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Ministry of International
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valU Acquires Fintech Company Paynas to Further Advance its Financial Offering and Amplify its Lifestyle Enabling Solution

- *The transaction falls in line with valU's strategy to grow the business and enhance its tech power, and allows it to reach Paynas's large and growing base of micro, small, and medium enterprises*
- *The acquisition helps valU further cement its position as a leading fintech platform with a holistic offering and the best value-accretive solutions*

Cairo, August 22, 2022

valU, MENA's leading Buy-Now, Pay-Later (BNPL) lifestyle-enabling fintech platform, announced today that it acquired 100% of Paynas, a full-fledged employee management and benefits company that provides financial services to micro, small, and medium enterprises (MSME) in a signing ceremony attended by Dr. Rania A. Al-Mashat, Minister of International Cooperation

The acquisition builds on valU's mission to offer the wider society access to seamless financial solutions that facilitate their day-to-day activities and enhance their lifestyle; and reinforces Paynas's mission to be MENA's leading financial wellness and benefits platform, through offering access and convenience beyond employment. Joining forces with Paynas will act as a gateway for valU to reach micro, small and medium businesses who are considered to be the backbone of the economy, with the goal to unlock various opportunities to both employers and employees.

Paynas offers a multitude of employee management and payment services to MSMEs, including a cloud-based platform to manage time & attendance and payroll, financial products such as payroll cards and affordable health insurance, and financial wellness products such as earned wage pay-outs and salary advances. By combining Paynas's service offering with valU's BNPL plans covering healthcare, education, home appliances, furniture, and travel, among others, valU is delivering on its vision of becoming a holistic financing powerhouse catering with progressive and convenient solutions to every aspect of people's daily lives.

valU will now harness a powerful ecosystem that constitutes compelling B2B partnerships, multiple acquisition channels, and a multi-product platform that will maximize returns through cross-selling synergies and low customer acquisition costs for both players. The partnership opens wide doors for valU's BNPL solutions by tapping into Paynas's roster of MSME clients and employees, integrating them into valU's client base, while augmenting Paynas's offering with a comprehensive range of financing products. Moreover, digitizing the datasets of Paynas's users will better position valU to offer them more cost-effective BNPL products by improving its loan disbursement cycles and credit scoring systems.

Rania A. Al-Mashat, Minister of International Cooperation said: "This pivotal transaction reflects the compelling investment opportunities and growth prospects presented by the start-up and fintech sectors in Egypt. It underscores the country's efforts in becoming a leading entrepreneurial hub in the region given a set of unique advantages such as talented youth, significant economic opportunities, and the continued efforts undertaken by the public and private sectors to create a conducive business environment for start-ups that fosters the participation of the private sector in the country's advancement. The transaction also showcases the success of Egypt Ventures, the first government-backed venture capital vehicle established in 2017, and its accelerator program EFG-EV Fintech that is jointly-owned with EFG Hermes Holding, in



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supporting start-ups on their journey for growth and expansion, in line with Egypt's digital transformation and financial inclusion agenda, and their achievements in opening doors for entrepreneurs so they can deliver their role in supporting the growth of the Egyptian market."

Walid Hassouna, CEO of valU said: "Paynas is a strategic fit for us, and the combination of our two companies will drive significant value for our shareholders and customers by delivering a 360° financial and lifestyle enabling solution, with the objective of addressing every aspect of people's life and the goal of improving their overall quality of living. That, and the addition of exceptional talent to our team, firmly positions us as a leading fintech platform in the region. Since inception, our most important asset has been our people, and we targeted a company that puts people at the heart of everything they do. We are very excited and look forward to seeing new, big ideas come to life under the valU brand that can drive tech products and bring new conveniences to our customers while efficiently rolling out cross border initiatives in the region."

valU will leverage Paynas's digital and tech prowess to become the go-to fintech platform. Being the first startup in Egypt with an Agent Banking License, Paynas integrates small and medium businesses into the financial system by digitizing their wage payments via Paynas's payroll cards — issued in partnership with Banque Misr and powered by Visa — which, in tandem with the Paynas app, allows employees to improve their financial planning and wellness and contributes to a cashless economy. By combining valU's roster of installment programs with the Paynas payroll card, the acquisition offers customers a seamless shopping experience and is a stepping stone towards their further integration into Egypt's digital economy.

Mohamed Mounir, CEO of Paynas said: "Paynas has built a leading brand and has been playing a pivotal role in fostering the financial inclusion of micro, small, and medium businesses and the unbanked in Egypt. With both companies driven to have a social and economic impact, we're looking forward to making more meaningful changes in people's lives by allowing them to have more access to finance and bringing effective financial solutions to their doorstep. This acquisition is proof positive of the success we've achieved thus far, success we can in large part attribute to the support of our investors who believed in our vision."

This is the second investment valU carries out this year, following its investment of a 35% share into FAS Finance, the consumer finance arm of Saudi Arabia's FAS Labs, which allowed valU to expand geographically and enter the Saudi market, while providing consumer finance solutions through FAS. During the same month, the company announced selling a 4.99% stake to members of the Alhokair family, marking a key steppingstone for the platform to create strategic regional partnerships.

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About valU

A subsidiary of EFG Hermes Holding established in 2017, valU is the leading Buy-Now, Pay-Later (BNPL) lifestyle enabling fintech platform offering convenient and customizable financing plans up to 60 months. With more than 5,000 points of sale and over 330 websites, valU offers access to a wide network of retail and e-commerce providers across a diverse array of categories including home appliances, electronics, home finishing, furniture, residential solar solutions, healthcare, education, travel, and fashion, among others. As the first platform of its kind in the MENA region, valU customers can receive instant credit decisions through their devices and gain access to the ever-growing platform's partners.

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Note on Forward-Looking Statements

In this press release, EFG Hermes Holding may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes Holding's belief regarding future events, many of which, by their nature are inherently uncertain and are beyond management's control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending, and future legislation, regulations, and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.

About Paynas

Established in 2019, Paynas is a digital platform empowering business and their employees through cloud-based workforce management, payments, and financial benefits. By enabling businesses to digitize core HR processes, run and disburse payroll accurately and seamlessly, while providing a suite of benefits to their employees aimed at enhancing their financial wellness and accessibility, Paynas is improving the day-to-day operations of smaller businesses and the day-to-day lives of their employees.