

## CONTACT FINANCIAL HOLDING ANNOUNCES 1Q-2025 RESULTS

Contact delivered a strong start to the new year, posting solid results for the first quarter of 2025. This performance was primarily fuelled by strong results from the insurance division, complemented by a resilient performance at the financing segment following a successful shift in focus to higher-margin products.

**Cairo, 19 June 2025**

Contact Financial Holding SAE (CNFN.CA), Egypt's largest non-bank financial services provider, announced today its consolidated financial results for the quarter ending 31 March 2025. In 1Q-2025, the Group's consolidated total operating income expanded by 30% y-o-y to EGP 475.2 million. Similarly, consolidated normalized net income<sup>1</sup> grew by 143% y-o-y in 1Q-2025, closing the quarter at EGP 66.2 million. Contact's solid results were largely driven by the strong performance at the insurance division, and further supported by financing division's resilient results on the back of the shift in focus towards higher margin products.

### 1Q-2025 Key Financial and Operational Highlights

	1Q-2024	1Q-2025	Change
<b>Financing Division</b>			
Total Portfolio (EGP bn)	20.9	20.3	-3%
Financing Operating Income (EGP mn)	325	372	14%
Financing Net Income (EGP mn)	20	27	33%
<b>Insurance Division</b>			
Gross Written Premiums (EGP mn)	696	1,070	54%
Insurance Revenue (EGP mn)	357	619	73%
Insurance Operating Income (EGP mn)	32	109	242%
Insurance Net Income <sup>2</sup> (EGP mn)	5	43	767%
<b>Consolidated Results</b>			
Total Operating Income (EGP mn)	365	475	30%
Net Income <sup>2</sup> (EGP mn)	14	59	306%
Annualized Return on Average Equity	2.0%	6.8%	4.8 pts
<b>Normalized Net Income<sup>1</sup> (EGP mn)</b>	<b>27</b>	<b>66</b>	<b>143%</b>

**Commenting on the results, management said:** "We are pleased with the Group's strong start to the year, which continues to highlight the resilience of our business model and the appeal of our value proposition. While overall volumes were moderated by our deliberate shift in focus towards higher-margin products, we successfully maintained our momentum, supported by gradually improving market conditions and a more stable macroeconomic environment. Our financing division delivered a resilient performance during the quarter, reflecting the positive impact of our strategic shift towards more profitable offerings. As we progress through 2025, we are confident that this positive momentum will continue, aided by stabilizing inflation, easing interest rates, and an overall improvement in economic conditions. Meanwhile, our insurance division continued to benefit from the success of our strategic investments, achieving strong growth through an expanded market presence, enhanced cross-selling

<sup>1</sup>Normalized net income adjusts for the following: Net effect of new rent standard, tech investments, ESOP, tax adjustments, and a special provision

<sup>2</sup>The financial figures for 1Q-2025 take into account the implementation of IFRS 17, which pertains to the accounting standards for insurance companies. The comparative figures for 1Q-2024 have been re-classified accordingly. Under previous standard Insurance net income and Consolidated net income were 36mn and 45mn respectively in 1Q-2024

capabilities, and a diversified product offering. As this segment continues to grow, we remain committed to building on this momentum and further strengthening our position in Egypt's underserved insurance market."

In 1Q-2025, the **financing division** delivered a resilient performance, with the shift towards higher margin products allowing the division to generate strong returns despite a challenging operating environment. During the quarter, financing operating income grew by 14% y-o-y to EGP 371.9 million, mainly driven by the aforementioned increased focus on higher margin products. Similarly, the division's net income rose by 33% y-o-y to EGP 26.8 million, largely on the back of the increase in operating income.

"Despite the financing division's solid results, new financing extended at the division shrank by 20% y-o-y in 1Q-2025, with new lending shrinking year-on-year across most segments. This came as a result of our decision to proactively manage our risk levels by tightening the credit investigation process and focusing on higher margin products. Taking a more detailed look, new lending extended at the Auto segment shrank by 25% y-o-y in 1Q-2025 due to an uncertainty in car prices, coupled with elevated interest rates. Similarly, new financing at the Trucks segment fell by 59% y-o-y in 1Q-2025 on the back of an increase in vehicle prices, coupled with elevated interest rates. Meanwhile, new financing at the Working Capital and Mortgage segments contracted by 44% y-o-y and 7% y-o-y, respectively. On the other hand, new lending at the Consumer Finance segment expanded by 33% y-o-y in 1Q-2025, driven by higher customer acquisition during the period. Meanwhile, the Medical segment saw new lending grow by 181% y-o-y as a result of an increase in Medical business from Factoring," **management added.**

At the **insurance division**, Insurance Revenue grew by 73% y-o-y to EGP 618.7 million in 1Q-2025, as the division continued to deliver solid, broad-based growth supported by strong results across both Sarwa Life and Sarwa Insurance. This in turn drove a 242% y-o-y expansion to EGP 109.5 million in the division's operating income, as well as a nearly nine-fold year-on-year rise to EGP 42.5 million in insurance net income during the quarter.

"The insurance division's strong performance was driven by solid results across both of our insurance companies during the quarter. On that front, GWPs at Sarwa life rose by 67% y-o-y to EGP 762.7 million, mainly driven by substantial growth in Medical, Term, and Saving/Pension Insurance. Meanwhile, Sarwa Insurance achieved GWPs of EGP 307.9 million in 1Q-2025, representing a 28% y-o-y increase largely on the back of a wider reach and greater market penetration. It is worth noting that Sarwa Insurance new operational issuance system is now online and fully operational. Currently, 100% of the company's retail operations, as well as its group life insurance, group pension, and credit life services are operating through the system, and by mid-2025, all lines of business are expected to be included," **management continued.**

On the digital front, **ContactNow**, Egypt's first comprehensive digital financial platform, continued its rapid growth trajectory, fueled by significant platform enhancements. In 1Q-2025, the total value of transactions processed through the app surged by 20% year-over-year. User adoption also accelerated, with the platform reaching 919 thousand total registrations since inception— 74 thousand of which were added in 1Q-2025 alone. This momentum is powered by key updates designed to enrich the user experience. A newly launched purchase journey now empowers customers to browse products and initiate loans directly within the app, giving them unprecedented control and flexibility. Furthermore, expanded partnerships have broadened the range of payment options, adding both cash and installment methods to create a more convenient and comprehensive service.

In 1Q-2025, **Contactcars.com**, Egypt's go-to marketplace for cars and related services, successfully launched the "B2B Vehicle Digital Auction" platform in collaboration with Toyota Egypt, marking a significant advancement in digitizing the used vehicle supply chain between OEMs and dealer networks. Within this early launch phase, three auctions were completed, featuring 53 listed vehicles, resulting in the sale of 31 vehicles, with a total transaction value of EGP 23.9 million. This success signals strong early adoption and highlights the platform's potential to

reshape Egypt's wholesale automotive market. Moving forward, in 2Q-2025 ContactCars.com will intensify efforts to scale "Otlobha" with the aim of increasing brand awareness, driving qualified user requests, and accelerate vehicle sales. In parallel, Contact is executing a usability-led growth strategy centred on delivering a seamless, AI-powered experience with the aim of simplifying user journeys, offering tailored recommendations, and reducing decision friction—ultimately boosting engagement and conversion.

**Regionally**, the Group's Kenyan affiliate, Almasi, continues to grow on par with expectations. On that front, Almasi has financed a total of 232 contracts worth KES 3.4 billion since inception, with an average loan amount of KES 14.8 million. Almasi's continued success of Almasi provides Contact with a platform that can be used to capitalize on the favourable dynamics of the Kenyan market, as well as expand further into the region throughout the coming years.

"As we head further into 2025, we are optimistic that the positive momentum will continue, and we remain confident in our ability to deliver on the Group's short and long-term targets. As economic conditions ease, we will continue to leverage our solid business foundations and proven growth strategies to capitalize on the ongoing market recovery, and we expect strong contributions to the Group's overall growth by both our financing and insurance divisions. On the digital front, the constant expansion and enhancement of our digital capabilities remains at the top of our list, and we will continue to deliver new and upgraded solutions across both ContactNow and Contactcars.com over the coming year. In parallel, we remain on the lookout for attractive investment opportunities that enable us to provide new services to our customers, secure new growth and expansion avenues for the Group, and expand our geographical footprint across the region," **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 and Contact CrediTech, Mortgage finance through Contact Mortgage, 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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