

CONTACT FINANCIAL HOLDING ANNOUNCES 9M-2021 RESULTS

Contact continued to build on the strong momentum from the start of the year to report remarkable operational and financial results in 9M-2021, capitalizing on its successful investment strategies and reaching a record nine-month net profit.

Cairo, 9 November 2021

Contact Financial Holding SAE (CNFN.CA), Egypt's largest non-banking financial services provider, announced today its consolidated financial results for the period ending 30 September 2021, reporting a record-high net income after minority interest of EGP 330 million, up a solid 71% year-on-year. The impressive performance reflected broad-based growth across Contact's financing and insurance divisions, which was further boosted by the Company's ramped up digital platforms.

9M-2021 Key Financial and Operational Highlights

	9M-2020	9M-2021	Change
Financing Division			
Total Portfolio (EGP bn)	7.31	9.64	32%
Financing Operating Income (EGP mn)	623	857	38%
Adjusted Financing Net Income (EGP mn)	214	343	60%
Insurance Division			
Gross Written Premiums (EGP mn)	203	376	85%
Insurance Operating Income (EGP mn)	111	202	81%
Insurance Net Income (EGP mn)	(12.9)	(1.3)	
Consolidated Results			
Total Operating Income (EGP mn)	734	1,059	44%
Net Income (EGP mn)	194	330	71%
Annualized Return on Average Equity	13.3%	20.9%	6.6 pts

At the financing division, a widespread rebound in economic activity coupled with higher penetration levels and new product rollouts supported a 59% year-on-year increase in total new financing, which reached a record-breaking EGP 5.13 billion in 9M-2021. The strong performance filtered down to the division's bottom-line with net income expanding a solid 60% year-on-year for the nine-month period. At the insurance division, new product launches and increased cross-selling saw gross written premiums (GWP) post robust 85% year-on-year expansion across both insurance companies to reach EGP 376 million in 9M-2021, with insurance operating income reaching EGP 202 million during the same period, an increase of 81% year-on-year.

Commenting on the results, management said: "Contact's impressive results for the period are directly attributable to our growth strategy and effective investments since the start of the year. We have successfully expanded our direct-to-consumer reach growing both our physical presence and digital capabilities and, in parallel, we are expanding our product offering to cater to our customers' full financing needs. Meanwhile on the insurance front, this relatively young business segment is quickly gaining momentum and market traction as we venture deeper into Egypt's nascent insurance industry, with fast-growing offerings in both life and non-life protection."

On a product basis, Contact Auto recorded a 34% year-on-year increase in new financing during the nine-month period supported by higher penetration levels coming from direct marketing, new branches and cross-selling. Meanwhile, Contact Mortgage continued to record the fastest year-on-year growth rate at 345% driven by enhanced activity on low-income mortgage and home equity loans. Contact Mortgage rolled out a new long-term mortgage product offering 10-year mortgages via physical and digital channels starting with Sakneen, the real estate tech

platform that Contact had recently invested in. Meanwhile, new financing at Contact Trucks, Contact Shopping and Contact Medical also posted strong year-on-year growth in 9M-2021 supported by new product rollouts and Contact's expanded physical and digital presence. At Contact Trucks (49% y-o-y growth), the Company introduced financing for used light commercial vehicles to help capture growing demand in the subsegment. In parallel, at the Consumer Financing segment (157% y-o-y growth), which includes Contact Shopping, new product launches featured a new streamlined home finishing financing product, Shattab; a revamped club membership financing product with Matrix & Al Zohour sports clubs; credit for insurance purchase; and in the third quarter of 2021 Contact launched its education financing product for college and school tuition fees, which is witnessing strong demand.

Meanwhile, the Contact App continued its steady ramp up, with total downloads reaching 53 thousand, including 70% newly onboarded clients. This digital onboarding and engagement tool is continuing to grow in popularity and is helping us streamline and accelerate our new financing customer acquisition process, enhance the experience for existing customers and increase access to our products hence driving new revenue growth.

"We are particularly happy with our results at Contact Auto, which saw us post solid growth in new financing despite the increasing challenges posed by disruptions to global supply chains. While we expect supply shortages to increasingly impact the segment's financing for new cars in the coming quarters, financing demand remains strong. Additionally, we are confident that our increasingly diversified financing portfolio with higher spreads will see us well-placed to continue our growth trajectory as we head into the new year. On this front, the division boasts a strong pipeline of new products we expect to rollout in the coming period," **management said.**

"Resilient auto demand and effective cross-selling strategies during the period supported Sarwa Insurance's performance, with motor insurance driving a 78% year-on-year growth in GWP. At the same time, Sarwa Life more than doubled its GWPs driven by the company's medical insurance offering, in addition to a growing contribution from the recently launched SME life and health products," **management added.**

During the nine-month period, the Company continued to expand its digital capabilities, launching and investing in the development of new platforms to enhance customer acquisition and retention, while creating new revenue streams. Highlights from the third quarter included the launch of contactcars.com's dealer services offering subscription packages tailored to the size and specific requirement of all dealer segments in the market. In parallel, the portal's pricing tool is nearing the 40 thousand valuations per month mark as the AI pricing model continues to strengthen.

"We are delighted with the effective ramp up of contactcars.com which we relaunched in the first quarter of 2021 as a standalone commercial entity to monetize its extensive reach. Thus far, this core digital channel is outperforming our expectations, further highlighting the remarkable growth potential offered by the segment. Following on the launch of the new dealers' services during 3Q-2021, in 2022 we plan to further develop contactcars.com's offering with the addition of car ownership services. This will enable us to continuously engage with end users from purchase, through ownership to the time of sale," **management said.**

Looking ahead, our continued investment in digital capabilities will see the rollout of multiple new platforms and the enhancement of existing ones across our financing segments. Namely, our new Contact Pay app is currently launching its services, including e-payment solutions to provide, operate and manage payment solutions through integration with Contact channels, starting our digital financing channel Contact App. This falls in line with our strategy of establishing and cementing Contact's position as the nation's leading consumer financial services provider," **management concluded.**

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About Contact Financial

Contact Financial Holding SAE (CNFN.CA) is the largest non-bank financial services provider in Egypt changing the way people and business access finance and insurance. Operating since 2001, Contact adopts innovative approaches in extending its services, offering quality services with simple procedures and reaching a wide client base through its various subsidiaries, affiliates and partners. Contact's financing division offers market leading services including consumer financing for new and used passenger and commercial vehicles and an array of consumer durables through Contact Credit, home finishing through Contact Mortgages, as well as commercial finance through Contact Leasing and Contact Factoring. Contact operates in insurance through Sarwa Insurance and Sarwa Life Insurance. Contact also offers an array of corporate financing services including securitization, structured debt and debt investment management. Contact Financial Holding SAE is authorized and regulated by the Financial Regulatory Authority (FRA).

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