 678	49 782 394
Depreciation of disposals	(46 695)	--	--	(727 636)	(774 331)
Accumulated depreciation as at 31/12/2024	<u>23 019 359</u>	<u>22 242 257</u>	<u>26 261 024</u>	<u>8 484 292</u>	<u>80 006 932</u>
Depreciation during the year	15 330 095	16 567 911	25 332 656	14 690 375	71 921 037
Depreciation of disposals	--	--	--	(1 353 031)	(1 353 031)
Accumulated depreciation as at 31/12/2025	<u>38 349 454</u>	<u>38 810 168</u>	<u>51 593 680</u>	<u>21 821 636</u>	<u>150 574 938</u>
Net book value as at 31/12/2025	<u>40 855 603</u>	<u>50 649 803</u>	<u>114 180 851</u>	<u>54 290 673</u>	<u>259 976 930</u>
Net book value as at 31/12/2024	<u>55 527 152</u>	<u>63 085 161</u>	<u>102 033 468</u>	<u>58 311 123</u>	<u>278 956 904</u>

4- Intangible assets

	31/12/2025	31/12/2024
	Computer softwares	
Cost at the beginning of the year	58 967 520	31 202 909
Additions during the year	548 344	27 764 611
Cost at the end of the year	<u>59 515 864</u>	<u>58 967 520</u>
Accumulated amortization at the beginning of the year	18 824 717	13 333 672
Amortization during the year	9 992 528	5 491 045
Accumulated amortization at the end of the year	<u>28 817 245</u>	<u>18 824 717</u>
Netbook value at the end of the year	<u>30 698 619</u>	<u>40 142 803</u>

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

5- Right of use assets & lease liabilities

It is represented by operational lease contracts for administrative headquarters and company branches, the matter that resulted in the recognition of the right of use assets and lease liabilities, represented as follows:

5-1 Right of use assets

	31/12/2025	31/12/2024
Balance at the beginning of the year	57 131 504	60 030 128
Additions during the year	1 849 634	8 696 460
Disposals during the year	(2 458 871)	--
Total cost	56 522 267	68 726 588
Amortization during the year	(12 778 156)	(11 595 084)
Accumulated Amortization of disposals	931 983	--
Balance at the end of the year	44 676 094	57 131 504

5-2 Operating Lease Liabilities

	31/12/2025	31/12/2024
Balance at the beginning of the year	72 970 696	69 530 966
Additions during the Year	1 849 634	8 696 460
Exclusions during the year	(979 788)	--
Interest during the Year	11 108 707	11 548 430
Paid during the year	(20 076 133)	(16 805 160)
Balance at the end of the year	64 873 116	72 970 696

	31/12/2025	31/12/2024
Non-current operating lease liability	46 096 918	54 955 230
Current operating lease liability	18 776 198	18 015 466
Balance	64 873 116	72 970 696

6- Cash and cash equivalents

	31/12/2025	31/12/2024
Cash on hand	3 024 181	2 385 082
Banks - current accounts	520 280 340	456 921 808
banks time Deposit	6 308 365	280 521 604
	529 612 886	739 828 494
Deduct:		
Expected credit loss	(51 942)	--
Balance	529 560 944	739 828 494

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

For the purpose of preparing the statement of cash flows, cash and cash equivalents are represented in the following:

	31/12/2025	31/12/2024
Cash and cash equivalents	529 560 944	739 828 494
Banks overdraft (Note No- 16)	(2 279 676 587)	(1 763 930 398)
	(1 750 115 643)	(1 024 101 904)

7- Debtors and Other debit balances

	31/12/2025	31/12/2024
Prepaid expenses	149 020 444	121 643 625
Down payments to suppliers	36 316 819	12 911 970
Down payments to purchase assets	73 456 839	16 167 707
Deposits with others	6 653 241	6 492 841
Employees advances	1 653 780	3 802 069
Electronic payments channels	91 986 832	38 322 798
Accrued revenue	8 866 796	7 776 327
Accrued Balances to Custodian - Letter of guarantee	51 756 385	51 306 755
Accrued Balances to Custodian	--	11 114 282
Other debtors Balances	43 655 577	35 816 924
	463 366 713	305 355 298
Deduct:		
Expected credit loss	(10 073 743)	(981 323)
	453 292 970	304 373 975

*** Expected credit loss**

	31/12/2025	31/12/2024
Balance at the beginning of the year	(981 323)	(7 476 300)
Formed / reversed during the year	(9 092 420)	6 494 977
Balance at the end of the year	(10 073 743)	(981 323)

8- Account receivables for consumer finance

	31/12/2025		
	During one year	More than one year	Total
Receivables	4 228 945 189	4 116 564 377	8 345 509 566
Accrued Interest	1 812 386 628	2 485 425 059	4 297 811 687
Total A/R Portfolio**	6 041 331 817	6 601 989 436	12 643 321 253
Add/Deduct			
Unearned Interest	(1 365 455 203)	(2 191 286 471)	(3 556 741 674)
Marginalized Returns	(97 633 883)	(101 633 883)	(199 267 766)
Cash Back , cofund	877 269 262	849 966 721	1 727 235 983
Expected credit loss	(60 852 778)	(74 852 778)	(135 705 556)
Balance	5 394 659 215	5 084 183 025	10 478 842 240

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

	During one year	31/12/2024 More than one year	Total
Receivables	3 277 257 396	3 389 367 331	6 666 624 727
Accrued Interest	1 649 135 096	1 705 549 471	3 354 684 567
Total A/R Portfolio**	4 926 392 492	5 094 916 802	10 021 309 294
Add/Deduct			
Unearned Interest	(1 623 787 806)	(1 638 850 683)	(3 262 638 489)
Marginalized Returns	(45 810 561)	(46 235 517)	(92 046 078)
Cash Back	532 496 648	537 436 291	1 069 932 939
Expected credit loss*	(102 637 765)	(106 164 239)	(208 802 004)
Balance	3 686 653 008	3 841 102 654	7 527 755 662

- The movement of the Expected credit loss of A/R are represented in the following: -

	31/12/2025	31/12/2024
Beginning Balance	(208 802 004)	(135 957 496)
Expected credit loss	(286 509 479)	(146 602 740)
Write off	378 929 330	82 872 902
Reversal Write off	(19 323 403)	(9 114 670)
Ending Balance	(135 705 556)	(208 802 004)

And the movement of Expected credit loss is as follows: -

	Account receivables for consumer finance	Expected credit loss	Receivables Net 31/12/2025	Receivables Net 31/12/2024
(Stage 1)	7 956 903 562	(37 746 152)	7 919 157 410	6 092 040 752
(Stage 2)	176 683 110	(22 004 124)	154 678 986	95 373 857
(Stage 3)	211 922 894	(75 955 280)	145 967 614	270 408 114
	8 345 509 566	(135 705 556)	8 209 804 010	6 457 822 723

Hedging Analysis for Account receivables for consumer finance before the effect of Expected credit loss

	31/12/2025	31/12/2024
Regular financing	7 956 903 562	6 203 559 673
Arrears from 31 days to 90 days	176 683 110	111 505 174
Arrears from 91 days to 120 days	43 925 965	26 689 479
Arrears from 121 days to 180 days	65 179 266	41 631 920
Arrears more than 180 days	102 817 663	283 238 481
	8 345 509 566	6 666 624 727

- Impairment Balance for the Year ending December 31, 2025, includes 2 505 827 EGP compared to 701 137 EGP at Year ending December 31, 2024, impairment for vehicle finance operations.
- The ratio of defaulted finance to the portfolio 2.54% at December 31, 2025, compared to 3.77% at December 31, 2024.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

**** The financed goods and services are as follows:**

Description	31/12/2025	
	Balance	Percentage to portfolio
Electronic devices and mobile phones	3 383 845 378	27%
Furniture	1 244 561 486	10%
Home appliances	1 010 967 441	8%
Clothing	1 310 904 709	10%
Vehicles	3 010 753 545	24%
Others	2 682 288 694	21%
Balance	12 643 321 253	100%

Description	31/12/2024	
	Balance	Percentage to portfolio
Electronic devices and mobile phones	2 906 179 695	29%
Furniture	801 704 744	8%
Home appliances	1 603 409 487	16%
Clothing	701 491 651	7%
Vehicles	1 503 196 394	15%
Others	2 505 327 323	25%
Balance	10 021 309 294	100%

9- Investments at fair value through OCI

	31/12/2025	31/12/2024
EFG EV Fintech Investments	3 000 000	3 000 000
FALAK STARTUPS	50 000	50 000
Paytabs Egypt for Technology solutions	100	100
Balance	3 050 100	3 050 100

Investment measured at fair value through other comprehensive incomes are investments that aren't listed in the stock exchange.

10- Financial Investments at fair value through profit or loss

	Share Price	Shares Number	31/12/2025	31/12/2024
Azimut fund	1.60392	2 805 270	4 499 429	3 746 775
			4 499 429	3 746 775

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

11- Investments in a subsidiary and associate’s company

11-1 Investments in subsidiary companies

<u>The investee company</u>	Nationality	percentage	31/12/2025	31/12/2024
Paynas BV	Holland	100%	401 564 460	401 564 460
		100%	401 564 460	401 564 460

11-2 Investments in a associate’s

<u>The investee company</u>	Nationality	percentage	31/12/2025	31/12/2024
Paytech 3100 BV	Holland	24,192%	--	117 764 950
		24,192%	--	117 764 950
			401 564 460	519 329 410

• On September 30, 2023, investments in Paynas BV, a subsidiary, and Paytech 3100 BV, Associate company, were acquired for an amount of 69.6 million Egyptian pounds, and shares were issued in the company’s capital.

**pursuant to the resolution of the Extraordinary General Assembly held on May 31, 2025, approval was given to implement a restructuring of the ownership of the company and its investments in associates company, Paytech 3100 BV through decreasing the investment cost, amounting to EGP 117,764,950, from the company's retained earnings, according to the company's approved financial statements as of December 31, 2024.

12- Paid under Investments in Subsidiaries.

	31/12/2025	31/12/2024
Paid under Investments in Subsidiaries	337 239 000	--
	337 239 000	--

The amount represents the equivalent of US\$7 million transferred for the establishment of Valu Specialized Finance Company (a private shareholding company) in Jordan. Valu holds 100% of the company's capital, which amounts to 5 million Jordanian dinars. The company commenced its incorporation procedures and completed its registration on November 19, 2025.

- On January 5, 2026, the company received approval from the Central Bank of Jordan to officially launch its services in Jordan.
- On January 12, 2026, the board of directors of the subsidiary company convened, elected board members, and appointed the CEO.

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

13- Related parties

13-1 Due from related parties

	31/12/2025	31/12/2024
Valu consumer finance company	703 757 473	863 313 410
Paynas BV	3 179 720	2 459 312
Balance	706 937 193	865 772 722

13-2 Due to related parties

	31/12/2025	31/12/2024
EFG Finance Holding company	6 082 685	24 247 922
Etkan for Credit inquiry	24 774	24 774
Balance	6 107 459	24 272 696

13- 3 Transactions with related parties

During the financial period, a number of transactions were conducted with related parties, based on the same principles as those with third parties. The following is a summary of the most important of these transactions.

Description	Relationship type	Nature of dealing	31/12/2025		31/12/2024		Financial Statements
			Debit	Credit	Debit	Credit	
NXT Bank	Sister Co.	Current Accounts	38 712 540	--	339 785 493	--	B/S
EFG-Hermes Holding company	holding company	loans	--	--	--	550 000 000	B/S
EFG-Hermes Corp-solutions	Sister Co.	Finance Cost	164 523 889	--	39 895 138	--	P&L
Valu consumer finance company	Subsidiary Company	Current Accounts	703 757 473	--	863 313 410	--	B/S
Paynas BV	Investee	Current Accounts	3 179 720	--	2 459 312	--	B/S

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

14- Capital

- The Company's authorized capital amounts EGP 30 million and issued capital amounts EGP 3 million distributed on 600 000 share of par value EGP 5 each, all shares is paid cash and the shareholders paid all amount of issued capital.
- The Extra-Ordinary General meeting has decided on 12 August 2018 to increase the authorized capital from 30 million to 150 million and the issued capital from 3 million to 40 million by an increase of 37 million distributed on 7 400 000 shares on a par value of EGP 5, the capital increase has been paid in full by the shareholders and the required procedures has been performed and the commercial register has been amended on 4th September 2018.
- On 17 March 2019, the Board has decided to increase the issued capital from 40 million to 70 million distributed on 6 000 000 shares with a par value EGP 5 an increase of EGP 30 million, the capital increase has been paid in full by the shareholders and the required procedures has been performed and the commercial register has been amended on 28th March 2019.
- On 31 March 2019, the board decided to increase issued capital from 70 million to 100 million distributed on 6 000 000 shares with a par value EGP 5. The capital increase has been paid in full by the shareholders and the required procedures has been performed and the commercial register has been amended on 11th April 2019.
- On 28 January 2020, the board decided to increase issued capital from 100 million to 140 million distributed on 8 000 000 shares with a par value EGP 5. The capital increase has been paid in full by the shareholders and the required procedures has been performed and the commercial register has been amended on 16th February 2020.
- On 25th February 2020 the Extra -Ordinary General assembly approved to increase the authorized capital from 150 million to 750 million and to increase issued capital from 140 million to EGP 175 million, EGP 35 million in cash with a par EGP 5 distributed on
- 7 000 000 shares. The capital has been paid in full by the shareholders and the required procedures has been performed and the commercial register has been amended on 29 June 2020.
- On December 5, 2021, the Extraordinary General Assembly unanimously approved the increase in the issued capital, provided that the entire capital increase would be subscribed to from a new shareholder, EFG-VA InvestCO Limited, and that the increase would be at a fair value of 101.30 Egyptian pounds per share, with a total of 157 577 722 Egyptian pounds.
The Extraordinary General Assembly also agreed that the increase in the issued capital shall be distributed as follows:
 - An amount of 7 777 775 Egyptian pounds equivalent to the nominal value distributed over
 - 1 555 555 nominal shares at a value of 5 Egyptian pounds per share, so that the capital becomes 182 777 775 Egyptian pounds distributed among 36 555 555 shares were taken, and the necessary procedures were taken and notated in the commercial register on February 16, 2022.
 - The remaining amount, which represents 149 799 948 Egyptian pounds, represents the difference between the fair value and the nominal value, provided that this difference is set aside in the reserve account and is divided into two parts, a legal reserve of 91 388 888 Egyptian pounds and 58 410 950 Egyptian pounds as reserve premium.

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

- On August 31, 2023, the Extraordinary General Assembly unanimously approved an increase in the company’s issued capital
With the subscription of a new shareholder, Pay Tech 3100 BV.
Financial Group Holding Company, one of the oldest shareholders, subscribed to the increase shares. The increase will be at fair value, which is 201.55 Egyptian pounds per share, with a total of 677 706 433 EGP, distributed as follows:
An amount of 16 812 365 EGP, equivalent to the nominal value, distributed among 3 362 473 shares with a nominal value of 5 EGP per share.
The amount of 660 894 068 EGP represents the difference between the fair value and the nominal value, provided that this difference is kept in the reserves account.
Subscription to the increase shares will be as follows
The new shareholder, Pay Tech 3100 B.V., subscribes at a nominal value of 2 415 646 shares, with a total of 12 078 230 EGP.
The amount of 474 795 221 EGP represents the difference between the fair value and the nominal value, which will be set aside in the reserves account.
The shareholder, Finance Holding Financial Group, subscribes at the nominal value of 946 827 shares, with a total of 4 734 135 EGP.
The amount of 186 098 847 EGP represents the difference between the fair value and the nominal value, which will be set aside in the reserves account.
The issued and paid-up capital amounts to 199 590 140 Egyptian pounds, distributed among 39 918 028 shares, each share valued at 5 pounds.
- The Extraordinary General Assembly, held on February 15, 2025, fragment the nominal value of the shares from 5 pounds for 39 918 028 shares to 10 Piasters distributed over 1 995 901 400 shares.
- The Extraordinary General Assembly, held on May 18, 2025, decided to increase the authorized capital from EGP 750 million to EGP 1,050 billion and to increase the issued capital from EGP 199 590 140 to EGP 210 635 652, an increase of EGP 11 045 512 distributed over 110 455 120 shares, and the shares after the increase has become 2 106 356 523 shares, each valued at EGP 0.10 (10 Piasters).
Shareholders paid the full increase, and the necessary procedures were taken and entered into the commercial register on May 28, 2025.
- The capital appears distributed among shareholders on December 31, 2025 as follows:

Shareholders	Nationality	Number of shares	Nominal value	Percentages %
EFG Finance Holding Group	Egyptian	1 411 258 873	141 125 887	67
AMAZON COM NV INVESTMENT HOLDINGS LLC	U. S	83 236 836	8 323 684	3.95
EFG Pay Tech 3100 B. V	Holland	72 669 560	7 266 956	3.45
VA LTIP SPV1 Limited	Mauritius	46 079 549	4 607 655	2.19
VA LTIP SPV2 Limited	Mauritius	43 073 469	4 307 347	2.04
Other Shareholders		450 041 236	45 004 123	21.37
		2 106 356 523	210 635 652	100

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

15- Loans and borrowings

The company has signed loan contracts and credit facilities for the purpose of financing the company’s activities, as follows:

	Credit limit	31/12/2025	31/12/2024
Misr BANK	325 million	167 588 588	324 263 790
Al Baraka Bank	700 million	688 052 655	598 438 085
EG Bank	800 million	715 120 575	599 999 998
ABK Bank	300 million	251 171 135	187 322 521
Arab African international Bank	1.244 billion	1 162 232 408	338 529 658
Bank FAB MISR	400 million	305 989 219	392 361 385
NBE Bank	4.700 billion	2 162 153 523	950 871 343
Al-Tameer Financial Leasing	350 million	122 454 426	253 875 905
Global Corp Finance Company	500 million	355 671 686	298 629 716
Al Tawfeeq Company for Financial Leasing and Factoring	50 million	18 166 668	49 394 458
EFG Hermes Company	275 million	157 890	279 513 091
ABI Factoring Company	200 million	59 318 808	110 000 000
Industrial Development Bank	1.100 billion	1 098 859 645	499 967 187
Corp for factoring	750 million	--	473 800 460
GB Leasing Company	600 million	261 993 637	--
Incolease	250 million	50 146 953	--
Arab African Leasing	170 million	171 962 887	--
CIB Leasing Company	150 million	149 685 535	--
Total Loans and borrowings		7 740 726 238	5 356 967 597
Current loans and borrowings		6 606 796 725	548 529 403
Non – Current loans and borrowings		1 133 929 513	4 808 438 194

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

16- Banks overdraft

	Limit amount	31/12/2025	31/12/2024
Export Development bank of Egypt*	250 million	135 999 321	253 776 532
Egyptian Arab land bank*	300 million	296 526 075	306 860 716
Suez Canal bank*	1.252 billion	1 278 285 593	641 430 281
Misr Iran Bank (Mid Bank) *	250 million	252 886 028	255 981 546
Banque Misr*	100 million	101 995 525	101 957 194
ABC Bank*	200 million	178 557 933	203 924 129
Arab African international Bank	105 million	35 426 112	--
Balance		2 279 676 587	1 763 930 398

* The credit facility is granted for one year and renewed

17- Subordinated loans

- the company signed subordinated loans contracts with the EFG Holding Group for the purpose of financing the necessary operating expenses, represented in paying marketing expenses and paying suppliers' invoices, at an interest rate of 1.5% above the loan corridor announced by the Central Bank annually.

Subordinated Loan Date	Due Date	Loan amount	31/12/2025	31/12/2024
September 18, 2024	September 17, 2029	250 million	--	250 000 000
October 16, 2024	October 15, 2029	100 million	--	100 000 000
October 27, 2024	October 26, 2029	150 million	--	150 000 000
November 12, 2024	November 11, 2029	50 million	--	50 000 000
Total			--	550 000 000
Less: Current Loans			--	110 000 000
Non-Current Loans			--	440 000 000

18- Creditors and other credit balances

	31/12/2025	31/12/2024
Accrued expenses	308 880 854	679 729 835
Tax Authority	21 051 064	18 014 121
National Authority for Social Insurance	907 693	771 841
Notes payables	6 375 989	6 310 287
Balances due to the custodian	138 385 739	11 114 281
Other credit balances	134 344 024	123 150 744
Balance	609 945 363	839 091 109

19- Provisions

	31/12/2025	31/12/2024
Beginning Balance	4 000 000	5 000 000
Formed of provisions during the year	11 000 000	3 000 000
Provisions no longer needed during the year	--	(4 000 000)
Ending Balance	15 000 000	4 000 000

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

20- Revenues from activity

	For the year Ended	
	31/12/2025	31/12/2024
Interest from consumer finance	1 375 454 436	1 184 546 066
Earned Discount	1 066 740 948	643 060 437
Delay Penalties	271 227 506	177 949 878
Prepaid Cards	60 955 044	19 200 285
Early Settlement	91 310 070	74 617 809
Balance	<u>2 865 688 004</u>	<u>2 090 374 475</u>

21- Finance Cost

	For the year Ended	
	31/12/2025	31/12/2024
Finance Cost	2 424 267 518	1 497 930 994
Finance Cost-Lease liabilities	11 108 707	11 548 430
Others	15 345 813	18 144 301
Balance	<u>2 450 722 038</u>	<u>1 527 623 725</u>

22- General and administrative expenses

	For the year Ended	
	31/12/2025	31/12/2024
Salaries, wages, and equivalents	404 611 471	263 136 292
Marketing and Advertising	250 775 988	222 557 837
Consultancy	364 694 056	288 093 844
Rent and utilities expenses	6 426 813	3 976 255
Travel, accommodation, and transportation	11 527 597	8 681 965
Leased line and communication	234 825 939	144 114 899
Prepaid Cards	51 578 364	16 519 915
Medical Insurance Takaful Contribution	13 002 737	8 134 098
Governmental stamp	603 992	328 238
Other expenses	131 338 770	55 160 065
Balance	<u>1 469 385 727</u>	<u>1 010 703 408</u>

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

23- Expected credit loss

	31/12/2025			
	Account receivables	Debitors and Other debit balances	Cash and cash equivalents	Total
Beginning Balance	(208 802 004)	(981 323)	--	(209 783 327)
Expected Credit Loss-During the year	(286 509 479)	(9 092 420)	(51 942)	(295 653 841)
Write off	378 929 330	--	--	378 929 330
Reversal Write off	(19 323 403)	--	--	(19 323 403)
Ending Balance	<u>(135 705 556)</u>	<u>(10 073 743)</u>	<u>(51 942)</u>	<u>(145 831 241)</u>

24- Reconciliation of effective tax rate

	For the year Ended	
	31/12/2025	31/12/2024
Net profit before income tax	792 938 392	478 547 293
Applicable tax rate	<u>%22,5</u>	<u>%22,5</u>
Expected income tax on accounting profit using applicable tax rate	178 411 138	107 673 141
Effect of depreciation	598 243	(9 011 369)
Effect of Provisions	73 344 880	--
Non-deductible expenses	13 608 267	37 364 995
Unrecognized revenues	<u>(73 920 060)</u>	<u>(55 712 428)</u>
Income tax	<u>192 042 468</u>	<u>80 314 339</u>
Effective tax rate	<u>%24.21</u>	<u>%16,80</u>

25- Deferred tax (liabilities)

	31/12/2025	31/12/2024
	(Liability) Asset	(Liability) Asset
Fixed assets' depreciation	<u>(17 300 541)</u>	<u>(18 559 840)</u>
Net tax that initiates deferred asset (liabilities)	<u>(17 300 541)</u>	<u>(18 559 840)</u>
Net tax that initiates deferred asset (liabilities)	<u>(17 300 541)</u>	<u>(18 559 840)</u>

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

26- Earnings Per Share

	For the year Ended	
	31/12/2025	31/12/2024
Net profit for the year	602 155 223	381 500 955
Weighted average number of shares	2 145 220 363	1 995 901 400
Earnings Per Share (EGP/Share)	0.28	0.19

27- Tax status

A) Tax on corporate profits

The year from 2017 till 2020.

The tax return was submitted on the legal dates, and the tax authority has inspected the company’s records, and the related taxes were settled.

The year from 2021 till 2025.

The tax return was submitted on the legal dates and the company has not notified for inspection till now.

B) Payroll tax:

The years from 2017 till 2021.

The tax authority has inspected the company’s records, and the related taxes were settled.

The years from 2022 till 2025.

The company pays it’s due tax in monthly basis to tax authority and the company has not notified for inspection for this period till now.

C) Stamps:

The years from 2017 to 2020

The tax authority has inspected the company’s records and the related taxes were settled.

The years from 2021 to 2025.

The company has not been inspected.

D) Value Added Tax:

Years 2017-2020

Audits were conducted, assessments were made, and payments were made.

Years 2021-2025

The company submits (zero-value) VAT returns monthly, and no audits have been conducted. It should be noted that the company is not subject to VAT as it provides non-banking financial services, effective from the date of its license.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

28- Securitization Surplus

5th Issuance (1st Issuance\ 5th Program)

- On 1 June 2023, the Company signed a securitization portfolio transfer contract to IFG Hermes Securitization, whereby the financial rights related to certain consumer finance contracts were transferred to EFG Hermes Securitization Company (the assignee) with a total value of EGP 1 743 443 419 and its current value of EGP 1 506 863 111.
- The assigned securitization portfolio includes 156 776 consumer finance contracts, generating cash flows represented in the collection of amounts due from debtors during the period starting on August 8, 2022, and ending on July 30, 2023.
- They are short-term nominal bonds in exchange for financial rights and post-paid receivables (securitization bonds) negotiable, non-convertible into shares and subject to accelerated call-in starting from the sixth month of issue (fourth coupon) for a period of 36 months with a total value of 1 423 000 000 Egyptian pounds in two tranches.(A) with an amount of 946 295 000 Egyptian pounds and the second tranche (B) with an amount of 476 705 000 Egyptian pounds only with a nominal value of (one hundred pounds) per bond and the bonds are depreciated in light of the actual proceeds of the portfolio after 3 months starting from the day following the closing date of the subscription door and then monthly after the first coupon with a fixed annual return of 19.25% for banks and the first coupon is disbursed after 3 months and then monthly starting from the day following the closing date of the subscription. EFG Hermes Securitization Company has privately offered securitization bonds based on the approval of the Financial Regulatory Authority (FRA) to offer the bonds, and the subscription in the bonds was fully covered through a private placement that closed on June 18, 2023, and the profits realized from the transfer of the securitization portfolio amounted to EGP 74 509 002.

14th Issuance (4rd Issuance\ 6th Program)

- On February 5, 2025, the company signed a securitization portfolio transfer contract to EFG Securitization Company, pursuant to which the financial rights related to some consumer finance contracts were transferred to EFG Securitization Company (the transferee), with a total value of EGP 554 588 032 and a current value of EGP 511 942 701.
- The transferred securitization portfolio includes 40 639 consumer finance contracts, generating cash flows represented by the collection of amounts due from debtors during the period starting on January 1, 2025, and ending on January 31, 2026.
 - They are short-term nominal bonds in exchange for financial rights and deferred payment receivables (securitization bonds) that are tradable, non-convertible into shares, and subject to accelerated call starting from the third month of issuance (fourth coupon) for a period of 12 months, with a value of 463 300 000 Egyptian pounds in two tranches.
 - The tranche bonds are short-term nominal securitization bonds in exchange for financial rights and deferred receivables, tradable and non-convertible into shares, and non-callable early for a period of (6) months starting from the day following the closing date of the subscription, with a total value of EGP 463 300 000 (only four hundred and sixty-three million and three hundred thousand Egyptian pounds), with a nominal value of EGP 100 (one hundred Egyptian pounds) per bond. Bond amortization begins three months after the closing date of the subscription based on the actual collections of the portfolio, starting from the day following the closing date for the first installment, and then monthly after the first installment, with a fixed annual return of (24%) calculated from the day following the closing date of the subscription. The first coupon will be paid after (3) months from the closing date, and then monthly after the first coupon.
 - EFG Securitization Company has made a private offering of securitization bonds based on the approval of the Financial Regulatory Authority to offer the bonds, and the subscription to the bonds was fully covered through a private offering that closed on February 5, 2025, and the profits achieved from the transfer of the securitization portfolio amounted to 65 841 098 Egyptian pounds.

**U Consumer Finance "ValU Consumer Finance Company, previously"
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

- An account is opened with the custodian to address the shortage and deficit in cash flows, and this account is referred to as the "Reserve Account" to deposit an amount of (11 582 500) EGP (eleven million, five hundred eighty-two thousand, five hundreds) and is financed by deducting from the proceeds account from the cash flows generated in the first month of the issuance, provided that it remains representing (2.5)% of the outstanding balance of the bonds ("Reserve Account Balance"). When the amounts in the reserve account exceed the amounts representing the balance of the reserve account (as defined in this clause), the surplus shall be transferred to the proceeds account with the custodian every month in addition to the investment return on the funds achieved from the cumulative balance of the reserve account. - In the event of a deficit in the proceeds account to pay all expenses and dues of bondholders from interest and payment of amortization of the principal of the bonds, this deficit shall be financed through the reserve account, provided that the amounts transferred from the reserve account to pay this deficit shall be returned to it again from the proceeds account from the proceeds deposited in the following month, and the transfer of the deficit amounts from the reserve account to the proceeds account shall be repeated whenever there is a deficit and these amounts shall be returned to the reserve account.

15th Issuance (5th Issuance\ 6th Program)

On May 4, 2025, the company signed a securitization portfolio transfer contract to EFG Securitization Company, pursuant to which the financial rights related to some consumer finance contracts were transferred to EFG Securitization Company (the transferee), with a total value of EGP 1 232 087 944 and a current value of EGP 1 142 1463 356.

- The transferred securitization portfolio includes 139 531 consumer finance contracts, generating cash flow represented by the collection of amounts due from debtors during the period starting on June 1, 2025 and ending on March 31, 2026.
- They are short-term nominal bonds in exchange for financial rights and deferred payment receivables (securitization bonds) that are tradable, non-convertible into shares, and subject to accelerated call starting from the third month of issuance (fourth coupon) for a period of 10 months, with a value of 1 036 000 000 Egyptian pounds in two tranches.
- The tranche bonds are short-term nominal securitization bonds in exchange for financial rights and deferred receivables, tradable and non-convertible into shares, and non-callable early for a period of (6) months starting from the day following the closing date of the subscription, with a total value of EGP 1 036 000 000 (Only one billion and thirty-six million Egyptian pounds), with a nominal value of EGP 100 (one hundred Egyptian pounds) per bond. Bond amortization begins three months after the closing date of the subscription based on the actual collections of the portfolio, starting from the day following the closing date for the first installment, and then monthly after the first installment, with a fixed annual return of (22.50%) calculated from the day following the closing date of the subscription. The first coupon will be paid after (3) months from the closing date, and then monthly after the first coupon.
- EFG Securitization Company has made a private offering of securitization bonds based on the approval of the Financial Regulatory Authority to offer the bonds, and the subscription to the bonds was fully covered through a private offering that closed on May 5, 2025, and the profits achieved from the transfer of the securitization portfolio amounted to 267 956 023 Egyptian pounds.
- An account is opened with the custodian to address the shortage and deficit in cash flows, and this account is referred to as the "Reserve Account" to deposit an amount of (25 900 000) EGP (Only twenty-five million nine hundred thousand Egyptian pounds) and is financed by deducting from the proceeds account from the cash flows generated in the first month of the issuance, provided that it remains representing (2.5)% of the outstanding balance of the bonds ("Reserve Account Balance"). When the amounts in the reserve account exceed the amounts representing the balance of the reserve account (as defined in this clause), the surplus shall be transferred to the proceeds account with the custodian every month in addition to the investment return on the funds achieved from the cumulative balance of the reserve account. -

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

In the event of a deficit in the proceeds account to pay all expenses and dues of bondholders from interest and payment of amortization of the principal of the bonds, this deficit shall be financed through the reserve account, provided that the amounts transferred from the reserve account to pay this deficit shall be returned to it again from the proceeds account from the proceeds deposited in the following month, and the transfer of the deficit amounts from the reserve account to the proceeds account shall be repeated whenever there is a deficit and these amounts shall be returned to the reserve account.

16th Issuance (6th Issuance\ 6th Program)

On June 10, 2025, the company signed a securitization portfolio transfer contract to EFG Securitization Company, pursuant to which the financial rights related to some consumer finance contracts were transferred to EFG Securitization Company (the transferee), with a total value of EGP 1 047 588 343 and a current value of EGP 948 227 797.

- The transferred securitization portfolio includes 142 378 consumer finance contracts, generating cash flows represented by the collection of amounts due from debtors during the period starting on July 1, 2025, and ending on June 30, 2026.
- They are short-term nominal bonds in exchange for financial rights and deferred payment receivables (securitization bonds) that are tradable, non-convertible into shares, and subject to accelerated call starting from the third month of issuance (fourth coupon) for a period of 12 months, with a value of 858 900 000 Egyptian pounds in two tranches.
- The tranche bonds are short-term nominal securitization bonds in exchange for financial rights and deferred receivables, tradable and non-convertible into shares, and non-callable early for a period of (6) months starting from the day following the closing date of the subscription, with a total value of EGP 858 900 000 (Only one billion and thirty-six million Egyptian pounds), with a nominal value of EGP 100 (one hundred Egyptian pounds) per bond. Bond amortization begins three months after the closing date of the subscription based on the actual collections of the portfolio, starting from the day following the closing date for the first installment, and then monthly after the first installment, with a fixed annual return of (22.50%) calculated from the day following the closing date of the subscription. The first coupon will be paid after (3) months from the closing date, and then monthly after the first coupon.
- EFG Securitization Company has made a private offering of securitization bonds based on the approval of the Financial Regulatory Authority to offer the bonds, and the subscription to the bonds was fully covered through a private offering that closed on June 10, 2025, and the profits achieved from the transfer of the securitization portfolio amounted to 171 265 449 Egyptian pounds.
- An account is opened with the custodian to address the shortage and deficit in cash flows, and this account is referred to as the "Reserve Account" to deposit an amount of (21 472 500) EGP (Only twenty-five million nine hundred thousand Egyptian pounds) and is financed by deducting from the proceeds account from the cash flows generated in the first month of the issuance, provided that it remains representing (2.5)% of the outstanding balance of the bonds ("Reserve Account Balance"). When the amounts in the reserve account exceed the amounts representing the balance of the reserve account (as defined in this clause), the surplus shall be transferred to the proceeds account with the custodian every month in addition to the investment return on the funds achieved from the cumulative balance of the reserve account. - In the event of a deficit in the proceeds account to pay all expenses and dues of bondholders from interest and payment of amortization of the principal of the bonds, this deficit shall be financed through the reserve account, provided that the amounts transferred from the reserve account to pay this deficit shall be returned to it again from the proceeds account from the proceeds deposited in the following month, and the transfer of the deficit amounts from the reserve account to the proceeds account shall be repeated whenever there is a deficit and these amounts shall be returned to the reserve account.

**U Consumer Finance "ValU Consumer Finance Company, previously"
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

17th Issuance (1st Issuance\ 7th Program)

- On July 15, 2025, the company signed a securitization portfolio transfer agreement with EFG Securitization Company, whereby the financial rights related to certain consumer finance contracts were transferred to EFG Securitization Company (the transferee). The total value of these contracts was EGP 554,435,918, with a current value of EGP 510,036,855.

The transferred securitization portfolio comprises 60,853 consumer finance contracts, generating cash flows from the collection of outstanding amounts owed by debtors during the period from August 1, 2025, to July 30, 2026.

These are short-term, nominal bonds (securitizable bonds) representing financial rights and future receivables. They are tradable, non-convertible to shares, and callable early starting from the third month after issuance (fourth coupon), with a 12-month maturity and a value of EGP 460,650,000 in a single tranche.

The tranche bonds are short-term nominal securitization bonds against financial and future receivables. They are tradable, non-convertible to shares, and non-callable for a period of (6) months starting from the day following the closing date of the subscription period, with a total value of (460,650,000) EGP (eight hundred and fifty-eight million and nine hundred thousand Egyptian pounds only), with a nominal value of 100 EGP (one hundred pounds) per bond.

Bond redemption begins after three months based on the actual proceeds of the portfolio, starting from the day following the closing date of the subscription period for the first installment, then (monthly) after the (first) installment. They have a fixed annual return of (22.50%) calculated from the day following the closing date of the subscription period. The first coupon is paid after (3) months from the closing date of the subscription period, and then (monthly) after the first coupon.

The bonds have a fixed annual return of (22.50%) calculated from the day following the closing date of the subscription period. EFG Securitization Company conducted a private placement of securitization bonds, subject to approval from the Financial Regulatory Authority. The bonds were fully subscribed through a private placement that closed on July 15, 2025. The profits realized from the transfer of the securitization portfolio amounted to EGP 107,390,850.

An account is opened with the custodian to cover any cash flow shortfalls. This account, referred to as the "Reserve Account," is to be credited with EGP 11,516,250 (eleven million, five hundred and sixteen thousand, two hundred and fifty Egyptian pounds only). It is funded by debiting the proceeds account from the cash flows generated in the first month of issuance, and it will continue to represent 2.5% of the outstanding bond balance ("Reserve Account Balance"). When the balance in the reserve account exceeds the reserve account balance (as defined in this section), the surplus is transferred to the custodian's proceeds account each month, in addition to the investment returns generated from the cumulative reserve account balance.

- If there is a deficit in the proceeds account to cover all expenses and bondholders' entitlements, including interest and principal repayments, this deficit is financed from the reserve account. The amounts transferred from the reserve account to cover this deficit are then returned to the proceeds account from the following month's deposits. This process of transferring deficit amounts from the reserve account to the proceeds account is repeated whenever a deficit arises, and these amounts are subsequently returned to the reserve account.

U Consumer Finance "ValU Consumer Finance Company, previously"

(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

18th Issuance (2nd Issuance\ 5th Program)

- On September 15, 2025, the company signed a securitization portfolio transfer agreement with EFG Securitization Company, whereby the financial rights related to certain consumer finance contracts were transferred to EFG Securitization Company (the transferee). The total value of these contracts was EGP 1,381,054,985, with a current value of EGP 1,871,210,915. The transferred securitization portfolio comprises 117,244 consumer finance contracts, generating cash flows from the collection of outstanding amounts owed by debtors during the period from October 1, 2025, to March 30, 2027.

These are short-term, nominal bonds (securitize bonds) representing financial rights and future receivables. They are tradable, non-convertible to shares, and callable early starting from the third month after issuance (fourth coupon), with a maturity of 18 months and a total value of EGP 1,095,900,000, issued in two tranches.

- Tier 1 (A) Bonds: Short-term nominal securitization bonds against financial rights and future receivables. They are tradable, non-convertible to shares, and non-callable for a period of (12) months, starting from the day following the closing date of the subscription period, with a total value of (767,130,000) EGP (seven hundred and sixty-seven million, one hundred and thirty thousand Egyptian pounds only), with a nominal value of 100 EGP (one hundred pounds) per bond. Bond redemption begins after three months, based on the actual proceeds of the portfolio, starting from the day following the closing date of the subscription period for the first installment, and then (monthly) after the (first) installment. They have a fixed annual return of (22.20%), calculated from the day following the closing date of the subscription period. The first coupon is paid after (3) months from the closing date of the subscription period, and then (monthly) after the first coupon.

The first coupon is paid. - Second tranche (B) bonds are short-term nominal securitization bonds against financial rights and future receivables. They are tradable, non-convertible to shares, and callable early starting from month (7) of issuance. The coupon is (5) for a period of (18) months starting from the day following the closing date of the subscription period, with a total value of EGP (328,770,000) (three hundred and twenty-eight million, seven hundred and seventy thousand Egyptian pounds only), with a nominal value of EGP 100 (one hundred pounds) per bond. Bond redemption begins after six months based on the actual proceeds of the portfolio, after the full redemption of the first tranche (A). Redemption is calculated starting from the day following the closing date of the subscription period for the first installment, and then (monthly) thereafter, with a fixed annual return of (21.60%).

It is calculated from the day following the closing date of the subscription period, and the first coupon is paid three (3) months after the closing date of the subscription period and then paid monthly thereafter. EFG Securitization Company conducted a private placement of securitization bonds based on the approval of the Financial Regulatory Authority. The bonds were fully subscribed through a private placement that closed on September 15, 2025. The profits realized from the transfer of the securitization portfolio amounted to EGP 220,754,118. An account shall be opened with the custodian to cover any shortfall in cash flows. This account, referred to as the "Reserve Account," shall be initially deposited with EGP 27,397,500 (twenty-one million, four hundred and seventy-two thousand, five hundred Egyptian pounds only). It shall be funded by debiting the proceeds account from the cash flows generated in the first month of issuance, provided that it remains at 2.5% of the outstanding bond balance ("Reserve Account Balance"). When the outstanding amounts in the Reserve Account exceed the amounts representing the Reserve Account balance (as defined in this clause), the surplus shall be transferred to the proceeds account with the custodian each month, in addition to the investment returns generated from the cumulative reserve account balance. - In the event of a deficit in the proceeds account to pay all expenses and bondholders' entitlements of interest and principal repayment, this deficit shall be financed through the reserve account, provided that the amounts transferred from the reserve account to pay this deficit shall be returned to it again from the proceeds account from the deposited receipts in the following month, and the transfer of deficit

**U Consumer Finance "ValU Consumer Finance Company, previously"
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

amounts from the reserve account to the proceeds account shall be repeated whenever a deficit is found and these amounts shall be returned to the reserve account.

19th Issuance (3rd Issuance\ 5th Program)

- On October 28, 2025, the company signed a securitization portfolio transfer agreement with EFG Securitization Company, whereby the financial rights related to certain consumer finance contracts were transferred to EFG Securitization Company (the transferee). The total value of these contracts was EGP 835,297,395, with a current value of EGP 735,000,000.

The transferred securitization portfolio comprises 75,291 consumer finance contracts, generating cash flows from the collection of outstanding amounts owed by debtors during the period from December 1, 2025, to April 30, 2027.

These are short-term, nominal bonds (securitize bonds) representing financial rights and future receivables. They are tradable, non-convertible shares, and callable early starting from the third month after issuance (fourth coupon), with a maturity of 17 months and a total value of EGP 735,000,000, issued in two tranches.

- Tier 1 (A) Bonds: Short-term nominal securitization bonds against financial rights and future receivables. They are tradable, non-convertible to shares, and non-callable for a period of (12) months, starting from the day following the closing date of the subscription period, with a total value of (621,075,000) EGP (seven hundred and sixty-seven million, one hundred and thirty thousand Egyptian pounds only), with a nominal value of 100 EGP (one hundred pounds) per bond. Bond redemption begins after three months, based on the actual proceeds of the portfolio, starting from the day following the closing date of the subscription period for the first installment, and then (monthly) after the (first) installment. They have a fixed annual return of (21.80%), calculated from the day following the closing date of the subscription period. The first coupon is paid after (3) months from the closing date of the subscription period, and then (monthly) after the first coupon.

The first coupon is paid. - Bonds are short-term nominal securitization bonds against financial rights and future receivables. They are tradable, non-convertible to shares, and non-callable, with a term of (17) months commencing from the day following the closing date of the subscription period. The total value is EGP 113,925,000 (one hundred and thirteen million, nine hundred and twenty-five thousand Egyptian pounds only), with a nominal value of EGP 100 (one hundred pounds) per bond. They carry a fixed annual return of (21.50%) calculated from the day following the closing date of the subscription period. The first coupon payment is made three (3) months after the closing date of the subscription period. Tranche 2(B) bonds are repaid/redeemed in monthly installments based on the actual proceeds of the securitization portfolio, starting from the 13th month of the issuance period, provided that Tranche 1(A) is fully redeemed. Redemption is permitted during the term of Tranche 1(A) only if there are proceeds resulting from early repayment by debtors. The second tranche (B) will be fully redeemed only after the first tranche (A) has been fully redeemed. EFG Securitization Company conducted a private placement of securitization bonds, subject to the approval of the Financial Regulatory Authority. The bonds were fully subscribed through a private placement that closed on October 28, 2025. The profits realized from the transfer of the securitization portfolio amounted to EGP 121,933,514. An account will be opened with the custodian to cover any cash flow shortfalls. This account, referred to as the "Reserve Account," will be credited with EGP 18,375,000 (eighteen million three hundred and seventy-five thousand Egyptian pounds only). It will be funded by debiting the proceeds from the cash flows generated in the first month of issuance and will continue to represent 2.5% of the outstanding bond balance ("Reserve Account Balance"). When the balance in the reserve account exceeds the reserve account balance (as defined in this section), the surplus is transferred to the custodian's proceeds account each month, along with the return on investment of funds accrued from the reserve account's accumulated balance. - If there is a deficit in the proceeds account to cover all expenses and bondholders' entitlements, including interest and principal repayments, this deficit is financed from the reserve account. The amounts transferred from the reserve account to cover this deficit are then

**U Consumer Finance "ValU Consumer Finance Company, previously"
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

returned to the proceeds account from the following month's deposits. This process of transferring deficit amounts from the reserve account to the proceeds account is repeated whenever a deficit arises, and these amounts are subsequently returned to the reserve account.

20th Issuance (1st Issuance) 8th Program

- On December 4, 2025, the company signed a securitization portfolio transfer agreement with EFG Securitization Company, whereby the financial rights related to certain consumer finance contracts were transferred to EFG Securitization Company (the transferee). The total value of these contracts was EGP 1,381,884,385, with a current value of EGP 1,111,500,000.

The transferred securitization portfolio comprises 131,357 consumer finance contracts, generating cash flows from the collection of outstanding amounts owed by debtors during the period from January 1, 2026, to June 30, 2027.

These are short-term, nominal bonds (securitize bonds) representing financial rights and future receivables. They are tradable, non-convertible to shares, and callable early starting from the third month after issuance (fourth coupon), with a maturity of 18 months and a total value of EGP 1,111,500,000, issued in two tranches.

- Tier 1 (A) Bonds: Short-term nominal securitization bonds against financial rights and future receivables. They are tradable, non-convertible to shares, and non-callable for a period of (12) months, starting from the day following the closing date of the subscription period, with a total value of (872,527,500) EGP (eight hundred and seventy-two million, five hundred and twenty-seven thousand, five hundred Egyptian pounds only), with a nominal value of 100 EGP (one hundred pounds) per bond. Bond redemption begins after three months, based on the actual proceeds of the portfolio, starting from the day following the closing date of the subscription period for the first installment, and then (monthly) after the (first) installment. They have a fixed annual return of (21.50%), calculated from the day following the closing date of the subscription period. The first coupon is paid after (3) months from the closing date of the subscription period, and then (monthly) after the first coupon.

The first coupon is paid. - Bonds are short-term nominal securitization bonds against financial rights and future receivables. They are tradable, non-convertible to shares, and non-callable, with a term of (18) months commencing from the day following the closing date of the subscription period. The total value is EGP 238,972,500 (Two hundred and thirty-eight million, nine hundred and seventy-two thousand and five hundred Egyptian pounds only), with a nominal value of EGP 100 (one hundred pounds) per bond. They carry a fixed annual return of (21.20%) calculated from the day following the closing date of the subscription period. The first coupon payment is made three (3) months after the closing date of the subscription period. Tranche 2(B) bonds are repaid/redeemed in monthly installments based on the actual proceeds of the securitization portfolio, starting from the 13th month of the issuance period, provided that Tranche 1(A) is fully redeemed. Redemption is permitted during the term of Tranche 1(A) only if there are proceeds resulting from early repayment by debtors. The second tranche (B) will be fully redeemed only after the first tranche (A) has been fully redeemed. EFG Securitization Company conducted a private placement of securitization bonds, subject to the approval of the Financial Regulatory Authority. The bonds were fully subscribed through a private placement that closed on December 4, 2025. The profits realized from the transfer of the securitization portfolio amounted to EGP 186,202,353. An account will be opened with the custodian to cover any cash flow shortfalls. This account, referred to as the "Reserve Account," will be credited with EGP 27,787,500 (twenty-seven million seven hundred and eighty-seven thousand and five hundred Egyptian pounds only). It will be funded by debiting the proceeds account from the cash flows generated in the first month of issuance and will continue to represent 2.5% of the outstanding bond balance ("Reserve Account Balance"). When the balance in the reserve account exceeds the reserve account balance (as defined in this section), the surplus is transferred to the custodian's proceeds account each month, along with the return on investment of funds accrued from the reserve account's accumulated balance. - If there is a deficit in the proceeds account to cover all expenses and bondholders' entitlements, including interest and principal

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

repayments, this deficit is financed from the reserve account. The amounts transferred from the reserve account to cover this deficit are then returned to the proceeds account from the following month's deposits. This process of transferring deficit amounts from the reserve account to the proceeds account is repeated whenever a deficit arises, and these amounts are subsequently returned to the reserve account.

The summary of securitization transactions for 2025 is shown in the following table:

	Principal	Interest	EMI	Bond Size
14th	429 052 421	125 535 611	554 588 032	463 300 000
15th	825 906 746	406 181 198	1 232 087 944	1 036 000 000
16th	741 017 149	306 571 194	1 047 588 343	858 900 000
17th	383 155 090	171 280 828	554 435 918	460 650 000
18th	953 041 813	428 013 172	1 381 054 985	1 095 900 000
19th	613 832 615	221 464 780	835 297 395	735 000 000
20 th	1 002 832 382	379 052 004	1 381 884 386	1 111 500 000
	<u>4 948 838 216</u>	<u>2 038 098 787</u>	<u>6 986 937 003</u>	<u>5 761 250 000</u>

The summary of securitization transactions for 2025 is shown in the following table:

	5th Issuance	14th Issuance	15th Issuance	16th Issuance	17th Issuance	18th Issuance	19th Issuance	20th Issuance
Financial Rights Portfolio	76 639 494	41 986 488	195 035 910	334 069 967	168 471 603	683 428 608	514 969 635	1 002 932 382
Balances with the Custodian	3 036 317	--	9 716 413	12 928 447	7 151 785	30 821 177	168 819 293	1 039 961
Total Assets	<u>79 675 811</u>	<u>41 986 488</u>	<u>204 752 323</u>	<u>346 998 414</u>	<u>175 623 388</u>	<u>714 249 785</u>	<u>683 788 928</u>	<u>1 003 972 343</u>
Securitization Bonds	57 772 000	--	238 276 000	741 214 000	203 418 000	854 854 000	735 000 000	1 111 500 000
Accrued Interest	483 841	--	--	--	--	--	--	--
Total Liabilities	<u>58 255 841</u>	<u>--</u>	<u>238 276 000</u>	<u>741 214 000</u>	<u>203 418 000</u>	<u>854 854 000</u>	<u>735 000 000</u>	<u>1 111 500 000</u>
Excess of Portfolio Assets over Liabilities Securitization surplus	<u>69 178 683</u>	<u>41 986 488</u>	<u>(33 523 677)</u>	<u>(394 215 586)</u>	<u>(27 794 612)</u>	<u>(140 604 215)</u>	<u>(51 211 072)</u>	<u>(107 527 657)</u>
	<u>24 524 374</u>	<u>31 593 519</u>	<u>57 862 769</u>	<u>53 382 598</u>	<u>29 895 940</u>	<u>77 895 931</u>	<u>766 129</u>	<u>77 604 864</u>

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Commercial paper portfolio transfers and portfolio surplus sale (Offloading)

On November 14, 2024, the company signed a protocol agreement with the Arab African International Bank for the discounting of commercial papers, financial receivables, and assignment of rights.

The discounting of financial receivables is to be carried out in two phases: the first phase pertains to discounting installment car sales contracts between the company and its clients, and the second phase pertains to discounting consumer finance contracts and the resulting receivables between the company and its clients. The portfolio of commercial papers and/or the receivables resulting from installment car sales contracts and/or the receivables resulting from consumer finance contracts, pertaining to the first and second phases, will be transferred to the Arab African International Bank for an amount not exceeding EGP 950,000,000 (nine hundred and fifty million Egyptian pounds only), which represents the present value of the portfolio after discounting according to the discount rate stipulated in this agreement. This transfer is to be made without recourse against the company, and the bank has accepted this agreement. Therefore, both parties have acknowledged their legal capacity to act and enter into this contract.

The second transfer – This includes discounting commercial papers, discounting financial receivables, and transferring rights to 14,513 consumer finance contracts. It generates cash flows by collecting outstanding amounts from debtors during the period from February 1, 2025, to January 31, 2026.

The total portfolio provided to the Arab African Bank is EGP 146,348,461, with a current value of EGP 134,569,699.

The Arab African Bank transferred EGP 126,390,273, based on the approval of the Financial Regulatory Authority for discounting commercial papers. An EGP 7,679,556 was set aside as a 6% reserve of the portfolio's nominal value. This reserve is deposited and held in an intermediary account as a buffer against reversals, with authorization for discounting and a mandate from the collection agent to replenish the account in case of any shortfall. The profit realized from discounting commercial papers amounted to EGP 17,170,819.

Third Transfer

- This includes discounting commercial papers, discounting financial receivables, and transferring rights to 42,772 consumer finance contracts. This will generate cash flows by collecting outstanding amounts from debtors during the period from March 1, 2025, to February 1, 2026.

- The total portfolio provided to the Arab African Bank is EGP 464,669,549, with a current value of EGP 370,687,503.

- The Arab African Bank transferred EGP 384,258,468 based on the approval of the Financial Regulatory Authority for discounting commercial papers. An amount of EGP 520,211,333 was set aside as a 6% reserve of the portfolio's nominal value. This reserve is deposited and held in an intermediary account as a buffer against reversals, with authorization for discounting and a mandate from the collection agent to replenish the account in case of any shortfall. The profit realized from discounting commercial papers amounted to 462,899.97 Egyptian pounds.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Fourth Transfer

- This includes discounting commercial papers, discounting financial receivables, and transferring rights to 45,308 consumer finance contracts. These contracts will generate cash flows through the collection of outstanding amounts from debtors during the period from May 1, 2025, to April 1, 2026.
- The total portfolio provided to the Arab African Bank is EGP 250,773,007, with a current value of EGP 234,472,933.
- The Arab African Bank transferred EGP 216,171,890, based on the approval of the Financial Regulatory Authority for discounting commercial papers. An amount of EGP 15,046,380 was set aside as a 6% reserve of the portfolio's nominal value. This reserve is deposited and held in an intermediary account as a buffer against reversals, with authorization for deduction and a mandate from the collection agent to replenish the account in case of any shortfall. The profit realized from discounting commercial papers amounted to EGP 135,837.37.

Fifth Transfer

- This includes discounting commercial papers, discounting financial receivables, and transferring rights to 16,793 consumer finance contracts. These contracts will generate cash flows through the collection of outstanding amounts from debtors during the period from July 1, 2025, to May 1, 2026.
- The total portfolio provided to the Arab African Bank is EGP 237,214,840, with a current value of EGP 828,805,777.
- The Arab African Bank transferred EGP 148,787,710 based on the approval of the Financial Regulatory Authority for discounting commercial papers. An amount of EGP 854,052,500 was set aside as a 6% reserve of the portfolio's nominal value. This reserve is deposited and held in an intermediary account as a buffer against reversals, with authorization for deduction and a mandate from the collection agent to replenish the account in case of any shortfall. The profits realized from discounting commercial papers amounted to EGP 17,896,602.

- The sixth transfer

, which includes discounting commercial papers, discounting financial dues, and transferring rights, comprises 34,145 consumer finance contracts. This generates cash flows representing the collection of amounts owed by debtors during the period from June 1, 2025, to May 1, 2026.

- The total portfolio provided to the Arab African Bank was EGP 290,878,543, with a current value of EGP 264,835,409.
- The Arab African Bank transferred EGP 266,627,500 based on the approval of the Financial Regulatory Authority for discounting commercial papers. An amount of EGP 17,452,712 was set aside under the heading "Setting aside 6% of the nominal value of the portfolio," deposited and set aside in the intermediary account as a hedging ratio for reversals, with authorization for discounting. Authorization from the collection agent to replenish the account in case of any deficit. Profits realized from discounting commercial papers amount to EGP 17,737,845.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

The seventh transfer

includes discounting commercial papers, discounting financial receivables, and transferring rights to 33,263 consumer finance contracts. This will generate cash flows by collecting amounts owed by debtors during the period from September 1, 2025, to August 1, 2026.

- The total portfolio provided to the Arab African Bank is EGP 198,656,518, with a current value of EGP 180,859,754.

- The Arab African Bank transferred EGP 168,317,399 based on the approval of the Financial Regulatory Authority for discounting commercial papers. An amount of EGP 11,919,391 was set aside as a 6% reserve of the portfolio's nominal value. This reserve is deposited and held in an intermediary account as a buffer against reversals, with authorization for discounting and a mandate from the collection agent to replenish the account in case of any shortfall. The profit realized from discounting commercial papers amounted to 461,176.21 Egyptian pounds.

- The eighth transfer

includes discounting commercial papers, discounting financial receivables, and transferring rights to 37,571 consumer finance contracts. This will generate cash flows by collecting outstanding amounts from debtors during the period from October 1, 2025, to September 1, 2026.

- The total portfolio provided to the Arab African Bank is EGP 274,676,697, with a current value of EGP 247,927,544.

- The Arab African Bank transferred EGP 233,708,540 based on the approval of the Financial Regulatory Authority for discounting commercial papers. An amount of EGP 16,480,601 was set aside as a 6% reserve of the portfolio's nominal value. This reserve is deposited and held in an intermediary account as a buffer against reversals, with authorization for discounting and a mandate from the collection agent to replenish the account in case of any shortfall. The profit realized from discounting commercial papers amounted to 34,004,396 Egyptian pounds.

- The ninth transfer

includes discounting commercial papers, discounting financial receivables, and transferring rights to 25,279 consumer finance contracts. This will generate cash flows by collecting outstanding amounts from debtors during the period from October 1, 2025, to September 1, 2026.

- The total portfolio provided to the Arab African Bank is EGP 258,411,149, with a current value of EGP 236,298,613.

- The Arab African Bank transferred EGP 222,014,790 based on the approval of the Financial Regulatory Authority for discounting commercial papers. An amount of EGP 15,504,669 was set aside as a 6% reserve of the portfolio's nominal value. This reserve is deposited and held in an intermediary account as a buffer against reversals, with authorization for discounting and a mandate from the collection agent to replenish the account in case of any shortfall. The profit realized from discounting commercial papers amounted to 28,216,731 Egyptian pounds.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Tenth Transfer

- This includes discounting commercial papers, discounting financial receivables, and transferring rights to 26,839 consumer finance contracts. These contracts will generate cash flows through the collection of outstanding amounts from debtors during the period from October 1, 2025, to September 1, 2026.

- The total portfolio provided to the Arab African Bank is EGP 394,722,754, with a current value of EGP 361,501,566.

- The Arab African Bank transferred EGP 340,084,340 based on the approval of the Financial Regulatory Authority for discounting commercial papers. An EGP 23,683,365 was set aside as a 6% reserve of the portfolio's nominal value. This reserve is deposited and held in an intermediary account as a buffer against reversals, with authorization for deduction and a mandate from the collection agent to replenish the account in case of any shortfall. The profits realized from discounting commercial papers amounted to 34,004,396 Egyptian pounds.

	(Principal)	(interest)	Total Portfolio	Bond Size
2th	116 899 010	29 449 451	146 348 461	134 569 699
3th	403 570 423	146 099 012	549 669 435	503 687 370
4 th	193 381 136	57 391 871	250 773 007	234 472 933
5 th	58 943 401	25 270 837	84 214 238	77 805 828
6 th	247 097 564	43 780 979	290 878 543	264 835 409
7 th	159 683 293	38 973 225	198 656 518	180 859 754
8 th	213 923 148	60 753 550	274 676 698	247 927 544
9 th	208 081 882	50 329 267	258 411 149	236 298 613
10th	271 676 571	123 046 183	394 722 754	361 501 566
	1 873 256 428	575 094 375	2 448 350 803	2 241 958 716

Wallet transfers for discounting post-dated checks (Discounting)

Discounting commercial papers, discounting financial receivables, and assignment of rights

U Consumer Finance Company S.A.E. (the "Second Party") signed a "Postponed Check Discounting" agreement with Next Bank S.A.E. (the "First Party") on April 30, 2025. The company submitted a request to the bank to discount postponed checks drawn on its regular customers, both current and future, without recourse against the company, up to the amount agreed upon in this agreement. The company will present the checks for discounting after submitting a discount notice to the bank. Each discount notice submitted by the company will be reviewed by the bank, and the acceptance or rejection of the discount will be at the bank's sole discretion. The bank agrees to discount postponed checks drawn on the company's regular customers, accepted by the bank, and negotiable, with a total value not exceeding EGP 10,000,000,000 (ten billion Egyptian pounds only), at a discount rate for each check individually, determined based on each discount notice submitted by the company pursuant to this agreement.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Sixth Transfer

- In accordance with the Consumer Goods, Services, and Auto Portfolio Financing Agreement dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC.

In March 2025, final approval was granted for the deduction of the outstanding check portfolio, amounting to EGP 35,463,166.32. This amount comprises the principal balance of the portfolio, amounting to EGP 15,645,186.95, the accrued interest, amounting to EGP 19,817,979.37, and the current value of the portfolio, amounting to EGP 30,996,488.81.

Seventh Transfer

- In accordance with the Consumer Goods, Services, and Auto Portfolio Financing Agreement dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC. In March 2025, final approval was granted for the deduction of the outstanding balance of the transferred post-dated check portfolio, amounting to EGP 139,081,191.86. This amount comprises the principal balance of the transferred portfolio (EGP 64,391,404.86), the accrued interest (EGP 74,689,787), and the current value of the portfolio (EGP 122,817,091).

Transfer Eight

- In accordance with the consumer goods, services, and automobile portfolio financing agreement dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC.

In March 2025, final approval was granted for the deduction of the outstanding post-dated check portfolio, amounting to EGP 109,159,092. This sum comprises the principal balance of the portfolio, amounting to EGP 48,778,919, the accrued interest, amounting to EGP 60,380,172.74, and the current value of the portfolio, amounting to EGP 97,196,698.

Transfer 9

- In accordance with the consumer goods, services, and automobile portfolio financing agreement dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC.

- In June 2025, final approval was granted for the deduction of the value of the transferred post-dated check portfolio in the amount of EGP 39,572,693, which comprises the principal balance of the transferred portfolio of EGP 20,373,533.26, the transferred interest of EGP 19,199,160, and the present value of the portfolio of EGP 35,417,895.

Tenth Transfer

- In accordance with the financing agreement for the consumer goods, services, and automobile portfolio dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC.

In June 2025, final approval was granted for the deduction of the outstanding balance of the transferred post-dated check portfolio in the amount of EGP 466,155,705.00. This amount comprises the principal balance of the transferred portfolio of EGP 245,119,811, the accrued interest of EGP 221,035,894, and the current value of the portfolio of EGP 313,466,858.

Eleventh Transfer

- In accordance with the financing agreement for the consumer goods, services, and automobile portfolio dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC.

In August 2025, final approval was granted for the deduction of the value of the transferred post-dated check portfolio in the amount of EGP 202,996,785.00, which comprises the principal balance of the transferred portfolio of EGP 112,111,855.00, the transferred interest of EGP 90,884,930.00, and the present value of the portfolio of EGP 135,669,149.00.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Twelfth Transfer

- In accordance with the financing agreement for the consumer goods, services, and automobile portfolio dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC.

In September 2025, final approval was granted for the deduction of the outstanding balance of the transferred post-dated check portfolio, amounting to EGP 89,926,671.00. This balance comprises the principal of the transferred portfolio (EGP 47,794,069.00), the accrued interest (EGP 42,132,602.00), and the current value of the portfolio (EGP 56,060,657.00).

Thirteenth Transfer

- In accordance with the Consumer Goods, Services, and Auto Portfolio Financing Agreement dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC.

In September 2025, final approval was granted for the deduction of the outstanding balance of the transferred post-dated check portfolio in the amount of EGP 285,577,218.00. This amount comprises the principal balance of the transferred portfolio of EGP 143,198,632.00, the accrued interest of EGP 142,378,586.00, and the current value of the portfolio of EGP 234,248,028.00.

Fourteenth Transfer

- In accordance with the financing agreement for the consumer goods, services, and automobile portfolio dated April 30, 2025, between U Consumer Finance LLC and Next Bank LLC.

In September 2025, final approval was granted for the deduction of the value of the transferred post-dated check portfolio in the amount of EGP 386,066,743, which consists of the principal balance of the transferred portfolio of EGP 227,878,732, the transferred interest of EGP 158,188,011, and the present value of the portfolio of EGP 257,200,225.

Fifteenth Transfer

- In accordance with the Consumer and Auto Portfolio Financing Agreement dated April 30, 2025, between U Finance Credit S.A.E. and Next Bank S.A.E.

October 2025: Final approval of the selection of the value of the post-dated check portfolio subject to transfer to account number EGP 226,363,431, which originally had a local credit balance of EGP 147,108,020, a transferable interest of EGP 79,255,411, and a current value of EGP 113,755,950.

Sixteenth Transfer

- In accordance with the Consumer and Auto Portfolio Financing Agreement dated April 30, 2025, between U Finance Credit S.A.E. and Next Bank S.A.E.

October 2025: Final approval of the selection of the value of the post-dated check portfolio subject to transfer, amounting to EGP 116,782,936. This portfolio has a substantial original balance of EGP 66,449,025, a transferable interest of EGP 50,333,911, and a current portfolio value of EGP 77,050,535.

Seventeenth Transfer

- In accordance with the Credit and Auto Finance Portfolio Financing Agreement dated April 30, 2025, between U Finance Credit Company S.A.E. and Next Bank S.A.E.

November 2025. The principal signature on the selection of the value of the post-dated check portfolio subject to transfer, EGP 311,328,253, which originally represented the transferable account balance of EGP 153,452,172, the transferable interest of EGP 157,876,081, and the current value of the held balance of EGP 237,006,392.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Eighteenth Transfer

-In accordance with the Credit and Auto Finance Portfolio Financing Agreement dated April 30, 2025, between U Finance Credit S.A.E. and Next Bank S.A.E.

December 2025: Final approval of the selected value of the post-dated check portfolio, set at EGP 162,494,660. The original options for this portfolio included a local credit balance of EGP 77,043,974, a credit interest of EGP 85,450,686, and a current portfolio value of EGP 135,249,963.

Nineteenth Transfer

-In accordance with the Credit and Auto Finance Portfolio Financing Agreement dated April 30, 2025, between U Finance Credit S.A.E. and Next Bank S.A.E.

December 2025: Final approval was granted for the selection of the value of the post-dated check portfolio, as indicated, at EGP 59,861,247. This portfolio comprises an original balance of EGP 29,237,581, an interest payment of EGP 30,623,666, and a current value of EGP 49,619,061.

Twentieth Transfer

-In accordance with the Credit and Auto Finance Portfolio Financing Agreement dated April 30, 2025, between U Finance Company S.A.E. and Next Bank S.A.E.

December 2025 Final approval of the selection of the value of the post-dated check portfolio referred to as EGP 47,728,944, which originally ranges from the reference balance for inquiry EGP 19,405,673, the reference interest for referral EGP 28,323,271, and the current value of the general portfolio EGP 39,224,411.

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Date	Transfer NO.	Portfolio value (Principal)	Portfolio value (interest)	Current value for the transferred portfolio	Total
March 2025	6	15 645 187	19 817 979	35 463 166	30 996 489
March 2025	7	64 391 405	74 689 787	139 081 192	122 817 091
May 2025	8	48 778 919	60 380 173	109 159 092	97 196 698
June 2025	9	20 373 533	19 199 160	39 572 693	35 417 895
June 2025	10	245 119 811	221 035 894	466 155 705	313 466 858
August 2025	11	112 111 855	90 884 930	202 996 785	135 669 149
September 2025	12	47 794 069	42 132 602	89 926 671	56 060 657
September 2025	13	143 198 632	142 378 586	285 577 218	234 248 028
September 2025	14	227 878 732	158 188 011	386 066 743	257 200 225
October 2025	15	147 108 020	79 255 411	226 363 431	113 755 950
October 2025	16	66 449 025	50 333 911	116 782 936	77 050 535
November 2025	17	153 452 172	157 876 081	311 328 253	237 006 392
December 2025	18	77 043 974	85 450 686	162 494 660	135 249 963
December 2025	19	29 237 581	30 623 666	59 861 247	49 619 061
December 2025	20	19 405 673	28 323 271	47 728 944	39 224 411
Total		1 417 988 588	1 260 570 148	2 678 558 736	1 934 979 402

29- Contingent liabilities

Letter of guarantee

Letter of guarantee represent for some suppliers with an amount of EGP 2 358 200 for buy purchasing.

30- Financial risks:

As a result of its activities, the company is exposed to various financial risks, including market risks (including foreign exchange rate risks, fair value risks for interest rates, and price risks, credit risks, and liquidity risks).

This note presents the information related to the company's exposure to each of the above risks, as well as the company's objectives, policies, and methods for measuring and managing risk, as well as the company's management of capital.

The company's Board of Directors has overall responsibility for establishing and monitoring the company's overall risk management framework. It identifies and analyzes the risks facing the company to determine risk levels and appropriate controls, and monitors those risks and the company's compliance with those responsibilities.

The company's management aims to establish a constructive and disciplined control environment, ensuring that all employees are aware of and understanding their roles and obligations.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

30/1 Credit risk

The primary credit risks is the risk of non-collection of debts owed to the company from customers. The company mitigates this risk by carefully studying customers before contracting with them, as well as by following up with them after contracting and evaluating them to ensure their ability to repay. The company does not have a significant concentration of credit risk, as debts are primarily due from customers in the local market and are stated at their recoverable value. Cash is deposited with local banks with high credit ratings.

Risk Avoidance Policies

The company has several policies and controls in place to mitigate credit risk. One of these methods is obtaining collateral for funds provided. The company establishes guidelines for specific categories of acceptable collateral.

Non-Delinquent Financing Customers

The credit quality of the consumer finance customer portfolio that is neither delinquent nor impaired is assessed using the company's internal assessment.

30/2 Liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

30/3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates, affect a company's income or the value of its holdings of financial instruments. The goal of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing returns.

Interest rate risk on cash flow

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates.

The company is exposed to interest rate risk due to its bank loans and advances at variable interest rates, which may expose the company to the risk that cash flows will be affected by changes in interest rates. Financial liabilities exposed to interest rate risk as of December 31, 2025, amounted to EGP 10.020 billion (compared to EGP 7.670 billion as of December 31, 2024).

Foreign currencies risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The table below shows the foreign exchange position shown in foreign currencies

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

	31/12/2025			31/12/2024	
	Assets	Liabilities	Net	Net	
Dollar	269 453	--	269 453	6 909 445	
Euro	4 242	--	4 242	330	
Sterling	3 112	--	3 112	3 134	

Price risk

The Company does not have investments in registered securities and is therefore it is not exposed to the risk of changes in fair value due to price changes.

30/4 Capital risk

The Board of Directors' policy is to maintain strong capital to maintain investor, creditor, and market confidence, as well as to meet future business developments.

The Board of Directors monitors the return on capital, which the Company defines as net profit for the year divided by total shareholders' equity. The Board also monitors the level of dividend distributions to shareholders.

The Board of Directors seeks to balance the higher returns that can be achieved with higher levels of borrowing and the benefits and security provided by maintaining a sound capital position.

There were no changes to the Company's capital management strategy during the year. The Company is not subject to any externally imposed capital requirements.

31- Impairment reserve for consumer finance

Companies engaged in real estate finance, financial leasing, factoring, consumer finance, and financing of small, medium, and micro enterprises are obligated to establish a risk reserve for the effects of applying Egyptian Accounting Standard No. (47) Financial Instruments, equivalent to 1% of assets, from the net profits for the year after deducting tax for the fiscal year ending December 31, 2020. This reserve shall be included in shareholders' equity and shall not be used except after the Authority's approval.

The Chairman of the Financial Regulatory Authority issued Circular No. (3) of 2021 dated February 1, 2021, regarding the controls for implementing the Authority's Board of Directors' Decision No. 200 of 2020 regarding the formation of a reserve to address the risks of the effects of applying Egyptian Accounting Standard No. (47) Financial Instruments on some companies engaged in non-banking financial activities. The decision stipulates the formation of a risk reserve for the effects of applying Egyptian Accounting Standard No. (47) Financial Instruments, equivalent to 1% of risk-weighted assets, in accordance with the provisions of the decisions issued by the Authority's Board of Directors regarding financial solvency standards, provided that it is deducted. The value of the reserve, consisting of net profits for the year ending December 31, 2020, after withholding tax, shall be included in the shareholders' equity item as a separate item in the statement of financial position, and the effects of application shall be shown in the first quarter of 2021, noting that this reserve shall not be used except after obtaining prior approval from the Financial Regulatory Authority.

**Translation of financial statements
Originally Issued in Arabic**

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

	31/12/2025	31/12/2024
(1) The balance of provisions for doubtful financing balances in accordance with the basis for calculating provisions stated in Article (6) of the rules and controls for the company’s practice of consumer financing activity issued by the Authority’s Board of Directors Resolution No. (101) of 2020 and its amendments. (*)	246 838 957	304 398 994
(2) The balance of expected credit losses recorded in the financial statements in accordance with Egyptian Accounting Standards.	(135 705 556)	(208 802 004)
Difference Between (1) and (2)		
Impairment reserve for consumer finance balance	111 133 401	95 596 990

(*) The following is a statement of the provisions: a general provision on regular balances amounting to 1% of the total outstanding regular balances and a provision on doubtful balances.

	31/12/2025	31/12/2024
Consumer Finance		
Public Provision	144 021 294	91 816 981
Provision on Doubtful collection	102 817 663	212 582 013
	246 838 957	304 398 994

The balance of doubtful financing according to the delay days as the follows: -

	31/12/2025	
Regular financing	1%	79 569 036
Arrears from 31 days to 90 days	10%	18 495 351
Arrears from 91 days to 120 days	30%	13 177 069
Arrears from 121 days to 180 days	50%	32 779 838
Arrears more than 180 days	100%	102 817 663
		246 838 957

U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

32- Significant accounting policies applied

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

32-1 foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

32-2 Property, plant, and equipment

32-2-1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

32-2-2 Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

32-2-3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant, and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Assets	Estimated useful life
- electrical appliances	5 years
- Computer equipment	5 years
- Office furniture& Fixtures	5 years
- Vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

32-3 Intangible assets

Intangible assets are recorded at historical cost less accumulated amortization and any impairment losses, intangible assets are amortized using the straight-line method and are recognized in profit or loss over their estimated useful lives.

Assets	Estimated useful life
- computer program	5 years

U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

32-4 Financial instruments

32-4-1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

32-4-2 Classification and subsequent measurement financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in OCI. This election is made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise

32-4-3 Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual

U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

How the performance of the portfolio is evaluated and reported to the Company’s management;

The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

32-4-4 Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

Contingent events that would change the amount or timing of cash flows;

terms that may adjust the contractual coupon rate, including variable-rate features;

Prepayment and extension features; and

Terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early

termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

32-4-5 Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

32-4-6 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

32-4-7 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

32-4-8 Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

32-5 Impairment

32-5-1 non-derivative financial assets

Financial instruments and contract assets

The Company recognizes loss allowances for Expected Credit Loss (ECLs) on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI;
- contract assets.
- The Company also recognizes loss allowances for ECLs on loans receivables.
- The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, unless it can be rebutted.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due unless it can be rebutted.
- Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

32-5-2 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

32-5-3 Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

32-5-4 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

32-5-5 Write-off

Any client's financing is written off when the company is certain that the balance cannot be collected, provided that a provision for the full value of the balance to be written off is made prior to this. The company's board of directors alone has the authority to approve the writing off of any client balance based on a justified presentation from the relevant department. The writing off of a client's balance does not prevent the company from pursuing its legal efforts to recover its dues. This is in accordance with the solvency standards for companies operating in consumer finance (Decision No. 101 of 2020 issued by the Financial Regulatory Authority).

The company may write off debts according to the following conditions:

- 1) A decision is issued by the company's board of directors to write off the debts.
- 2) The company submits a report from its auditor stating that the following conditions are met:
 - The company must maintain regular accounts.
 - The debt must be related to consumer finance activities.
 - The corresponding amount must have been previously included in the company's accounts.
 - The company must have taken serious measures to recover the debt and have failed to collect it within 18 months of its due date.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

32-5-6 non-financial assets

- At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than, investment property, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- For impairment testing, assets are Companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or Companies of CGUs that are expected to benefit from the synergies of the combination.
- The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
- An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.
- Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
- An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

32-6 Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents includes the balances, whose maturity do not exceed three months from the date of acquisition and the balances included cash on hand, current accounts, time deposits with banks.

32-7 Provisions

Provisions are recognized when the Company has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

32-8 Legal reserve

The Company's statutes provide for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit, it shall be necessary to resume.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

32-9 Share capital

32-9-1 Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24 income tax.

32-10 Revenues

Step 1: Identify the contract(s) with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations that must be fulfilled under each contract.

Step 2: Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or provide a service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration that the company expects to be entitled to in exchange for transferring the promised goods or providing the services to the customer, excluding amounts collected on behalf of other parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract with more than one performance obligation, the company will allocate the transaction price to each performance obligation in an amount that identifies the amount of consideration the company expects to be entitled to in exchange for satisfying each performance obligation.

Step 5: Revenue is recognized when (or as) the entity satisfies a performance obligation.

- Revenue is recognized at a point in time or over time.
- The Company satisfies an obligation and recognizes revenue over time if one of the following criteria is met:
 - a) The Company's performance does not create an asset for which the Company has an enforceable right to payment for the performance completed to date.
 - b) The Company creates or enhances an asset controlled by the customer when the asset is created or enhanced.
 - c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as soon as the Company performs.
- For performance obligations, if one of the above conditions is met, revenue is recognized over time, representing the time over which the performance obligation is satisfied.
- When the Company satisfies a performance obligation by delivering promised services, a contract asset is created based on the amount of contract consideration received from the performance. When the amount of contract consideration received from the customer exceeds the revenue generated, this results in advance payments from the customer (a contract liability).
- Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs can be measured reliably, where appropriate.
- In applying Egyptian Accounting Standard 48, management uses the following judgments:

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Determining Transaction Prices:

- The company must determine the transaction price associated with its agreements with customers. When using this judgment, the company estimates the impact of any variable consideration in the contract due to discounts, penalties, the presence of any significant financing component, or any non-cash consideration in the contract.

Transfer of Control in Customer Contracts:

- If the company determines that performance obligations are satisfied at a point in time, revenue is recognized when control of the assets subject to the contract is transferred to the customer.

Satisfaction of Performance Obligations:

- The company must evaluate each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time. In order to determine the appropriate method for recognizing revenue, the company has assessed that, based on the agreement with the customer, the company does not create an asset that has an alternative use for the company, and it generally has an enforceable right to payment for performance completed to date. In these circumstances, the company recognizes revenue over time. If this is not the case, revenue is recognized at a point in time for the sale of goods or the provision of services. Revenue is usually recognized at a point in time.

Other matters to consider:

- Variable consideration: If the promised consideration in a contract includes a variable amount, the company must estimate the amount of consideration to which it is entitled in exchange for transferring the promised goods or services to the customer. The company estimates the transaction price for contracts with variable consideration using the expected value or most likely amount method. The method is applied consistently throughout the contract and for similar types of contracts.

Significant financing component:

- The company adjusts the amount of promised consideration for the time value of money if the contract includes a significant financing component.

32-11 Interests

32-11 -1 Effective Interest Rate

Interest income and expenses are recognized in profit or loss using the effective interest method. The effective interest rate is the exact rate that discounts the expected future cash flows to be paid over the expected life of the financial instrument to determine the present value of a financial asset or liability. When calculating the effective interest rate, the entity must estimate the cash flows, considering all contractual terms of the financial instrument, except for expected credit losses.

The calculation of the effective interest rate includes transaction costs and any fees or points paid or received that are part of the effective interest rate. Transaction costs refer to incremental costs directly attributable to the acquisition or issuance of a financial asset or liability.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

32-11 -2 Amortized Cost and Carrying Amount

Amortized cost is the value at which a financial asset or liability is measured at initial recognition, minus the principal repayments, plus or minus the cumulative amortization (using the effective interest rate method) of any differences between the initial value and the value at maturity, and minus expected credit losses.

The carrying amount of a financial asset is its amortized cost before deducting the expected credit losses.

31-11 – 3 Calculation of Interest Income and Expenses

The effective interest rate for a financial asset or liability is determined at the initial recognition of the asset or liability. To calculate interest income and expenses, the effective interest rate is applied to the carrying amount of the asset or the amortized cost of the liability.

32-12 Fees and Commissions

Fees and commissions that form part of the effective interest rate of a financial asset or liability are included in the effective interest rate calculation.

Other fees and commissions are recognized as income when the related service is performed.

Contracts with customers that result in the recognition of financial instruments in the company’s financial statements may partially fall under the scope of Egyptian Accounting Standard (EAS) 47: Financial Instruments and partially under EAS 48: Revenue from Contracts with Customers. In such cases, the company first applies EAS 47 to separate and measure the portion of the contract within its scope, then applies EAS 48 to the remainder.

Other Fee and Commission Expenses

These primarily include transaction and service-related fees and commissions, which are recognized as expenses upon receipt of the service.

32-13 Expenses

32 -13-1 Borrowing costs

Borrowing costs are recognized as expenses in the income statement when incurred on an effective interest basis.

32-13-2 Employees’ pension

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Company’s liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

32-13-3 Income tax

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

32-14 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

32-15 Profit sharing to employees

The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees' annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

32-16 Leases

At the beginning of the contract, the company evaluates whether the contract is a rental contract or includes a rental contract. The contract is a lease contract or includes a lease contract if the contract transfers the right to control the use of a specific asset for a period of time in exchange for a consideration. To assess whether a lease conveys the right to control the use of a specific asset, the Group uses the definition of a lease in AASB 49.

This policy applies to contracts concluded on or after January 1, 2020.

32-16-1 As a lessee

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the

**U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)**

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

fixed payments, including in-substance fixed payments;

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company’s estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

The company presents right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities in ‘loans and borrowings’ in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognize right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

32-16-2 As a lessor

At inception or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the company applies EAS 11 to allocate the consideration in the contract.

The company applies the derecognition and impairment requirements in EAS 47 to the net investment in the lease. The company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The company recognizes lease payments received under operating leases as income on a straight- line basis over the lease term as part of ‘other revenue’.

32-17 Comparative Figures

Comparative figures are reclassified whenever necessary to conform with changes in the presentation of the financial statements for the current period.

U Consumer Finance “ValU Consumer Finance Company, previously”
(Egyptian Joint Stock Company)

Notes to Separate financial statements for the year ended December 31, 2025

(In the notes all amounts are shown in EGP unless otherwise stated)

33- Significant Events

- On February 1, 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the Central Bank's main operation rate by 200 basis points to 21.25%, 22.25%, and 21.75%, respectively. The discount rate was also raised by 200 basis points to 21.75%.
- On March 6, 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise the overnight deposit and lending rates and the Central Bank's main operation rate by 600 basis points to 27.25%, 28.25%, and 27.75%, respectively. The discount rate was also raised by 600 basis points to 27.75%
 - On March 6, 2024, the Central Bank of Egypt issued a decision to liberalize the exchange rate of foreign currencies against the Egyptian pound, which resulted in a substantial increase in foreign exchange rates against the local currency (the Egyptian pound).
 - On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 225 basis points to 25%, 26%, and 25.50%, respectively. The discount rate was also reduced by 225 basis points to 25.50%.
 - On May 22, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 100 basis points to 24%, 25%, and 24.50%, respectively. The discount rate was also reduced by 100 basis points to 24.50%.
 - On August 28, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 200 basis points to 22%, 23%, and 22.50%, respectively. The discount rate was also reduced by 200 basis points to 22.50%.
 - On October 2, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 100 basis points to 21%, 22%, and 21.50%, respectively. The discount rate was also reduced by 100 basis points to 21.50%.
 - On December 25, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 100 basis points to reach 20%, 21%, and 20.50% respectively. The credit and discount rate was also reduced by 100 basis points to reach 20.50%.

34- Subsequent events

- On February 12, 2026, the Monetary Policy Committee of the Central Bank of Egypt decided to reduce the overnight deposit and lending rates and the Central Bank's main operation rate by 100 basis points to reach 19%, 20%, and 19.50% respectively. The credit and discount rate was also reduced by 100 basis points to reach 19.50%.

Non-Executive Chairman

Fatma Ibrahim Lotfi

Managing Director

Walid Mahmoud Hassouna

CFO

Karim Riad