

GB Corp
(An Egyptian Joint Stock Company)

Separate Financial Statements
For The Financial Year Ended Dec 31, 2025

And Auditor's Report

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Hazem Hassan

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Auditors' Report **To the Shareholders of GB Corp (S.A.E.)**

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of GB Corp (S.A.E.), which comprise the separate statement of financial position as at December 31, 2025, and the separate statements of profit or loss, comprehensive income, changes in equity and 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 separate 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 separate 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 separate 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 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 separate 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.



Hazem Hassan

*Translation of auditor's report
originally issued in Arabic*

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the unconsolidated financial position of GB Corp (S.A.E.), as at December 31, 2025, and of its unconsolidated financial performance and its separate 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 separate 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, the separate financial statements are in agreement thereto.

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, within the limits that such information is recorded therein.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo February 26, 2026

GB Corp
(An Egyptian Joint Stock Company)
Separate Statement of Financial Position
as of December 31, 2025

	Note No.	31 December 2025 EGP	31 December 2024 EGP
<u>Assets</u>			
<u>Non-current assets</u>			
Payments under investment in subsidiaries	(15)	1 451 957	129 483 916
Investment in subsidiaries	(6)	2 196 238 380	2 269 077 762
Total non-current assets		2 197 690 337	2 398 561 678
<u>Current assets</u>			
Debtors and other debit balances	(7)	42 898 774	21 853 965
Due from related parties (Net)	(8)	1 141 811 752	1 860 077 140
Cash and cash equivalents	(9)	30 026 289	7 379 911
Total current assets		1 214 736 815	1 889 311 016
Total assets		3 412 427 152	4 287 872 694
<u>Equity</u>			
Issued and paid up capital	(10-A)	1 085 500 000	1 085 500 000
Legal reserve	(11)	147 535 587	74 772 626
Other reserves	(12)	1 143 287 400	1 143 287 400
Retained Earning		743 445 241	1 464 053 232
Total Equity		3 119 768 228	3 767 613 258
<u>Current liabilities</u>			
Current tax liabilities		-	35 893 218
Provisions		-	261 981
Creditors and other credit balances	(13)	292 658 924	484 104 237
Total Current liabilities		292 658 924	520 259 436
Total equity and liabilities		3 412 427 152	4 287 872 694

* The accompanying notes form an integral part of these separate financial statements, and to be read therewith.

**Group Chief Financial Officer and
Executive Board Member
Abbas Elsayed**

**Executive Board Member
Nader Ghabbour**

**Auditor's Report Attached

GB Corp
(An Egyptian Joint Stock Company)
Separate Statement of Profit or Loss
for the financial Year ended 31 December 2025

	Note No.	31 December 2025 EGP	31 December 2024 EGP
Dividend income		-	1 491 100 000
General and administrative expenses	(17)	(284 641 943)	(364 237 252)
Charged expenses to subsidiaries		284 476 804	364 499 233
Impairment of Payments under investment in subsidiaries	(15)	(98 043 804)	-
Impairment of Investment in subsidiaries	(6)	(74 229 882)	-
Provision no longer required /(Formed)		165 139	(261 981)
Gross (losses)/ profit		(172 273 686)	1 491 100 000
Finance Income /(Cost)	(16)	35 390 215	(11 140 726)
Charged finance (income) Cost expenses to subsidiaries		(35 390 215)	11 140 726
Net (losses)/ profit for the year before income tax		(172 273 686)	1 491 100 000
Current Income tax		(81 782)	(35 840 779)
Net (losses)/ profit for the year after tax		(172 355 468)	1 455 259 221
Basic (losses)/earning per share	(14)	(0.18)	1.25

* The accompanying notes form an integral part of these separate financial statements, and to be read therewith.

GB Corp
(An Egyptian Joint Stock Company)
Separate Statement of Comprehensive Income
for the financial Year ended 31 December 2025

	31 December 2025	31 December 2024
	EGP	EGP
<u>Comprehensive income items</u>		
Net (loss)/profit for the year after income tax	(172 355 468)	1 455 259 221
Total comprehensive income	(172 355 468)	1 455 259 221

* The accompanying notes form an integral part of these separate financial statements, and to be read therewith.

GB Corp

(An Egyptian Joint Stock Company)

Separate Statement of changes in equity

for the financial year ended 31 December, 2025

	Issued and paid in capital		Legal reserve		Other reserves		Retained Earning		Total	
	EGP		EGP		EGP		EGP		EGP	
Balance at January 1, 2024	1 085 500 000		74 772 626		1 143 287 400		291 234 961		2 594 794 987	
Dividends Distributions	-		-		-		(282 440 950)		(282 440 950)	
Comprehensive income items:										
Net profit for the year	-		-		-		1 455 259 221		1 455 259 221	
Total comprehensive income							1 455 259 221		1 455 259 221	
Balance at December 31, 2024	1 085 500 000		74 772 626		1 143 287 400		1 464 053 232		3 767 613 258	
Balance at January 1, 2025	1 085 500 000		74 772 626		1 143 287 400		1 464 053 232		3 767 613 258	
Transferred to Legal Reserve	-		72 762 961		-		(72 762 961)			
Dividends Distributions	-		-		-		(475 489 562)		(475 489 562)	
Comprehensive income items:										
Net (loss) for the year	-		-		-		(172 355 468)		(172 355 468)	
Total comprehensive income							(172 355 468)		(172 355 468)	
Balance at December 31, 2025	1 085 500 000		147 535 587		1 143 287 400		743 445 241		3 119 768 228	

* The accompanying notes form an integral part of these separate financial statements, and to be read therewith.

GB Corp
(An Egyptian Joint Stock Company)
Separate Statement of Cash Flow
for the financial year ended 31 December 2025

	Note No.	31 December 2025	31 December 2024
<u>Cash Flow from operating activities</u>		EGP	EGP
Net (loss) profit for the year before income tax		(172 273 686)	1 491 100 000
<u>Adjustments for:</u>			
Impairment on investments		74 229 882	-
Impairment of Payments under investment in subsidiaries		98 043 804	-
Debit Interest		152 166	283 036
Credit Interest		(9 913 352)	(12 652)
Provision no longer required /(formed)		(165 139)	261 981
		<u>(9 926 325)</u>	<u>1 491 632 365</u>
<u>Changes in:</u>			
Debtors and other debit balances		(21 044 809)	(20 691 125)
Due from related parties**		820 972 012	(1 096 460 337)
Creditors and other credit balances		(191 445 313)	160 870 398
Dividends distributions to Employees and members of BOD		(95 564 562)	(65 340 950)
Used Provisions		(96 842)	-
Cash provided by operating activities		<u>502 894 161</u>	<u>470 010 351</u>
Income tax paid		(35 975 000)	(4 111 355)
Net cash provided by operating activities		<u>466 919 161</u>	<u>465 898 996</u>
<u>Cash flows from investing activities</u>			
Payment under investment		(72 718 469)	(102 055 146)
Investment in subsidiaries		(1 390 500)	(143 258 755)
Interest income received		9 913 352	12 652
Net cash (used in) investing activities		<u>(64 195 617)</u>	<u>(245 301 249)</u>
<u>Cash flows from financing activities</u>			
Interest expense paid		(152 166)	(283 036)
Paid dividends		(379 925 000)	(217 100 000)
Net cash (used in) financing activities		<u>(380 077 166)</u>	<u>(217 383 036)</u>
Net change in cash and cash equivalents		22 646 378	3 214 711
Cash and cash equivalents at the beginning of the year		7 379 911	4 165 200
Cash and cash equivalents at end of the year	(9)	<u><u>30 026 289</u></u>	<u><u>7 379 911</u></u>

* The accompanying notes form an integral part of these separate financial statements, and to be read therewith.

**The Company transferred an amount of EGP 102 706 624 from the balance of the Paid under Investment in GB Tanzania to a due from related parties.

1- Background of the Company

- GB Corporation S.A.E. (the “Company”) is an Egyptian joint stock company incorporated on 15 July 1999 under the name GB Capital for Trading and Capital Lease, in accordance with Law No. 159 of 1981, and registered in the Commercial Register under No. 3422 – Cairo.
- Based on the resolution of the Extraordinary General Assembly Meeting held on 26 April 2007, it was agreed to change the Company’s name to GB Auto. This amendment was registered in the Commercial Register on 23 May 2007.
- Based on the resolution of the Extraordinary General Assembly Meeting held on 26 March 2023, it was agreed to change the Company’s name to GB Corporation S.A.E. This amendment was registered in the Commercial Register on 7 May 2023.
- The Company is domiciled in the Industrial Zone – Abu Rawash, Km 28 Cairo–Alexandria Desert Road, Arab Republic of Egypt.
- The Company and its subsidiaries (referred to collectively as the “Company”) are engaged in the trading, distribution, assembly, and marketing of all types of transportation means, including heavy-duty trucks, light trucks, passenger cars, buses, minibuses, microbuses, agricultural tractors, cranes, mechanical machinery, construction equipment, earth-moving equipment, and engines of various types, whether locally manufactured or imported, new or used. The Group also trades in related spare parts and accessories, whether locally manufactured or imported, and trades in tires for all transportation means and equipment.
- The major shareholders of the Company are the family of Dr. Raouf Ghabbour, collectively owning 63.38%, Al Olayan Saudi Investment Company Ltd. owning 3.73%, The Miri Strategic Emerging Markets Fund LP owning 7.37%, and other investors owning 25.52%, as of 31 December 2025.
- The consolidated financial statements were authorized for issue by the Company’s Board of Directors on February 26, 2026.

2- Basis of preparation of separate financial statements

The Separate financial statements have been prepared in accordance with an updated Egyptian Accounting Standards (EAS) and the related Egyptian laws and regulations.

3- Consolidated financial statements

The company has subsidiaries and according to Egyptian Accounting Standard No. (42) “Consolidated Financial Statements” and Article 188 of the executive regulations of Companies Law No. 159 of 1981, the company prepares consolidated financial statements for the Company, as it is necessary to refer to them to obtain an understanding of the financial position, business results and cash flows for the Company.

4- Functional and presentation currency

The separate financial statements are presented in Egyptian Pounds which is the Company’s functional currency.

5- Use of judgement and estimates

In preparing the separate financial statements in accordance with Egyptian Accounting Standards (EAS), management is required to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. These estimates and assumptions are based on historical experience and various other factors. Actual results may differ from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis.

Changes in accounting estimates are recognized in the period in which the change is made if the change affects only that period, or in the period of change and future periods if the change affects both.

The key areas in which judgements and estimates are used include the following: -

- Impairment of financial and non-financial assets.
- Recognize and measure the deferred tax assets and liabilities.

Measurement of fair value

The fair value of financial instruments is determined based on the market value of the instrument or of similar instruments at the date of the financial statements, without deducting any estimated future selling costs. The fair value of financial assets is determined by using current purchase prices for such assets, while the fair value of financial liabilities is determined based on the current prices at which those liabilities could be settled.

In the absence of an active market in which to determine the fair value of a financial instrument, fair value is estimated using appropriate valuation techniques. These techniques may include reference to recent transaction prices for the same instrument, the current fair value of substantially similar instruments, discounted cash flow analyses, or other valuation methods that provide reliable measures of fair value.

When a discounted cash flow method is used, future cash flows are estimated based on management's best estimates. The discount rate applied reflects the market rates prevailing at the date of the financial statements for financial instruments that are similar in nature and terms.

GB Corp (S.A.E)

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

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

6- Investment in Subsidiaries	Shareholding %		31-December-25	31-December-24
	Direct	Indirect	EGP	EGP
RG Investment "S.A.E."	99.99%	-	1 003 306 970	1 003 306 970
Salexia L.T.D. Trading (Cyprus)	100%	-	506 480 091	506 480 091
International Trade Agencies and Marketing Co. *	9.21%	90.79%	318 141 120	318 141 120
GB Global Company**	100%	-	267 493 424	267 493 424
GB Kenya***	100%	-	145 232 756	145 232 756
International Company for Auto Components Manufacturing ***	51%	-	38 250 000	38 250 000
Automobilak S.A.E*	20%	63%	7 800 499	7 800 499
Transport Vehicle Distribution (TVD). *	1%	93%	1 541 252	1 541 252
GB Digital Solution Technology	99.50%	-	995 000	99 500
GB Tanzania	100%	-	286 230	286 230
NRG Investment Services Company	99%	0.5%	247 500	-
Ghabbour Investment Services Company	99%	0.5%	247 500	-
GB Buses Manufacturing *	1%	99%	1 960	1 960
GB Automotive for Trade and Manufacture *	%0.0000036	99.9999964%	10	10
Total			2 290 024 312	2 288 633 812
Impairment of investments in subsidiaries			(93 785 932)	(19 556 050)
Net			2 196 238 380	2 269 077 762

* These investments are classified as investments in subsidiaries because the Group exercises control over the investee, being exposed to or having rights to variable returns from its involvement and having the ability to affect those returns through its power over the investee. All these companies are directly or indirectly owned by GB Corporation.

** During 2022, the Company filed an arbitration claim against the People's Democratic Republic of Algeria. This claim was initiated due to the significant damage and losses suffered by the Company as a result of measures taken by the Algerian government against the Company's operations and investments in Algeria, through the Company's indirect shareholdings of 54% in GBR Auto and 48.8% in GBR Service, both incorporated in Algeria. The minimum damage incurred represents the loss of the invested capital amounting to approximately USD 24 million, excluding lost profits and interest. The arbitration procedures are still ongoing.

*** The Company recognized impairment losses on its investments in GB Kenya and the International Company for Car Components, resulting from the accumulated retained losses in each of these subsidiaries. This resulted in a reduction of investments in subsidiaries by: EGP 60 317 282 relating to GB Kenya, EGP 13 912 600 relating to the International Company for Auto Components Manufacturing.

GB Corp (S.A.E)

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

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

7- Debtors and other debit balances

	<u>31-December-25</u>	<u>31-December-24</u>
	<u>EGP</u>	<u>EGP</u>
Withholding tax	1 667 202	952 792
Prepaid Expense	38 915 878	20 600 467
Other debit balances	2 301 468	285 829
Advance Payments	14 226	14 877
	<u>42 898 774</u>	<u>21 853 965</u>

8- Transactions with related parties

Related parties represent the company's shareholders and companies in which the company and/or shareholders directly or indirectly own shares that give them the right to control or effective influence over these companies. The following are the balances of the related parties, explained in the following statement:

Due from related parties

	<u>31-December-25</u>	<u>31-December-24</u>
International Trade Agencies and Marketing Co. (ITAMCO) S.A.E.	1 331 983 844	1 644 405 441
RG Investment S.A.E.	247 136 683	246 912 682
GB Capital for Financial Investments	231 375 361	153 155 153
GB Tanzania*	141 393 638	-
GB Lease and Factoring	19 678 219	2 005 486
GB Auto Rental for Transportation	9 574 742	796 020
Kredit SME's Finance "Eetman"	8 870 556	143 647
GB Buses Manufacturing	1 274 422	826 352
GB Capital Securitization	1 200 257	15 800
Engineering Company for Transportation Maintenance (El Mikaneeky)	972 160	780 274
MNT Tech Holding for Financial Investments	955 799	-
Automobilak for Car Trading	653 535	313 383
GB Automotive Manufacturing Co.	420 155	193 378
Egypt Auto Mall for Used Cars	362 075	784 770
Master Automotive	358 054	-
Drive for Financing and Non-Banking Service	303 444	2 769 265
Transport Vehicles Distribution (TVD)	255 777	1 087 186
Tires & More for Car Services	190 847	106 231
GB For Import and Export	173 537	63 378
Egyptian International Maintenance and cars Manufacturing Company (EIAC)	171 595	63 378
Drive Car Trading Company	59 800	-
GB Buses Rental	4 864	-
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt)	-	41 076 539
Ready Parts for Automotive Spare Parts	-	812 725
Total	<u>1 997 369 364</u>	<u>2 096 311 088</u>

*The Company transferred an amount of EGP 102 706 624 from the balance of the Paid under Investment in GB Tanzania to a due from related parties.

GB Corp (S.A.E)

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

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

Due to related parties

	<u>31-Decemeber-25</u>	<u>31-Decemeber-24</u>
GB Global BV	10	10
Haram Company for Transportation and Trading	2 876 458	727 687
GB Logistics	4 601 519	4 814 810
Ready Parts for Automotive Spare Parts	12 892 106	-
International Company for Auto Components	22 727 967	26 239 561
Ghabbour Continental Trading Co. (GCT) –Alex	332 765 621	204 451 880
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt)	479 693 931	-
Total	<u>855 557 612</u>	<u>236 233 948</u>
Net	<u>1 141 811 752</u>	<u>1 860 077 140</u>

- The Company entered into an agreement dated 26 December 2006, which was renewed on 1 January 2025, between the Company and its subsidiaries and associates within GB Corporation (formerly GB Auto). As all entities are owned by the same shareholder group and engage in multiple intercompany transactions, all parties agreed that at the end of each financial year, a settlement of intercompany balances will be performed. This settlement is carried out through an offset between the total amounts due to each entity from other group companies and the total amounts due from it to those companies. The resulting net balance, whether debit or credit, is presented in the financial statements of each entity. The financial position at each reporting date serves as the basis for performing the offset and settlement among all companies.

- Based on the above agreement, the Company performed an offset between the debit balances due from subsidiaries and associates as of 31 December 2025 and the credit balances due to subsidiaries and associates as at the same date. The net result was a debit balance of EGP 1 141 811 752 due from other group companies.

- During this year, the Company engaged in certain transactions with related parties, including cash transfers and other activity-related services. The Company also paid an amount of EGP 91 299 597 as salaries to members of top management during the year.

GB Corp (S.A.E)

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

- The following nature, and value of the most important transactions with related parties during the year:

Transactions with related parties

	Reg. Balance	Expense paid on behalf & Shared Expenses	Transfer / Clearing	Forex	Interest	Transfer From Paid under Inv.	Rent	Ending Balance
International Trade Agencies and Marketing Co. (ITAMCO) S.A.E.	1 644 405 441	71 113 775	(383 517 192)	-	-	-	(18 180)	1 331 983 844
RG Investment S.A.E.	246 912 682	224 001	-	-	-	-	-	247 136 683
GB Capital Holding for Financial Investments	153 155 153	78 220 208	-	-	-	-	-	231 375 361
GB Tanzania*	-	1 327 479	20 935 300	7 295 650	9 128 585	102 706 624	-	141 393 638
GB Lease and Factoring	2 005 486	17 672 733	-	-	-	-	-	19 678 219
GB Auto Rental for Transportation	796 020	9 705 686	(1 077 058)	-	-	-	150 094	9 574 742
Kredit SME's Finance "Eetman"	143 647	8 726 909	-	-	-	-	-	8 870 556
GB Buses Manufacturing	826 352	448 070	-	-	-	-	-	1 274 422
GB Capital Securitization	15 800	1 208 778	(24 321)	-	-	-	-	1 200 257
Engineering Company for Transportation Maintenance (El Mikanecky)	780 274	191 886	-	-	-	-	-	972 160
MNT Tech Holding for Financial Investments	-	955 799	-	-	-	-	-	955 799
Automobilak for Car Trading	313 383	340 152	-	-	-	-	-	653 535
GB Automotive Manufacturing Co.	193 378	226 777	-	-	-	-	-	420 155
Egypt Auto Mail for Used Cars	784 770	377 305	(800 000)	-	-	-	-	362 075
Master Automotive	-	358 054	-	-	-	-	-	358 054
Drive for Financing and Non-Banking Service	2 769 265	25 552 783	(28 018 604)	-	-	-	-	303 444
Transport Vehicles Distribution (TVD)	1 087 186	362 804	(1 194 213)	-	-	-	-	255 777
Tires & More for Car Services	106 231	84 616	-	-	-	-	-	190 847
GB For Import and Export	63 378	110 159	-	-	-	-	-	173 537
Egyptian International Maintenance and cars Manufacturing Company (EIAC)	63 378	108 217	-	-	-	-	-	171 595
Drive Car Trading Company	-	144 256	(84 456)	-	-	-	-	59 800
GB Buses Rental	-	-	4 864	-	-	-	-	4 864

GB Corp (S.A.E)

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

	Beg. Balance	Expense paid on behalf & Shared Expenses	Transfer / Clearing	Forex	Interest	Transfer From Paid under Inv.	Rent	Ending Balance
GB Global BV	(10)	-	-	-	-	-	-	(10)
Haram for Transportation and Trading	(727 687)	96 434	(2 352 232)	-	-	-	107 027	(2 876 458)
GB Logistics	(4 814 810)	325 643	(112 352)	-	-	-	-	(4 601 519)
Ready Parts for Automotive Spare Parts	812 725	472 359	(14 177 190)	-	-	-	-	(12 892 106)
International Company for Auto Components	(26 239 561)	-	3 511 594	-	-	-	-	(22 727 967)
Ghabbour Continental Trading Co. (GCT) –Alex	(204 451 880)	(15 813 194)	(130 916 857)	18 416 310	-	-	-	(332 765 621)
Egyptian Vehicles Manufacturing Co. (Ghabbour Egypt)	41 076 539	36 009 790	(556 780 260)	-	-	-	-	(479 693 931)

*During the year, the Company entered into a loan agreement with GB Tanzania for an amount of USD 2 330 752, the loan is repayable on 31 December 2026 and carries a fixed annual interest rate of 7%.in which the company has transferred part of the paid under investment balance in GB Tanzania with amount of 102 706 624 to the due from related parties' account.

- **Redistribution of expenses to subsidiaries**

The Company charges some of its subsidiaries with administrative, selling, marketing, and financing expenses. The amount allocated during the year amounted to EGP 249 086 589 as of 31 December 2025 (compared to EGP 375 639 959 as of 31 December 2024)

9- Cash and cash equivalents

	<u>31-Decemeber-25</u>	<u>31-Decemeber-24</u>
	<u>EGP</u>	<u>EGP</u>
Cash on hand	-	278 662
Cash at banks	30 026 289	7 101 249
Total	30 026 289	7 379 911

10- Capital**A- Issued and paid capital**

- The company's authorized capital is 5 billion Egyptian pounds (five billion Egyptian pounds).
- The issued and paid-up capital is 1 085 500 000 Egyptian pounds distributed over 1 085 500 000 shares with a nominal value of one pound per share (one pound per share).
- On August 31, 2014, the Board of Directors according to the delegation of the extra ordinary assembly meeting held on March 27, 2013, has decided unanimously to increase the Company's issued capital with the par value in the limit of the authorized capital with an amount of EGP 6 444 645 divided on 6 444 645 shares with a par value of 1 EGP /share, fully ESOP system which is applied by the Company, resulted in an issued capital of EGP 135 337 545 after the increase divided on 135 337 545 shares with a par value of 1 EGP/share, and this increase financially fully paid from the special reserve balance and annotated in the commercial register at December 31, 2014.

Capital increase:

- At the date of February 4, 2015, the extra ordinary general assembly meeting, has agreed to increase the Company's authorized capital from 400 million EGP to 5 billion EGP and to increase the Company's issued capital from EGP 135 337 545 to be EGP 1 095 337 545 with an increase of EGP 960 000 000 to be divided on 1 095 337 545 shares with a par value of 1 EGP each. (In additional to issuance cost of 1 pts./share), and that increase to be fully allocated for the favor of old shareholders each according to their share in the Company's issued capital , and it is agreed to use the subscription right separately from the original share, with the Company's issued capital increase to be paid either cash and/or using due cash debts for the subscriber by the Company according to their contribution share.
- This increase was subscribed for in the amount of 958 672 188 Egyptian pounds (the amount of 473 225 502 Egyptian pounds in cash and the amount of 485 446 686 EGP financing from the account through the current account credited to the shareholders) divided by a number 958 672 188 shares at 1 Egyptian pound per share, so that the issued and fully paid-up capital after the increase becomes 1 094 009 733, and this was noted in the commercial register on May 31, 2015.
 - The Extraordinary General Assembly unanimously agreed on June 5, 2022 to write off the company's treasury shares amounting to 8 509 733 shares and to reduce the capital by the amount of these shares, so that the issued and paid-up capital of the company after the reduction becomes 1 085 500 000 Egyptian pounds, and it was approved by the General Authority for Investment on 3/8/2022 It was noted in the Commercial Register on August 15, 2022.
 - Misr for Central Clearing Depository & Registry accepted the implementation of the capital reduction decision on October 26, 2022.

B- Treasury Bills

- On March 1, 2020, the Board of Directors of the company decided to purchase treasury shares with an amount of 10 000 000 shares of the company, which represents 0.914% of the total shares of the company, through the open market, and that implementation be carried out from the session of March 2, 2020 and Until April 2, 2020, or until the full amount is executed, with the same price of the security during trading sessions in the execution period in light of the amendment issued in Article (51) bis of the registration rules issued by the Board of Directors of the Financial Supervisory Authority No. 27 of 2020 on February 29, 2020 And that works in it as of the date of its issuance, as well as the statement posted on the announcement screens on the Egyptian Stock Exchange on March 1, 2020 regarding the exceptional procedures for companies whose securities are listed on the stock exchange wishing to purchase treasury shares.
- The company has purchased 10 million shares with a total value of 19.570 million Egyptian pounds. The amount of 10 million pounds was recorded as treasury shares representing the nominal value of the share. The difference between the purchase cost and the nominal value of the amount of 9.570 million Egyptian pounds has been recorded in the other reserves (Note 12).
- During the year of 2020, the company sold 2 million shares with a total value of 6 750 thousand Egyptian pounds, resulting in a reduction of 2 million Egyptian pounds. This represents the nominal value of the share, and the difference between the sale value and the nominal value of 4 750 thousand Egyptian pounds was recorded within the other reserves (Note 12).
- During the period from January 1,2021 to March 31,2021, the company sold 8 million shares with the total value of 30.232 million Egyptian pounds, which resulting a reduction of 8 million Egyptian pounds. This represents the nominal value of the shares and the difference between sale value and the nominal of 22.232 million Egyptian pound was recorded within other reserves (Note 12).
- During December 2021The company has purchased 8 509 733 shares with a total value of 38.681 million Egyptian pounds. The amount of 8.510 million Egyptian pounds has been recorded as treasury shares representing the nominal value of the share. The difference between the purchase cost and the nominal value of the amount of 30.172 million Egyptian pounds has been recorded in the other reserves (Note 12).
- On Sep 5, 2022, the Extraordinary General Assembly unanimously approved the execution of the company's treasury shares, amounting to 8 509 733 shares, and the reduction of the capital by the amount of these shares, so that the issued and paid-up capital of the company after the reduction became 1 085 500 000 Egyptian pounds, and it was approved by the General Authority for investment on August 3, 2022, and was noted in the commercial register on August 15,2022.

11- Legal Reserve

	<u>31-Decemeber-25</u>	<u>31-Decemeber-24</u>
	<u>EGP</u>	<u>EGP</u>
Legal Reserve	147 535 587	74 772 626

- In accordance with Companies Law No 159 of 1981 and the Company's articles of association, 5% of annual net profit is transferred to the legal reserve. Upon the recommendation of the board, the Company may stop such transfer when the legal reserve reaches 50% of the issued capital. The legal reserve is not eligible for distribution to shareholders.
- The issuance premium was transferred to the special reserve in accordance with the requirements of Law No. 159 of 1981 based on the adoption of the Ordinary General Assembly on March 29, 2008.

12- Other Reserves

Other reserves represent what has been transferred from the issuance premium in accordance with the requirements of Law No. 159 of 1981.

	Fair value reserve for reward and incentive shares**	Issuance premium* (Special reserve)	Total
	88 882 300	1 054 405 100	1 143 287 400
Balance on Dec 31, 2025	88 882 300	1 054 405 100	1 143 287 400

*** Share Premium**

The share premium represented in the difference between the amount paid and par value for issued shares and issuance cost is deducted from it. The share premium was transferred to both legal reserve and special reserve according to Law No. 159 of 198 based on the approval of the Ordinary General Assembly on March 29, 2008.

During the year 2020, the company sold 2 million shares, with a total value of 6.75 million Egyptian pounds, which resulted in a reduction of 2 million Egyptian pounds. This represents the nominal value of the share. The difference between the sale value and the nominal value of 4.75 million Egyptian pounds was recorded in other reserves.

During the period from January 1, 2021 to March 31, 2021, the company sold 8 million shares with a total value of 30.232 million Egyptian pounds, which resulted in a reduction of 8 million Egyptian pounds. This represents the nominal value of the share, and the difference between the sale value and the nominal value of 20.232 million Egyptian pounds recorded in other reserves.

** The balance represents an employee benefit plan based on share-based payments settled in the form of shares and is measured at fair value on the date the benefits are granted. The fair value of the plan is recognized in the Statement of Profit or Loss over the period of the ban according to management's estimates of what will be implemented during this grant period. This plan ended at the end of 2018.

13- Creditors and other credit balances

	<u>31-Decemeber-25</u> <u>EGP</u>	<u>31-Decemeber-24</u> <u>EGP</u>
Tax authority	3 205 209	1 671 299
Trade payables	5 101 653	34 143 120
Accrued expenses	283 289 772	444 795 023
Other credit balances	1 034 570	420 224
Notes Payables	27 720	3 074 571
	292 658 924	484 104 237

GB Corp (S.A.E)

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

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

14- Basic earnings per share

- Basic earnings per share are calculated by dividing net profit for the period by the weighted average number of ordinary shares issued during the period as follows:
- In the year 2025, The Board of Directors of the company prepared a dividend proposal until it is approved by the General Assembly of the company.

	<u>31-Decemeber-25</u>	<u>31-Decemeber-24</u>
	<u>EGP</u>	<u>EGP</u>
Net Profit/ (Loss) for the year	(172 355 468)	1 455 259 221
Dividends distributions to Employees	-	(76 549 006)
Dividends distributions to BOD	(19 470 420)	(19 015 556)
	<u>(191 825 888)</u>	<u>1 359 694 659</u>
Weighted average number of ordinary shares for the year	1 085 500 000	1 085 500 000
Basic (losses)/earning per share	(0.18)	1.25

15- Payment under investment in subsidiaries

	<u>31-Decemeber-25</u>	<u>31-Decemeber-24</u>
	<u>EGP</u>	<u>EGP</u>
GB Kenya**	98 043 804	25 325 335
GB Tanzania*	1 451 957	104 158 581
Total	99 495 761	129 483 916
Impairment of Payments under investment in subsidiaries**	(98 043 804)	-
Net of Payment under investment in subsidiaries	1 451 957	129 483 916

* The Company has transferred part of the paid under investment balance in GB Tanzania Company with amount of 102 706 624 to the due from related parties' account. A loan agreement was concluded according to the contract signed on January 1, 2025

**The Company recognized an impairment loss on its investment in GB Kenya due to accumulated retained losses. This resulted in a reduction of payment under investments in subsidiaries by EGP 98 043 804.

16- Finance Income/ (Cost) - Net

	<u>31-Decemeber-25</u>	<u>31-Decemeber-24</u>
	<u>EGP</u>	<u>EGP</u>
Interest Income	9 913 352	12 652
Foreign exchange Gain	25 629 029	-
Total Finance Income	35 542 381	12 652
Interest expense and bank charges	(152 166)	(283 037)
Foreign exchange Loss	-	(10 870 341)
Total Finance (Cost)	(152 166)	(11 153 378)
Net Finance Income /(Cost)	35 390 215	(11 140 726)

17- General and administrative expenses

- General and Administrative expenses consist of salaries, wages and salaries equivalent, subscriptions, legal and financial and other consulting fees, government expenses, transportation and communication expenses, in addition to various other expenses.
- Total General and administrative expenses for the year 2025 amounted to EGP 284 641 943, compared to EGP 364 237 252 for the year 2024. The Company allocates these expenses to its subsidiaries in accordance with the basis described in the notes of the financial statements Note (8).

18- Tax position

First: Corporate tax:

- The company is subject to the provisions of the Income Tax Law promulgated by Law No. 91 of 2005 and its executive regulations.
- The company is committed to submitting annual returns within the legal deadlines.
- Inspection, settlement, and payment were completed until 2022
- It was not requested for examination from 2023 to 2025 and up to the date of issuing the financial statements on December 31, 2025.

Second: Value added tax:

- The Company is obliged to file monthly returns on the dates prescribed by law.
- Inspection, settlement, and payment have been completed until 2023.
- It has not been requested for examination for the years 2024–2025 to date and up to the issuance of the financial statements on December 31, 2025.

Third: Salaries tax:

- The company shall deduct tax on salaries and the like and supply it monthly on the dates prescribed by law.
- Inspection, settlement, and payment have been completed until 2022.
- It has not been requested for examination in 2023-2025, and until the date of issuance of the financial statements is December 31, 2025.

Fourth: Withholding Tax:

- The company supplies the deducted amounts under the tax account on the statutory dates.
- The Fourth term has been paid for the year 2025.
- The Company has not requested the examination since the beginning of the activity until 2025, until the date of issuance of the financial statements on December 31, 2025.

Fifth: Stamp tax:

- The company adheres to the provisions of the Stamp Tax Law and are supplied on the legal dates.
- Inspection, settlement, and payment have been completed until 2017.
- The examination is underway for the years 2018 & 2019.
- The years 2020 to 2025 and the date of issuance of the financial statements on December 31, 2025, have not been examined.

19- Financial risk management

19-1 Financial risk factors

- The Company's activities expose it to a variety of financial risks: market risk (including foreign currency exchange rates risk, price risk and interest rate risk on cash flows and fair value), credit risk and liquidity risk.
- The Company's efforts are addressed to minimize potential adverse effects of such risks on the Company's financial performance.
- The company does not use any derivative financial instruments to cover specific risks.

A- Market risk

1. Foreign currency exchange rate risk

The Company is exposed to foreign exchange rate risk arising from its various activities, primarily with respect to the US Dollar and Euro. The Foreign exchange rate risk arises from future commercial transactions, assets and liabilities in foreign currency outstanding at the consolidated balance sheet date, and, net investments in foreign entity.

2. Price risk

The Company has no investment in equity security or recorded debit instruments that are treated on the stock exchange, so it's not exposed to fair value risk due to changes in prices.

3. Cash flows and fair value interest rate risk

The Company is exposed to fair value risk arising from the valuation of long-term, fixed-interest bonds.

B- Credit risk

- Credit risk arises from cash and cash equivalents, and deposits with banks, as well as credit exposure to distributors, wholesalers and customers including outstanding accounts and notes receivable. Credit risk is managed on a Company basis.
- For banks, the Company deals with banks which have a high credit rating and banks with a good solvency in the absence of an independent credit rating.

C- Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Company's management aims at maintaining flexibility in funding by keeping committed credit lines available.

19-2 Capital Risk Management

- The Company's management aims to manage capital to maintain the Company's ability to continue in a way that achieves a return for shareholders and provides benefits to other stakeholders that use financial statements. Providing and maintaining the best capital structure for the purpose of reducing the cost of capital.
- To maintain the best capital structure, management changes the value of dividends paid to shareholders, reduces capital, or issues new shares.
- The company's management monitors the capital structure using the ratio of net loans to total capital. Net debt are represented by total creditors and other credit balances and borrowings minus cash and cash equivalents. Total equity is represented by the company's total equity as shown in the separate balance sheet plus net borrowings.

- The net debt to total equity ratio on December 31, 2025, and December 31, 2024 is as follows:

	<u>31 Dec 2025</u>	<u>31 Dec 2024</u>
	<u>EGP</u>	<u>EGP</u>
Creditors and other credit balances	292 658 924	484 104 237
(Deduct): Cash and cash equivalents	(30 026 289)	(7 379 911)
Net debt	262 632 635	476 724 326
Equity	3 119 768 228	3 767 613 258
Net debt to equity	0.084	0.127

Fair value estimation

- The fair value of financial assets or liabilities with maturity dates less than one year is assumed to approximate their carrying value less any estimated credit adjustments. The fair value of financial liabilities – for disclosure purposes – is estimated by discounting the future contractual cash flows to determine the fair value of financial liabilities at the current market interest rate that is available to the Company for similar financial instruments.
- For the fair value of financial instruments that are not traded in an active market, The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each financial position date. Quoted market prices and dealer prices for financial instruments or similar instruments are used for long-term debt.
Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. At the financial position date, the fair value of non-current liabilities does not significantly differ from their carrying amount.

20- Contingent liabilities

There are no contingent liabilities during the year.

21- Capital Commitments

There are no capital commitments during the year.

22- Significant accounting policies

The following accounting policies that are adopted in the preparation of the separate financial statements are summarized below:

22-1 Foreign currency transactions

Foreign transactions in the Company's functional currency are translated at the exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the exchange rate at the date of the financial statements.

Assets and liabilities that are measured at fair value in a foreign currency are translated at the exchange rate used when determining the fair value.

Generally, currency differences are recognized in profit or loss. Excluding, currency differences arising from translation are recognized in other comprehensive income.

22-2 Investments in subsidiaries

Investments in subsidiaries are accounted for using the cost method, where investments in subsidiaries are recorded at acquisition cost less impairment in value. The impairment is estimated for each investment separately and is recorded in the income statement. Subsidiaries are companies controlled by the Company the Company controls an investee when it is exposed to, or has rights to, variable returns through its involvement and ability to affect the returns through its control over the investee.

22-3 Financial Instruments

1- Recognition and initial measurement

Initially issued clients and debt securities are recognized at their inception. All other financial assets and liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless clients without a significant financing component) or financial liability is initially measured at fair value plus, for an item not measured in fair value through profit or loss, transaction costs directly attributable to its acquisition or issuance. Debt customers without a significant financing component are initially measured by the transaction price.

2- Subsequent classifications and measurements

Financial assets-

Upon initial recognition, the financial asset is classified and measured at amortized cost or at fair value through other comprehensive income – debt securities or at fair value through other comprehensive income – equity instruments, or fair value through profit or loss.

Financial assets are reclassified after initial recognition only if 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 initial reporting period following the change in business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not allocated at fair value through profit or loss:

- If the holding of these assets is within the management business model for the purpose of collecting future cash flows.
- If the contractual terms of these financial assets specify a certain date for cash flows (principal amount and interest on the remaining principal and unpaid amount).

Debt instruments are measured at fair value through other comprehensive income if they meet the following conditions and if they are not previously classified as financial assets at fair value through the statement of profit or loss: -

- If the holding of these assets within the management business model includes both the collection of future cash payments and the sale of financial assets.
- If the contractual terms of these financial assets specify a specific date for cash flows (principal and interest on the remaining and unpaid principal amount).

Upon initial recognition of equity instruments not held for trading, the Company may adjustably choose to display subsequent changes in the fair value of such investments in the statement of other comprehensive income so that such selection is made for each investment separately.

- All financial assets that are not measured at amortized cost or fair value through the above-mentioned statement of other c comprehensive income must be measured at fair value through the profit or loss statement, and this includes all derivatives of financial assets. Upon initial recognition, the Company

has the possibility to irrevocably choose to classify and measure financial assets at fair value through the statement of profit or loss and other comprehensive income if this substantially reduces the accounting incompatibilities that may arise.

Financial Assets - Business Model Valuation:

The company assesses the objective of the business model in which the financial asset is held at the portfolio level as this reflects the best way to manage the business and provide information to management. Information considered includes:

- Policies and specific objectives of the portfolio and the operation of those policies in practice. This includes whether management's strategy focuses on generating contractual interest income, maintaining a certain form of interest rate, matching the duration of financial assets with the duration of any related liabilities or cash outflows or generating cash flows through the sale of assets and
- to evaluate the performance of the portfolio and report to the company's management about it and
- Risks that affect the performance of the business model (and the financial assets held within the business model) and how these risks are managed.
- how operation managers are compensated – for example whether compensation is based on the fair value of the assets under management or the contractual cash flows collected; and
- The frequency, volume, and timing of sales of financial assets in previous periods, the reasons for these sales and expectations related to future sales activity.

Transfers of financial assets to third parties in transactions that are not eligible for cancellation are not considered sales for this purpose, consistent with the Company's ongoing recognition of assets.

Financial assets held for the purpose of trading or managed and whose performance is valued based on fair value are measured at fair value through profit or loss.

Financial assets - assess whether contractual cash flows are only payments for principal amount and interest:

For the purposes of this valuation, "Principal of the amount" is defined as the fair value of the financial asset upon initial recognition. "Interest" is defined as the time value of money and credit risk associated with the principal amount due over a specified period and to other underlying lending risks and costs (such as liquidity risk and administrative costs), as well as a profit margin.

When estimating whether contractual cash flows are payments for principal amount and interest only, the Company considers the contractual terms of the instrument. This includes assessing whether a financial asset has a contractual term that can change the timing or amount of contractual cash flows so that it does not meet this requirement. In making this assessment, the Company shall consider the following:

- contingencies that change the amount or timing of cash flows.
- Terms that may modify the contractual coupon rate, including the characteristics of the variable rate.
- advance payment and extension features; and
- Conditions that limit the company's claim to cash flows from specific assets (e.g., the qualities of the right of non-recourse).

The cash payment class corresponds to principal and interest payments only if the amount of the advance payment largely represents the unpaid amounts of principal and interest on the outstanding principal amount, which may include reasonable additional compensation for early termination of the contract. In addition, for a financial asset obtained at a discount or premium to its contractual amount which is a feature that allows or requires advance payment in an amount that is substantially the contractual nominal amount plus contractual interest due (but unpaid) (which may also include

reasonable additional amounts to be treated with early termination compensation) consistent with this standard if the fair value of the advance payment row is immaterial at initial recognition.

Financial assets - subsequent measurement, profit and loss:

Financial assets classified at fair value through profit or loss	Financial assets valued at fair value are measured through profit and loss at fair value and changes in fair value are recognized including any returns or dividends in profits or losses.
Financial assets recognized at depreciated cost	These assets are then 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 in profit or loss are recognized. Any profit or loss when derecognized as again in profit or loss.
Investments in equity instruments measured at fair value through other comprehensive income.	These assets are subsequently measured at fair value. Dividends are recognized as profit or loss revenue unless dividends clearly represent a partial recovery of the cost of the investment. Other net profit and loss are recorded in other comprehensive income and are never reclassified as profit or loss.
Debt instruments measured at fair value through other comprehensive income.	These assets are subsequently measured at fair value. Calculated interest income is calculated using the effective interest method, foreign exchange gains and losses, and impairment of profit or loss. Net other profit and loss is recorded in the statement of other comprehensive income. Upon derecognized, the profit and loss accumulated in the other comprehensive income is reclassified to profit or loss.

22-4 Impairment

1) **Non-derivative financial assets**

Financial instruments and assets arising from the contract.

The Company recognizes the provision for loss for expected credit losses for:

- Financial assets that are measured at amortized cost.
- Investments in debt instruments that are measured at fair value through other comprehensive income.
- Assets arising from the contract.

The Company measures provisions for loss in an amount equal to the expected credit losses over the life of the financial asset, except for the following, which are measured in an amount equal to the expected credit losses for a period of 12 months:

- Debt instruments identified with low credit risk at the reporting date; and
- Other debt instruments and bank balances for which credit risk (i.e., the risk of default over the expected life of the financial instrument) has not significantly increased since the initial recognition.

- The provisions losses of account receivables and assets arising from contracts are always measured in an amount equal to the expected credit losses over their lifetime.

In determining whether the credit risk of a financial asset has significantly increased since the initial recognition and when estimating expected credit losses, the Company shall consider reasonable and supportive information that is relevant and available at no cost or undue effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and the assessment of known credit including future information.

The Company assumes that the credit risk of the financial asset has increased significantly if it has been due on its collection for a period of more than 30 days.

The Company considers that the financial asset has failed to pay when:

- The Borrower is unlikely to pay its fiduciary obligations to the Company in full, without the Company resorting to actions such as liquidation of collateral (if any); or
- The financial assets are more than 90 days old.

The Company considers debt instruments to have low credit risk when their credit risk rating is equal to the universally understood definition of "investment grade".

Expected credit losses over the life of an asset are expected credit losses that result from all possible failure events over the expected life of a financial instrument.

Expected credit losses over a period of 12 months are part of the expected credit losses that result from failure events that are possible within a period of 12 months after the reporting date (or a shorter period if the life expectancy of the instrument is less than 12 months).

The maximum period to be considered when estimating expected credit losses is the maximum contractual period in which the company is exposed to credit risk.

Measuring expected credit losses

It is a weighted estimate of probabilities for credit losses. The present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity according to the contract and the cash flows that the company expects to receive) is measured.

Expected credit losses are deducted at the effective interest rate of financial assets.

Credit impaired financial assets

At the date of each report, the Company assesses whether the financial assets recognized at amortized cost and debt instruments measured at fair value through other comprehensive income have impaired in credit value. A financial asset is considered a "credit impairment", when one or more events occur that have a detrimental effect on the estimated future cash flows of the financial asset.

The evidence of impairing financial assets includes monitorable data:

- Substantial financial difficulty for the lender or importer and
- Contract violation such as failure or being in arrears for a period greater than 90 days and
- restructuring of a loan or advance by the Company on terms that the Company will not observe in any way or another; and
- the borrower is likely to enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for securities due to financial difficulties.

Disclosing provision for expected credit losses in statement of financial position

The provision for losses for financial assets that are measured at depreciated cost is deducted from the total amount of book value of the assets.

For securities in debt securities that are measured at fair value through other comprehensive income, the provision for loss is charged to profit or loss and is recognized in other comprehensive income.

Write off

The total carrying amount of a financial asset is written off when the company does not have reasonable expectations for the recovery of all or part of the financial asset. For individual clients, the Company has a policy of write-off the total book value when the financial asset is due for more than two years based on previous experience in recovering similar assets. For corporate clients, the Company makes an individual assessment regarding the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company does not expect any significant amount recoverability of the written off. However, financial assets that have been written off may still be subject to commitment activities to comply with the Company's procedures for recovering outstanding amounts.

Hedge accounting

Egyptian Accounting Standard No. 47 increases the company's ability to apply hedge accounting. In addition, in addition the requirements of the standards have been align more closely with the company's risk management policies, so based on that the effectiveness of the hedge will be measured in the future.

22-5 Lease Contracts

- Egyptian Accounting Standard (49) replaces Egyptian Accounting Standard No. (20) - Accounting rules and standards related to financial leasing operations.
- The Egyptian Accounting Standard No. (49) "Lease Contracts" provides a single accounting model for the lessor and the lessee, where the lessee recognizes the right of use the leased asset within the company's assets and also recognizes a liability, which represents the present value of the unpaid lease payments within the company's obligations, taking into account that Leases for the lessee are not classified as an operating lease or as a finance lease. There are optional exemptions for short-term and low-value leases.

Regarding the lessor, the lessor must classify each of its lease contracts as either an operating lease or a finance lease.

- Regarding the finance lease, the lessor must recognize the assets held under a finance lease contract in the statement of financial position and present them as amounts receivable in an amount equal to the net investment in the lease contract.

For operating leases, the lessor must recognize lease payments from operating leases as income either on a straight-line basis or on any other regular basis.

Recognition and measurement

- At the inception of the contract, the company evaluates whether the contract contains lease arrangements. For such lease arrangements, the company recognizes right of use assets and lease obligations, except for short-term lease contracts and low-value asset contracts as follows:
- On initial recognition, a right-of-use asset is measured as the amount equal to the lease liability, which is initially measured, adjusted for previous lease payments, initial direct cost, lease incentives, and the

discounted value of the estimated costs of dismantling and removing the asset. On subsequent measurement, the right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment losses. Amortization is calculated on a straight-line basis over the shorter of the estimated useful lives of the right of use assets or the lease term.

- The lease obligation is measured at the beginning of the lease contract at the present value of the unpaid lease payments on that date over the lease period, and the lease payments must be discounted at the rate using the incremental borrowing rate prevailing in the country. In general, the company uses the incremental borrowing rate as a discount rate. The lease liability is then measured at amortized cost using the effective interest method.
- The right of use assets and lease obligation will be remeasured later in the presence of one of the following events:
 - The change in the lease price due to the linkage to the prices or the rate that became effective in the period.
 - Amendments to the lease.
 - Re-evaluation of the lease term.

Leases of non-core assets not related to the Company's main operating activities, which are short-term in nature (less than 12 months including renewal options) and leases of low-value goods are recognized in the income statement as incurred.

22-6 Cash and Cash Equivalents

- Overdraft bank balances are displayed under loans and borrowers as part of current liabilities in financial position.
- For the purposes of presenting the statement of cash flows, cash and cash equivalents include cash in the treasury, deposits in demand with banks and treasury bills whose maturity period does not exceed three months from the date of deposit.

22-7 Capital

A- Common Shares:

Transaction costs directly related to the issuance of common shares are accounted for by deducting them from equity. Income tax related to equity-related transaction costs is accounted for in accordance with Egyptian Accounting Standard No. (24) "Income Taxes".

B- Repurchase and reissue of ordinary shares (treasury shares):

Upon repurchase of issued share capital, the amount paid for the repurchase, which includes all direct costs related to the repurchase, is recognized as a reduction in equity. Purchased shares are classified as treasury shares and presented as deducted from equity. When selling or reissuing treasury shares, the amount collected is recognized as an increase in shareholders' equity and the surplus or deficit resulting from the transaction is displayed in the issuance premium.

22-8 Employee Benefits

A- Short-term employee benefits

Short-term employee benefits are recognized as an expense when the relevant service is provided. The amount expected to be paid is recognized as an obligation when the company has a legal or implied obligation to pay this amount because of the worker providing a previous service, and the obligation can be assessed to a reliable degree.

B- Share-based payments

The fair value (at the date of grant) of equity-based payment transactions made in the form of equity instruments is recognized as an expense and as a corresponding increase in equity during the maturity period. The amount recognized as an expense is adjusted to reflect the number of grants for which the relevant services and performance conditions are expected to be met, so that the amount ultimately recognized is based on the number of equity instruments granted that have met the relevant terms of service and non-market performance conditions at the maturity date.

For the granting of equity instruments on non-maturity terms, the fair value (as at the date of grant) of equity-based payment transactions paid in equity instruments is measured to reflect those terms and there is no subsequent adjustment to the differences between the expected and achieved results.

C- Defined contribution benefit plan

The obligations of the Defined contribution Benefit plan are recognized as an expense upon the provision of the relevant service. Contributions paid in advance are recognized as an asset to the extent that the advance payment leads to a reduction in future payments or a cashback.

The company contributes to the government social insurance system for the benefit of its employees in accordance with the Social Insurance Law No. 79 of 1975. Employees and employers under this Law shall contribute to the system with a fixed percentage of wages. The company's obligation is limited to the value of its contribution, and the company's contributions shall be borne through profits or losses on an accrual basis.

D- End of service benefits

The Company recognizes end of service benefits as an expense on one of the following two dates, whichever comes first, when the Company can no longer cancel the offer of such benefits or when the Company recognizes restructuring costs. Where benefits are not expected to be fully settled within 12 months after the date of the financial statements, they must be discounted at a discount rate – before taxes – to reflect the time value of the money.

22-9 Provisions

- The provision is determined by the present value of projected future cash flows discounted by a pre-tax discount rate that reflects current market estimates of the time value of money and the specific risk of the liability. The increase in the book value of the provision resulting from the use of the discount to find the present value and that reflects the passage of time is recognized as a borrowing cost.
- The legal claims allowance is recognized when there are legal claims against the company and after obtaining appropriate legal advice.
- Recognition of other provisions when there are expected claims from other parties in relation to the company's activities, in accordance with the latest developments, discussions and agreements with those parties.

22-10 Revenue Recognition

A- Dividends

The dividends revenue is recognized through a profit or loss statement at the date which the company has the right to collect those dividends.

B- Profit from sale of investment

Profits from the sale of financial investments are recognized immediately upon receipt of evidence of the transfer of ownership to the buyer based on the difference between the sale price and their book value on the date of sale.

22-11 Income Taxes

Current tax and deferred tax are recognized as revenue or as an expense in the profits or losses of the period, except where the tax arises from an operation or recognized event – in the same period or in a different period – outside profits or losses, whether in other comprehensive income or directly within equity.

1- Current income tax

Current taxes for the current and previous periods that have not yet been paid are recognized as a liability, but if the tax is already paid in the current and previous periods exceed the value due for these periods, this increase is recognized as an asset. The values of current tax liabilities (Assets) for the current and prior periods are measured at the value expected to be paid to (recovered from) the tax authority, using the current tax rates (and tax laws) in the process of being issued on the date of the period end of the financial. Dividends are taxable as part of current tax. offsetting tax assets and liabilities is carried out only when certain conditions are met.

2- Deferred Tax

Deferred tax is recognized for temporary differences between the accounting basis of assets and liabilities and the tax basis of those assets and liabilities. Except for the following:

- The first recognition of good will,
- or the initial recognition of the assets or liabilities of the operation that:
 - (1) Not a business combination.
 - (2) does not affect the net accounting profit or tax profit (tax loss).

A deferred tax asset arising from the carry forward of tax losses, the right to unused tax deduction and temporary deductible differences are recognized when there is a probability of future taxable profits from which that asset can be used. The future tax profit is determined by the company's future business plan. The position of unrecognized deferred tax assets that are determined at the end of each fiscal period is reassessed and deferred tax assets that have not previously been recognized are recognized to the extent that in the future it is likely that there will be a tax profit that allows the value of the deferred tax asset to be utilized.

Deferred tax is measured using the tax rates expected to be applied when temporary differences are achieved.

When measuring deferred tax at the end of the financial period, the tax effects of the company's procedures for recovery or payment of the book value of its assets and liabilities are considered. Offsetting tax assets and liabilities is carried out only when certain conditions are met.

22-12 Dividends

Dividends shall be recognized in the separate financial statements in the year in which such distributions are approved by the General Assembly of Shareholders.

22-13 Comparative Figures

Comparative figures are reclassified as necessary to correspond to changes in presentation used in the current period.

23- Significant Events

- The year 2025 witnessed a series of decisions by the Central Bank of Egypt regarding interest rate cuts. The Monetary Policy Committee, in its meeting held on April 17, 2025, decided to lower the overnight deposit and lending rates, as well as the main operation rate, by 225 basis points, bringing them to 25.00% for deposits, 26.00% for lending, and 25.50% for the main operation, while reducing the credit and discount rate to 25.50%.
- Subsequent rate-cut decisions continued in the following meetings held on May 22, August 28, October 2, and finally December 25, 2025. In these meetings, rates were further reduced by a total of 500 basis points, bringing them to 20.00% for deposits, 21.00% for lending, and 20.50% for the main operation, with the credit and discount rate also reduced to 20.50%.

24- Subsequent Events

- The Monetary Policy Committee (MPC) of the Central Bank of Egypt (CBE) decided in its meeting held on Thursday, 12 February 2026 to cut key policy rates by 100 basis points. Accordingly, the overnight deposit rate, overnight lending rate, and the rate of the main operation were reduced to 19.0 percent, 20.0 percent, and 19.5 percent, respectively. The discount rate was also cut to 19.5 percent.