



# CONTACT HOLDING INVESTOR PRESENTATION

# Disclaimer

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# Today's Presenters

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**Hazem Moussa**  
Chairman



**Said Zater**  
Chief Executive Officer



**Ayman El Sawy**  
Chief Financial Officer

# Agenda

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I.	Introduction to Contact Holding	05
II.	Key Investment Highlights	09
III.	Contact Holding in Depth	22
	A. Financing Business	24
	B. Insurance Business	35
	C. Digital Platforms	41
	D. Debt Capital Markets	47
IV.	Funding Sources	50
V.	Consolidated Financial Performance	53





# Section 1

# Introduction to Contact

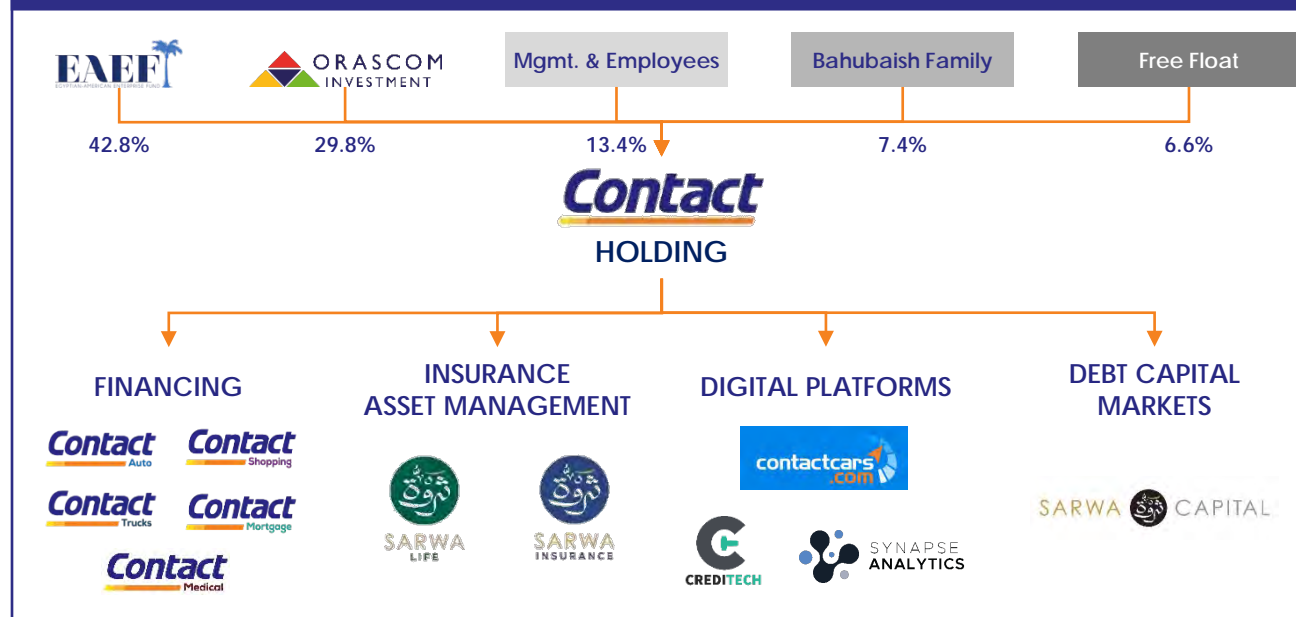
# Holding

# Contact Holding at a Glance

## Group Overview

- Contact Holding ("Contact" or the "Group"), formerly Sarwa Capital, is Egypt's largest financial services group, transforming the way people and businesses access finance and protection in Egypt
- Over the past 20 years, Contact has been offering innovative financial services through its digital and physical channels spread across financing, insurance, debt structuring, and other digital ventures
- Contact Holding listed its shares on the Egyptian Stock Exchange (EGX) in October 2018 under the ticker SRWA.CA

## Group Structure



## Key Highlights

1<sup>st</sup>

Consumer Finance  
License in Egypt

EGP 1,596mn  
Financing Revenue  
(2020)

+20 Years  
Experience in Consumer  
Finance

EGP 284mn  
Insurance Gross Written  
Premiums (2020)

+EGP 26bn  
Total Debt Raised

EGP 1,075mn  
Net Operating Income  
(2020)

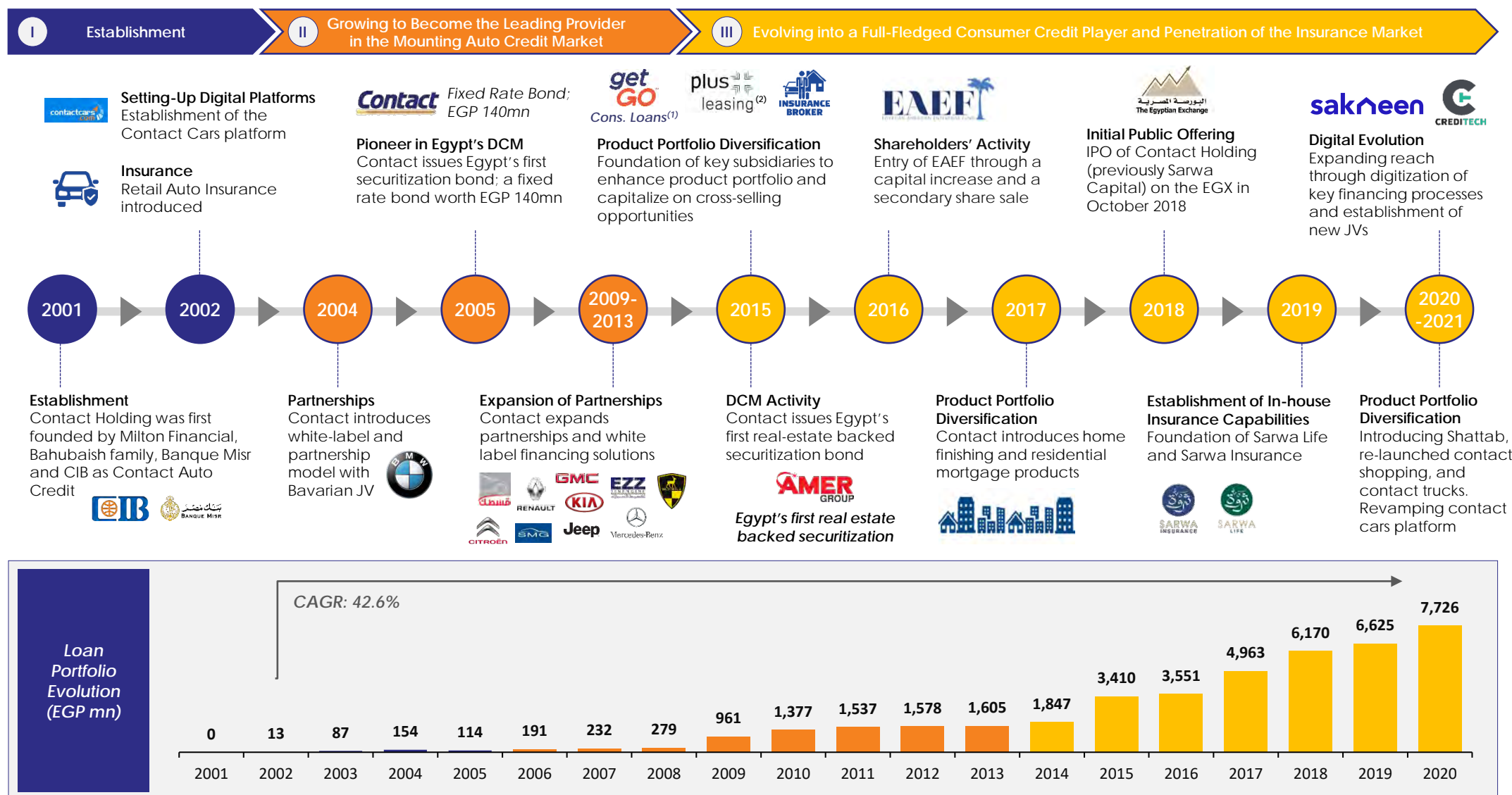
+180K  
Transactions Financed

EGP 576mn  
EBT (2020)












EGP 7.7bn  
Outstanding  
Loan Portfolio (2020)

EGP 392mn  
Adj. Net Income after  
Minorities<sup>(1)</sup> (2020)

# Contact Holding Track Record and Evolution



# Overview of Business Segments

	Financing	Insurance	Digital Platforms	Debt Capital Markets
Segment Synopsis	<ul style="list-style-type: none"><li>Contact Holding has +20 years of experience in the consumer financing space</li><li>Through a diverse product range, the Group serves banked and unbanked clients in both the retail and commercial spaces</li></ul>	<ul style="list-style-type: none"><li>Capitalizing on +15 years of insurance brokerage and claims management experience, Contact founded 2 underwriting companies in April 2019</li><li>GWPs reached +EGP 284mn through 5 branches by 2020</li></ul>	<ul style="list-style-type: none"><li>The Group's digital platforms include (i) Contactcars.com, Egypt's leading automotive marketplace; (ii) an investment in AI &amp; data science firm Synapse Analytics; (iii) Creditech; a 50:50 JV with Synapse allowing for digital lending</li></ul>	<ul style="list-style-type: none"><li>Contact is the largest player in Egypt's nascent debt capital markets</li><li>The Group offers a range of debt structuring, arrangement and underwriting solutions including sukuk/bonds and securitization</li></ul>
Product Offering	<div><div>Auto</div><div>Trucks</div><div>Shopping</div><div>Mortgage</div><div>Medical</div></div>	<div>Non-Life</div> <div>Life</div>	<div></div> <div></div> <div></div>	<div></div> <div>Debt structuring, arrangement and underwriting</div>
Key Highlights	<div><div>+20 Years Experience</div><div>EGP 7.7bn Loan Book</div></div> <div><div>+180K Transactions Financed</div><div>EGP 1.6bn Financing Revenue (2020)</div></div>	<div><div>20 Months In Operations</div><div>+EGP200mn Paid-In Capital (2020)</div></div> <div><div>+60K Clients</div><div>+120K Policies Since Inception (2020)</div></div>	<div><div>#1 Digital Cars Platform in Egypt</div><div>1mn monthly Contact Cars unique users</div></div> <div><div>Pioneering credit assessment app<sup>(1)</sup></div><div>35% Contact Cars Returning Users</div></div>	<div><div>31 Debt Issuances</div><div>1<sup>st</sup> Securitization Issuance</div></div> <div><div>EGP 26bn Debt Raised</div><div>1<sup>st</sup> RE-Backed Securitization</div></div>



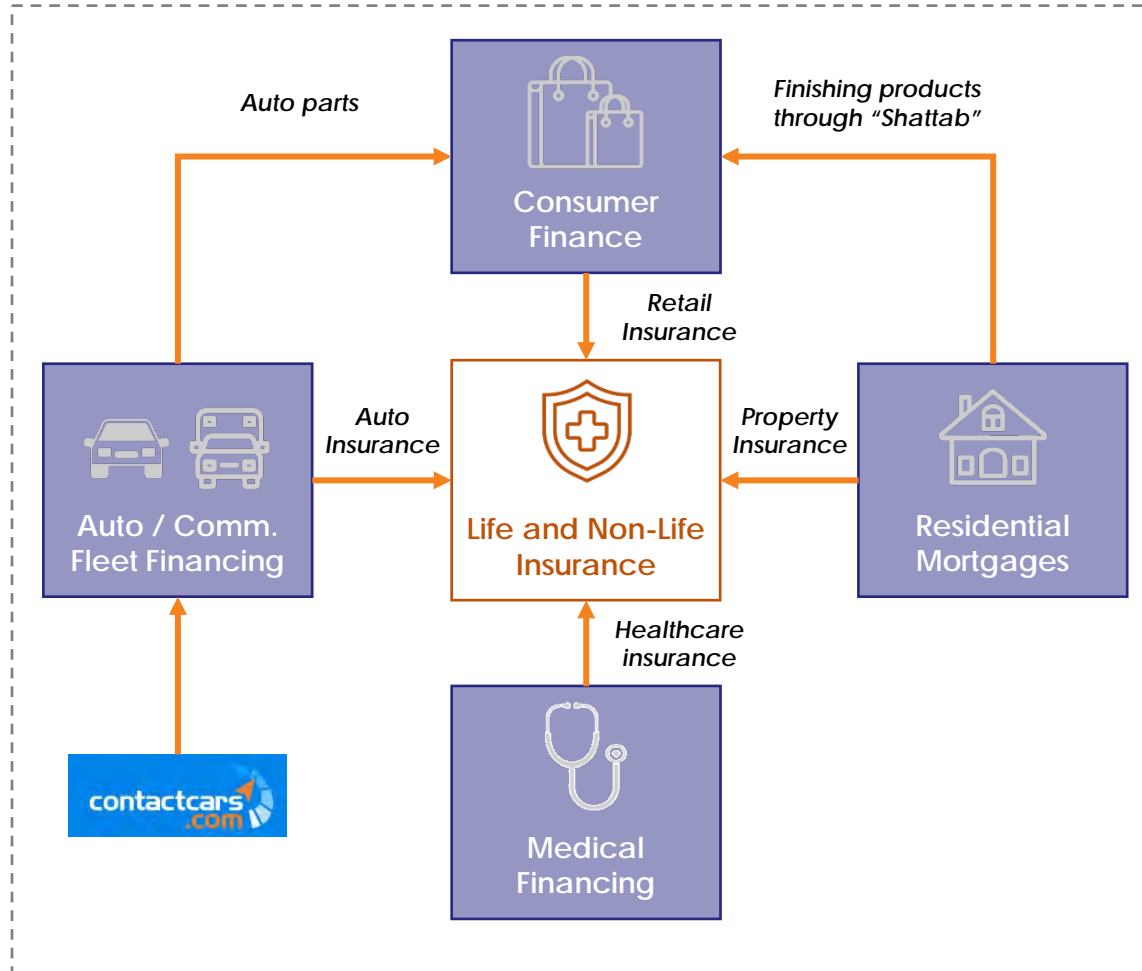


# Section 2

## Key Investment Highlights

# I Leading finance and protection player, with a synergistic platform maximizing cross-selling opportunities

## Synergistic Platform Driving Growth Across All Business Segments



To utilize upcoming A.I. enabled credit scoring to further enhance risk assessment and pricing



Funding from debt capital markets (securitization & sukuk issuances)

## Key Differentiators

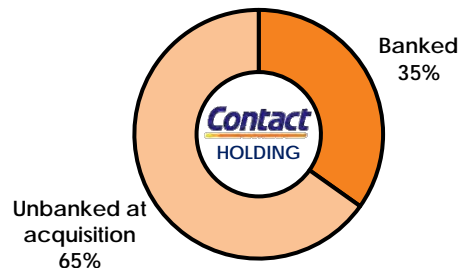
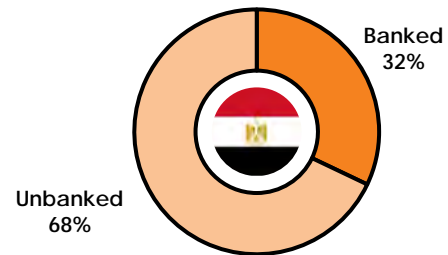
- ✓ +20 years of experience resulting in unmatched data bank
- ✓ Large customer base and underserved target audience
- ✓ Diversified product base
- ✓ Strong brand equity, specifically in the retail and SME segments
- ✓ 1<sup>st</sup> to introduce advanced credit scoring and collection mechanisms
- ✓ Wide distribution network enabling streamlined product roll-outs
- ✓ Enhanced cross-selling opportunities
- ✓ Pioneer in the DCM, facilitating low-cost, abundant funding
- ✓ Digital platforms enhancing customer acquisitions

# II Unique access to a large base of banked and unbanked customers through a nuanced credit assessment approach & a seamless customer experience

## A. Unmatched Access to both Banked and Unbanked Clients Across Egypt...

**+105k**  
Clients since inception<sup>(1)</sup>

*Large unbanked population poses a challenge for traditional banks but an opportunity for Contact Holding*

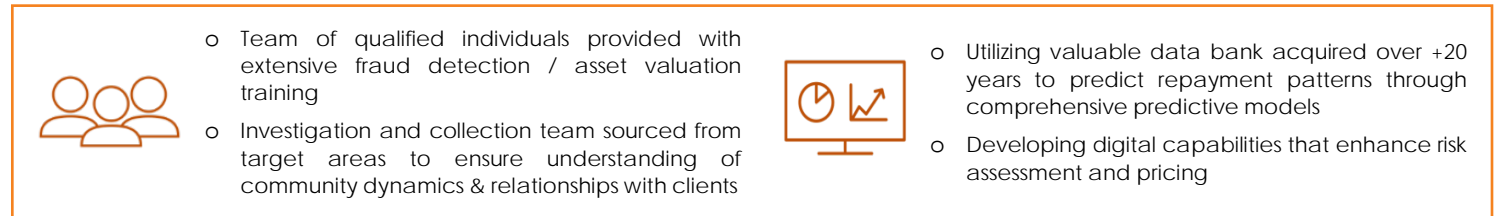


## B. ...Enabled by the Implementation of a Thorough, Unique Credit Assessment Approach...

*Distinctive credit assessment methodology refined over +20 years of financing experience*



*Facilitated by Contact's strong team, data bank and digital capabilities*



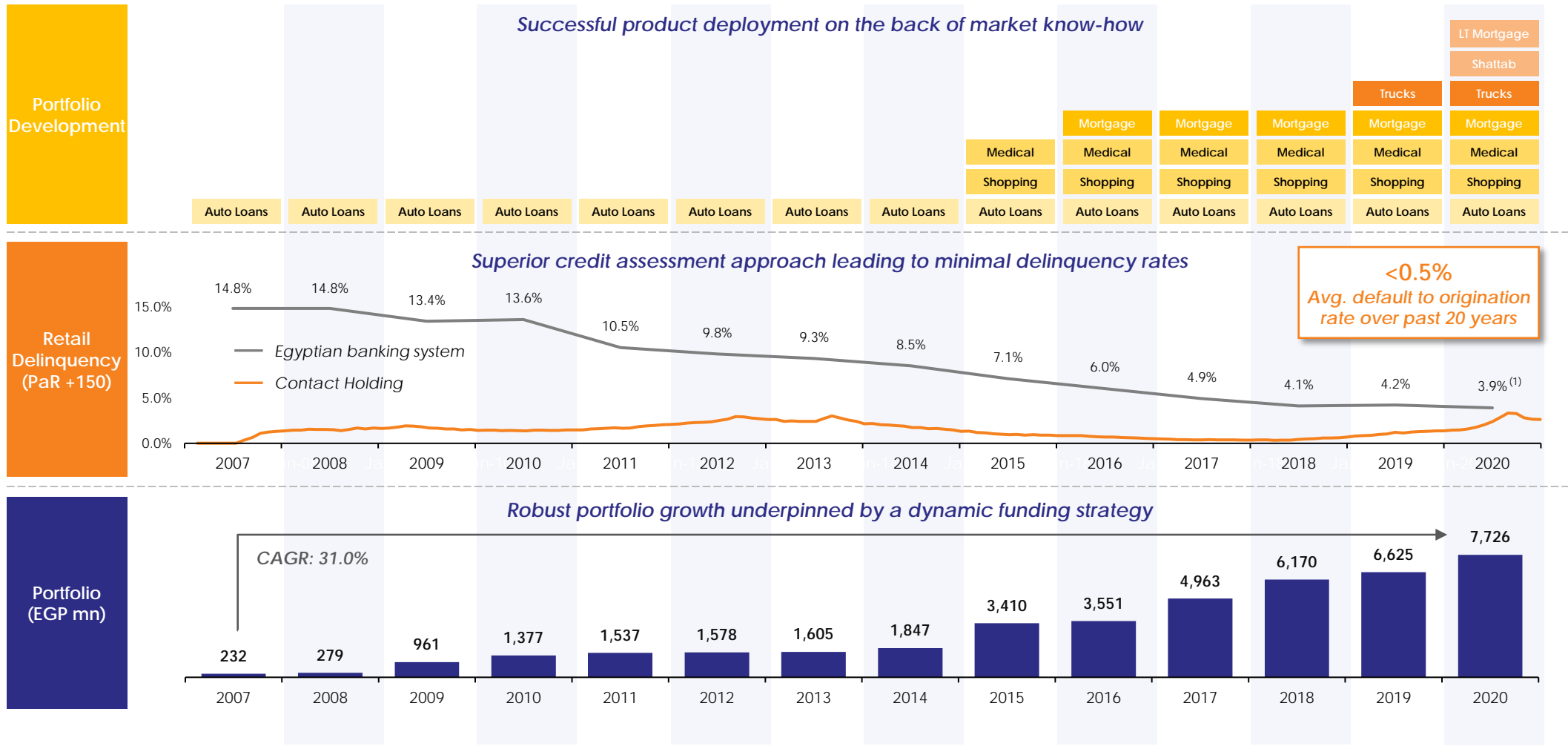
## C. ...and a Streamlined User Experience





# Strong track record of 20 years of credit extension and collection

## Track Record of Growth and Operational Evolution



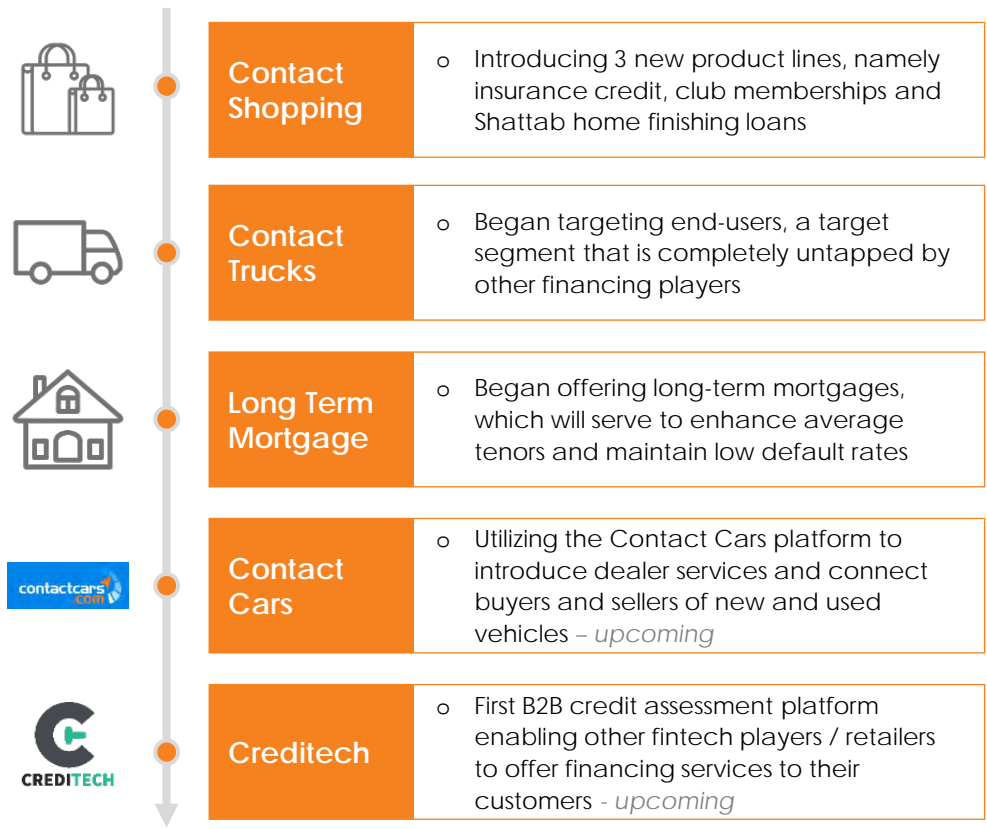
Notes: (1) As of June 2020  
Source: Company data, Central Bank of Egypt Monthly Statistical Bulletins



# Continuous product portfolio evolution to unlock wider target audience...

## Product Introductions / Re-launches

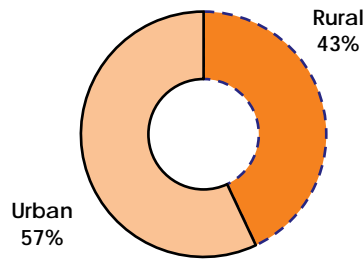
Continuously fortifying the product portfolio by introducing pioneering products, allowing for further financing market penetration



## Reaching Out to Untapped Market

### A. Expanding the branch network to ensure presence in high-potential areas outside the main cities

Egyptian Population (2019)



Multiple touchpoints outside Greater Cairo and Alexandria, including:

- ✓ 12 Contact branches making up 48% of the Group's branch network
- ✓ 547 Contact Shopping PoS, making up 31% of partner merchants' PoS network

### B. Digital capabilities enhancing client reach-out and user interaction

#### Contact Cars



- Capitalizing on +1mn unique monthly users to offer auto financing & insurance

#### Sakneen



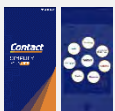
- Allowing clients to apply online for mortgage loans

#### Digital Insurance Platform



- Tapping retail clients through a unified platform, offering fast policy issuance and claims mgmt.

#### Loyalty App



- App being developed to enhance lead generation, cross & upselling & customer support

# V ... through extensive reach and distribution capabilities...

Operating through an effective B2B distribution network that enables integration of consumer finance solutions into the consumer spending experience and utilizes B2C retention and cross-sales

## Diverse Acquisition Channels

## Wide Geographical Footprint

### All Products



**25** Contact Branches across Egypt



Customer App

### Financing



**+1,000** Auto Dealers



Partnerships & JVs



Contact Cars

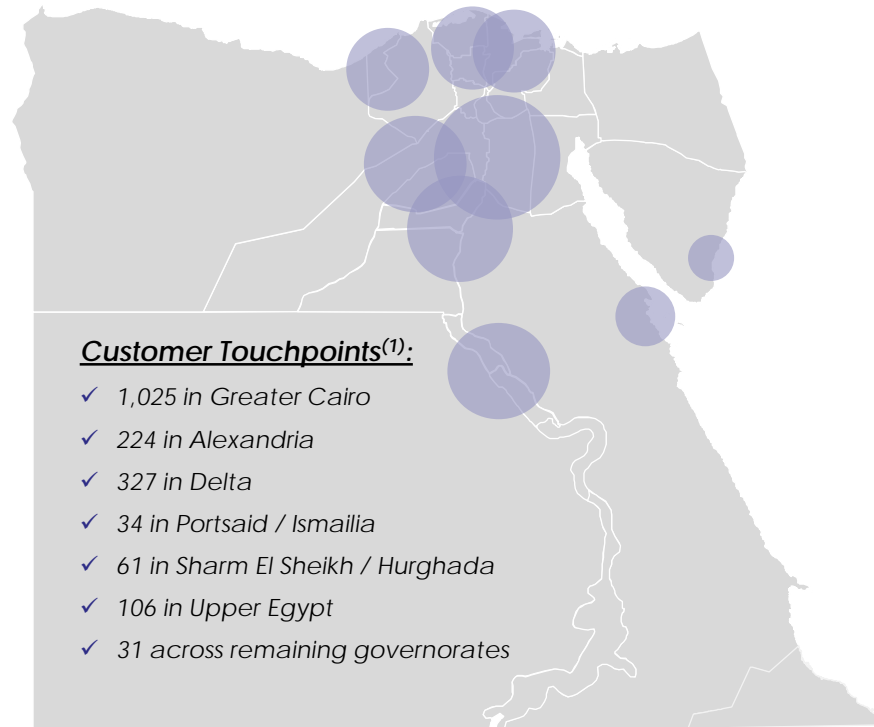
### Insurance



Insurance Brokers



Digital Insurance Platform - Upcoming



**Strong footprint in Upper Egypt, Northern Egypt & Delta**

- ✓ Ability to reach large audience that is under-served by existing financial institutions
- ✓ Existing platform allowing for cost effective expansions and product add-ons
- ✓ Enhanced cross-selling / upselling opportunities

...augmented by a diversified partner network underpinning a compelling product offering

## I.

## Financing

## Contact Auto / Trucks

Partnerships with auto dealers and strategic financing JVs



## Contact Shopping

Partnerships with best-in-class merchants in a variety of industries



Electronics,  
Durables &  
Furniture

1,239 POS



Jewelry &  
Fashion

544 POS



Home  
Finishing -  
Upcoming

+ 300 POS

## Contact Mortgage

Partnerships with developers, brokers, and online real estate search platform

sakneen

COLDWELL  
BANKER

## II.

## Insurance

Contact offers brokerage, claims management and underwriting, so strong partnerships with other market players are necessary



Insurance  
Brokers



Insurance  
Underwriters

## III.

## Digital Platforms

Investment in leading Egyptian AI and machine learning company, Synapse, together with a partnership to develop Creditech



## IV.

## Debt Capital Markets

Contact Holding's pioneering debt instruments require significant cooperation with banks, investors and the financial regulatory authority



Banks

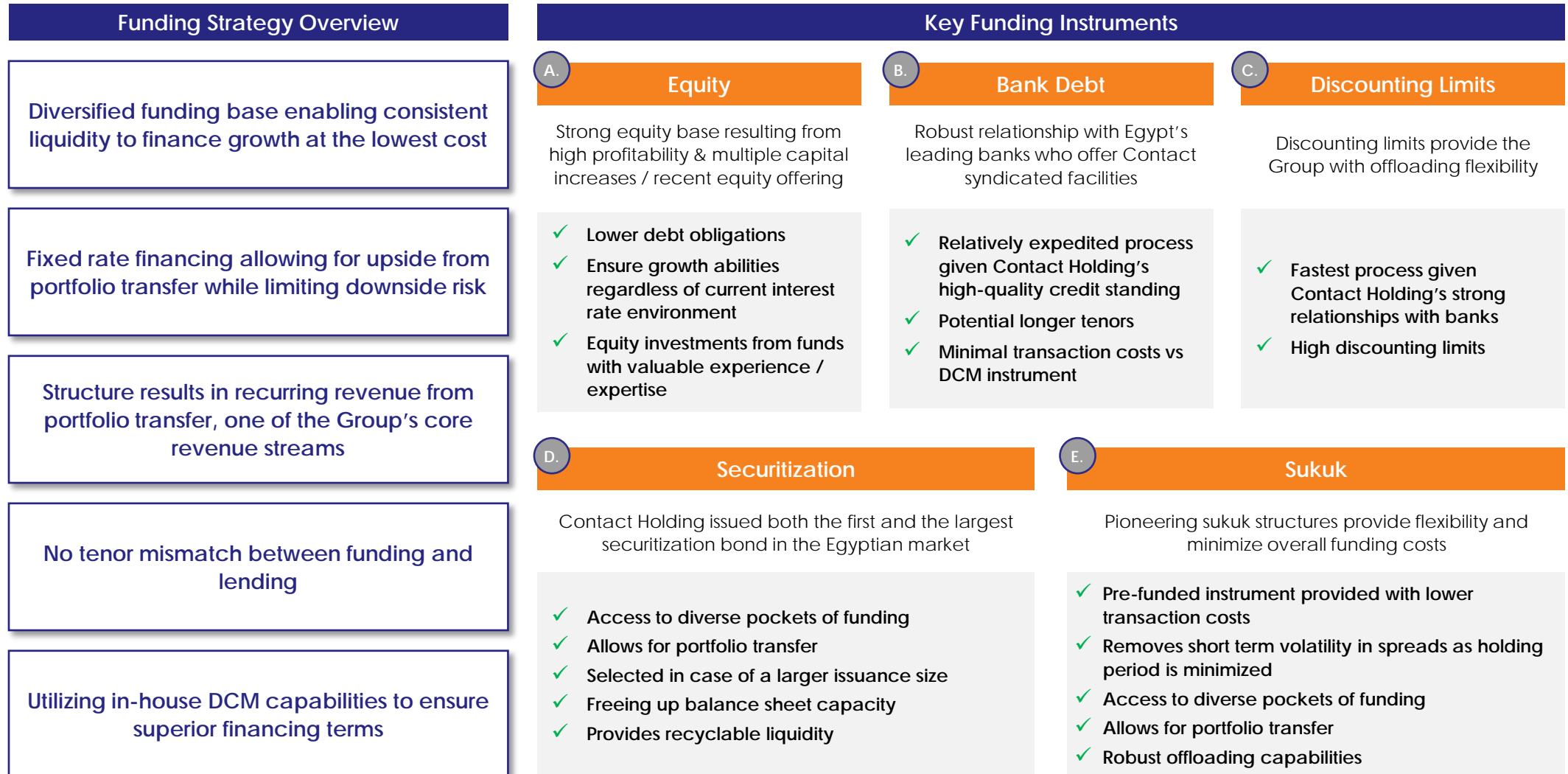


Investors



Regulator

## VII Superior funding strategy underpinned by diversified product utilization...

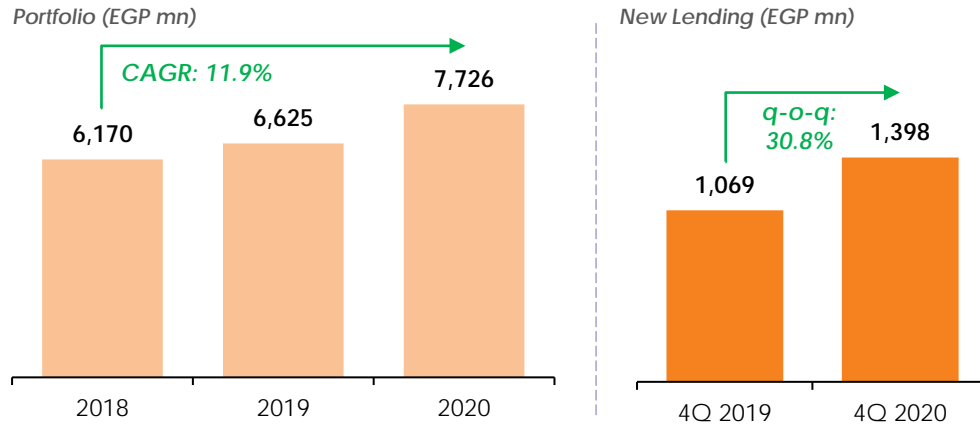




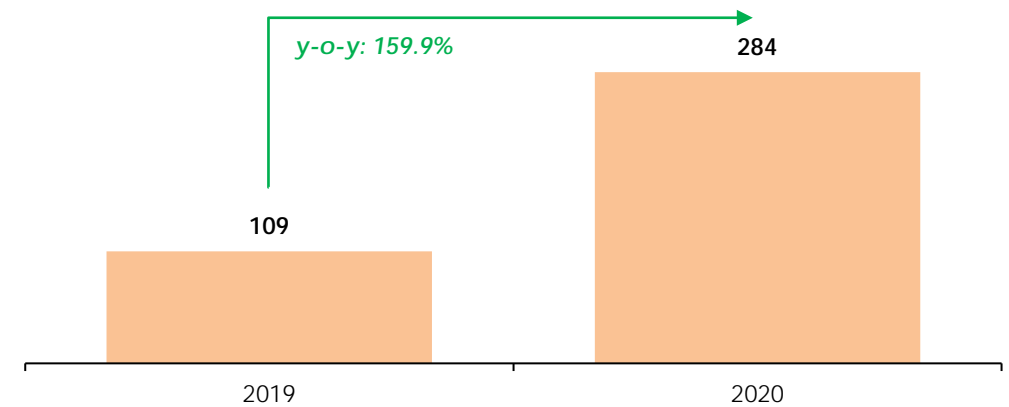
## VIII ...enabling solid growth and profitability profile

*Significant development of both the financing and insurance portfolios translating into robust bottom-line growth*

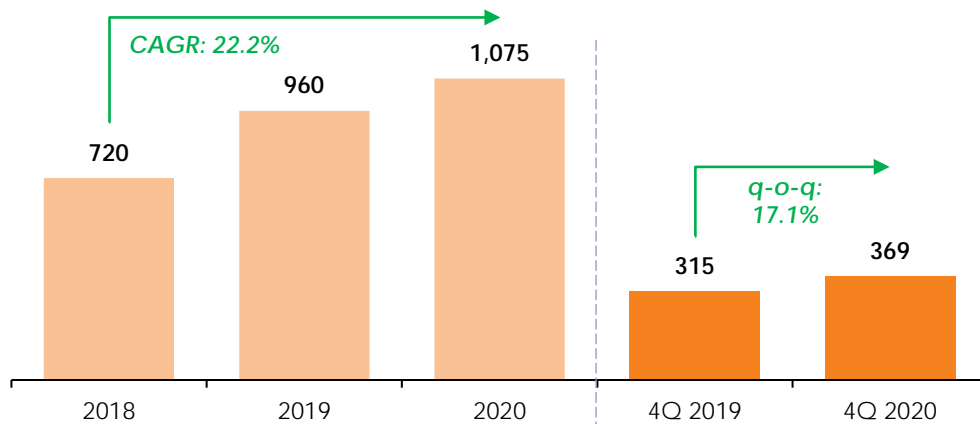
Financing Portfolio (EGP mn)



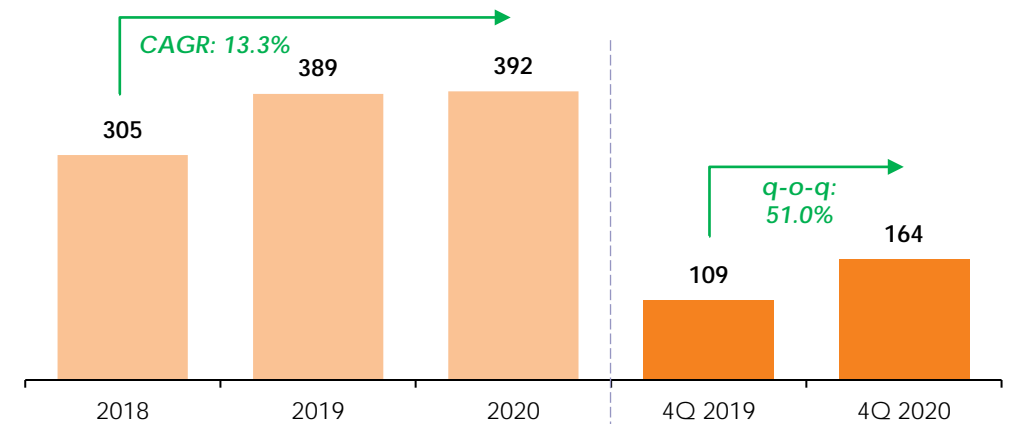
Insurance Gross Written Premiums (EGP mn)



Net Operating Income (EGP mn)



Adj. Net Income after Minorities<sup>(1)</sup> (EGP mn)



## IX Spearheaded by a founder-led management team of industry pioneers

### Senior Management Team



**Hazem Moussa**  
*Chairman*

+20 years

+25 years

- Founding partner of Contact
- Previously acted as General Manager and Director of Business Development and Logistics, in addition to managing operations, IT, marketing, planning and insurance areas
- Prior to Contact, Moussa was a Corporate Finance Manager at HSBC Investment Banking in Egypt where he was responsible for origination and execution of M&A, equity, and debt transactions



**Said Zater**  
*CEO*

+20 years

+35 years

- Joined Contact in January 2002 and was a core member of the team that launched the business
- Business leader & operations management expert with long experience in the NBFi field
- +18 years of experience in strategic security affairs, enabled concept transfer to build the credit and collections process



**Ayman El Sawy**  
*CFO*

+19 years

+25 years

- Joined Contact in 2002 as a core member of the founding team and senior executive management
- Strong expertise in the development of funding facilities allowed him to assume full responsibility of funding & financial planning in 2008
- El Sawy also holds several senior positions in Contact's subsidiaries in addition to managing current & upcoming investments



**Amr Refaat**  
*Managing Director, Contact Credit*

+19 years

+30 years

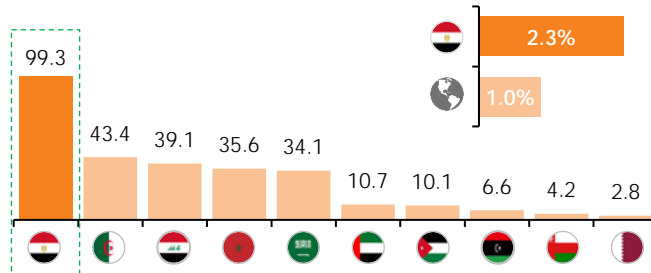
- Amr Refaat is the Managing Director of Contact Credit; Contact's largest subsidiary
- Refaat joined the Group in 2002 as Sales & Distribution Manager to develop its auto-loan merchant network before becoming Commercial Director in 2008
- In addition, Refaat served as Executive Director of Contact Mortgage from 2016 to 2019, in addition to managing retail business operations

# x Strong outlook backed by a significant market opportunity...

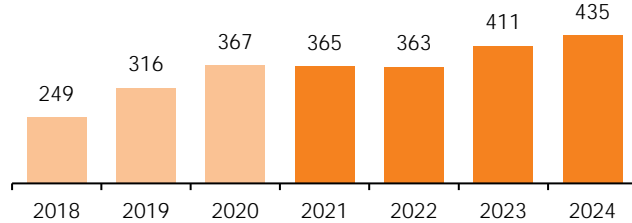
## Robust Macroeconomic Backdrop

### Large and fast-growing population driving GDP growth...

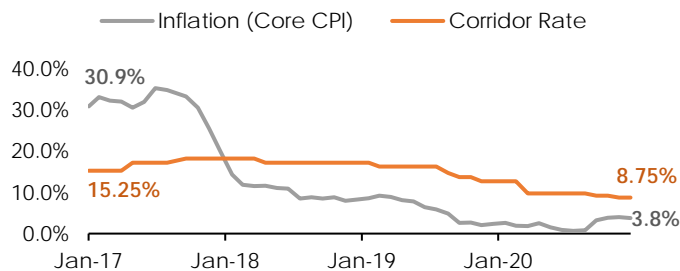
Population mn (2019), CAGR (19-24E)



Nominal GDP (USD bn)



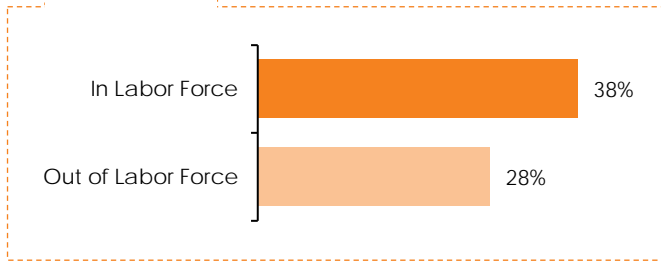
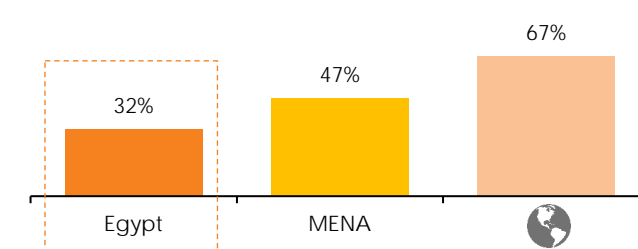
### Stabilizing inflation & interest rates driving private credit



## Low Financial Services Penetration...

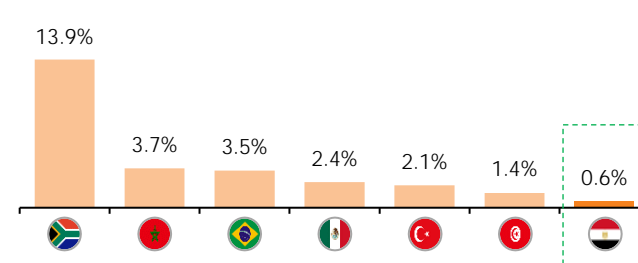
### Low banking penetration on access difficulty...

Ownership of Financial Institution Account (2018)



### ...Coupled with low insurance penetration

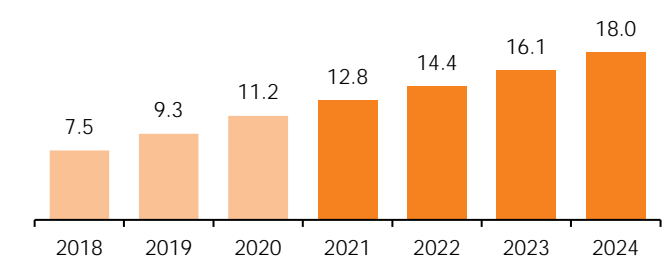
Total GWPs as % of GDP (2019)<sup>(1)</sup>



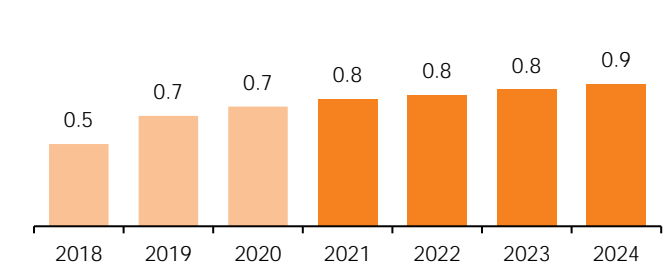
## ...Underpinning Significant Growth Potential

### Substantial growth in financial services as consumer literacy and access continue to improve

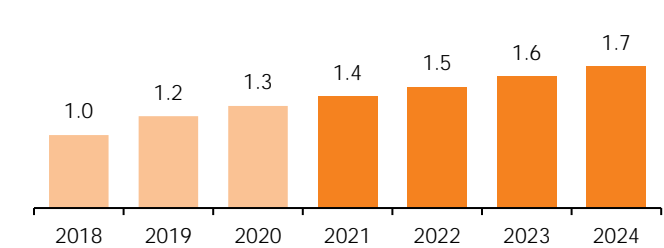
Private Credit (USD bn)











Gross Life Premiums (USD bn)



Gross Non-Life Premiums (USD bn)



# XI ...and robust transformative tech capabilities enabling value capture

Segment	Subsidiary	Overview
 <p>Holding / Financing</p>	 	<ul style="list-style-type: none"> <li>✓ New streamlined digital consumer finance platform with back-end overhaul enhancing customer experience</li> <li>✓ Development of AI algorithms in loan processing &amp; customer acquisition</li> <li>✓ Launch of new customer engagement loyalty app to unify customer experience under one umbrella</li> </ul>
 <p>Insurance</p>		<ul style="list-style-type: none"> <li>✓ Finalizing advanced back-end system enabling full digitalization planned</li> <li>✓ Building dedicated digital interfaces for a number of products, notably health and motor</li> </ul>
 <p>Digital Platforms</p>	 	<ul style="list-style-type: none"> <li>✓ Relaunch the portal and app with new &amp; enhanced features in Egypt's leading car market &amp; classified portal</li> <li>✓ Launch of new venture dedicated to the application of AI algorithms in credit risk assessment and credit insurance</li> </ul>



# Summary Investment Thesis

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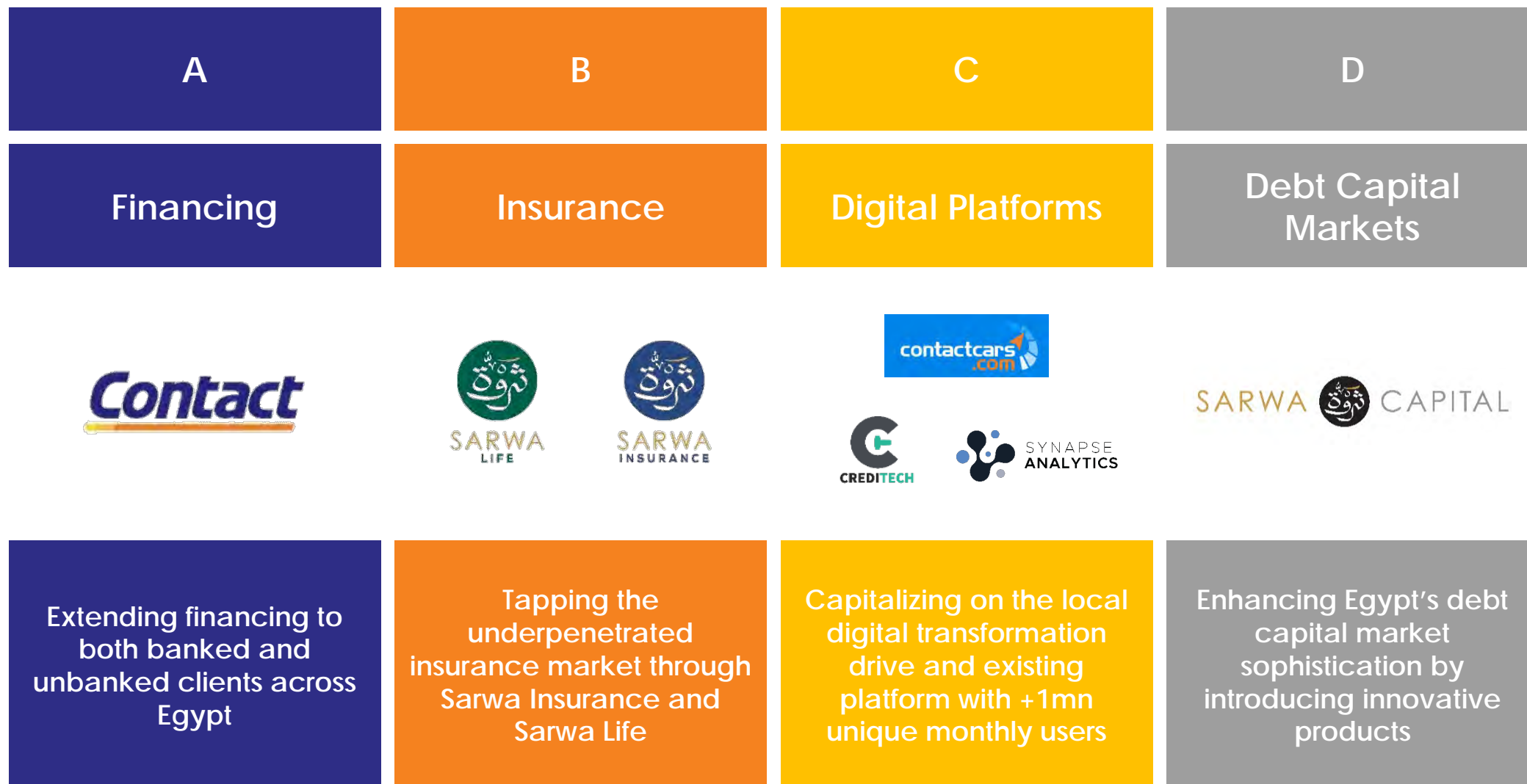
I.	Tapping underserved segment that is massively underpenetrated
II.	Synergistic, wide-spanning platform allowing for fast, cost-effective roll-out of new products and enables cross-selling opportunities
III.	Enhancing tech capabilities to unlock significant growth
IV.	Replicating financing success in a new, similar industry; insurance
V.	Attractive growth rates and profitability profile



# Section 3

## Contact Holding in Depth

# Contact Holding's Key Segments



## A. Financing

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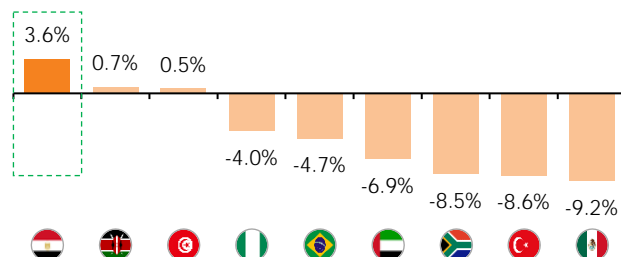


# Large, Consumption-Driven Economy with Considerable Growth Prospects...

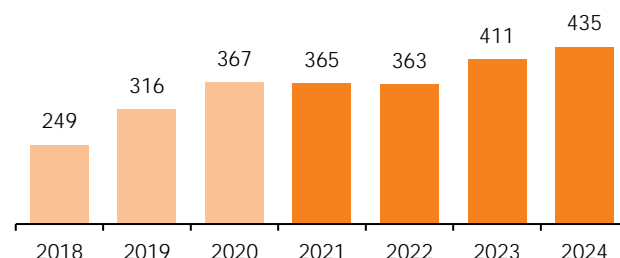
## Large and rapidly growing economy propelled by enhanced consumer expenditure

### Egypt is one of the few countries expected to grow GDP in 2020 despite COVID-19 disruptions

GDP y-o-y Growth in 2020 (%)

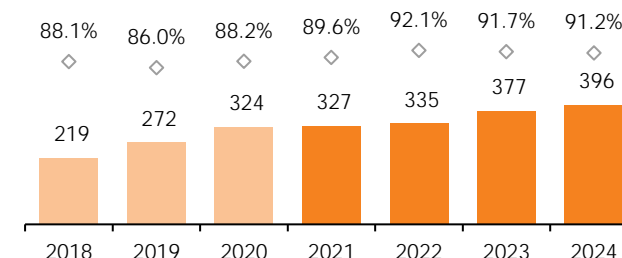


Nominal GDP (USD bn)



### GDP driven by enhanced consumer spending

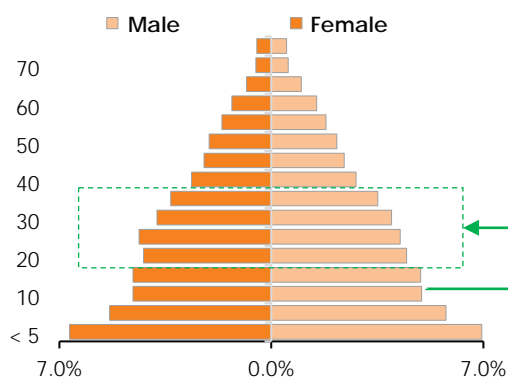
Consumer Expenditure Evolution, % of GDP (USD bn, %)



## Demographic structure spurring demand for essential big-ticket purchases, enhanced further by increasing prevalence of satellite cities

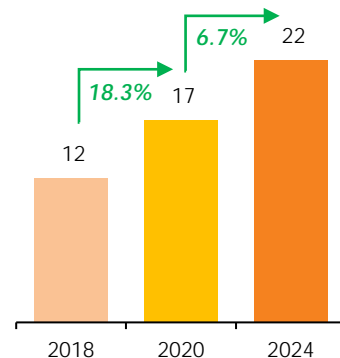
### Majority at/entering marriage age

Demographical breakdown by age

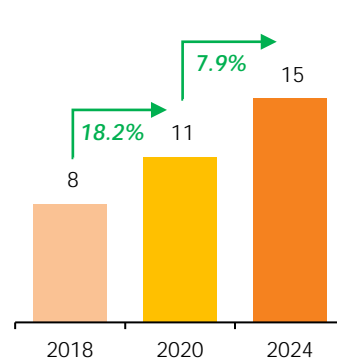


### Increasing expenditure on essential purchases

Housing and Utilities (USD bn)



Household Goods and Services<sup>(1)</sup> (USD bn)



### Secular trend of moving out of downtown into suburban "satellite cities"

New Admin Capital



700 mn sqm  
Total Land Area

1.1 mn  
Housing Units

New Alamein City



c. 200 mn sqm  
Total Land Area

2022  
Completion Date

New Mansoura City



21 mn sqm  
Total Land Area

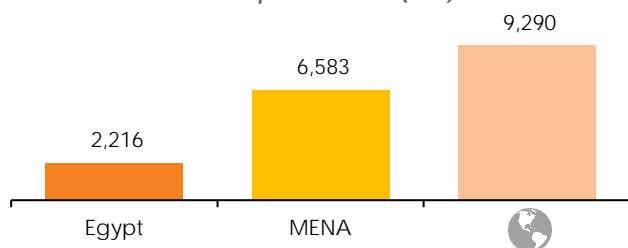
c. 150,000  
Residential Units

# ...Creates an Opportunity for Further Credit Penetration

**Affordability is a major constraint for the vast majority of Egyptians...**

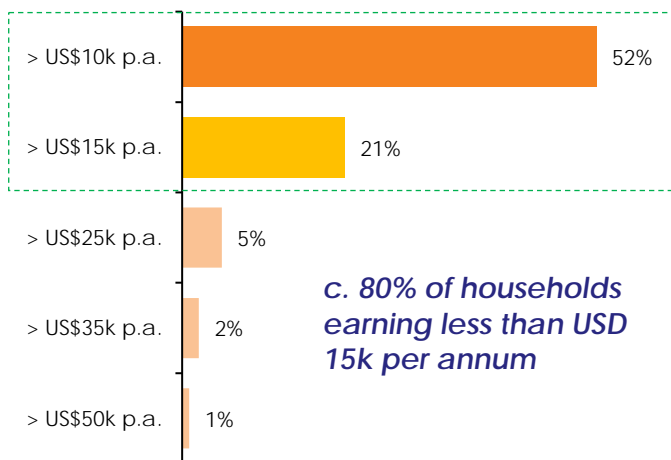
Income levels lagging regional & global benchmarks

National Income Per Capita in 2018<sup>(1)</sup> (USD)



Concentration of low-earning households

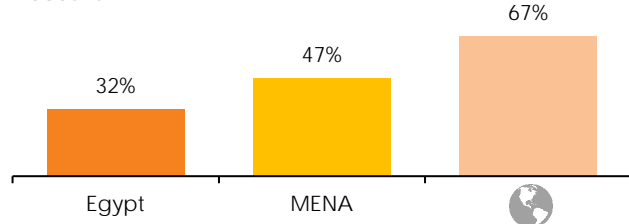
Income Distribution by Household in 2020



**...nonetheless, banking penetration in general, and consumer credit penetration in particular, remain very low...**

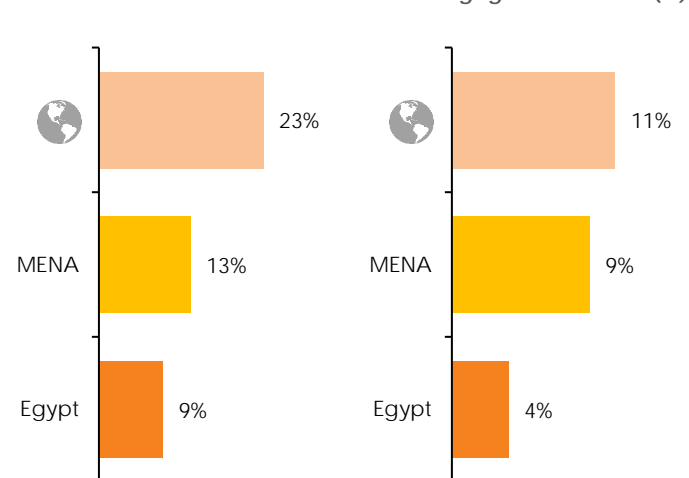
Low banking penetration...

Ownership of Financial Institution Account



...translating to low access to credit

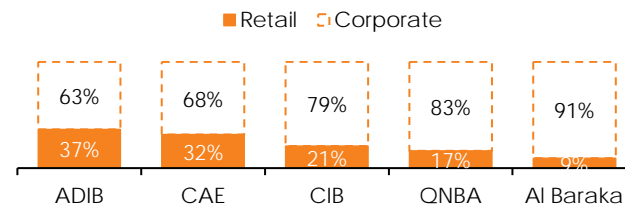
Borrowed from FI in Past Year<sup>(2)</sup>



**...as it is dominated by legacy banks that lack the capabilities to cater to the mass consumer and SME markets**

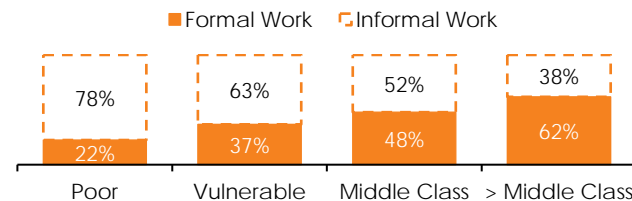
Focus on corporate segment lending

Select Egyptian Banks' Portfolio Breakdown (2019)

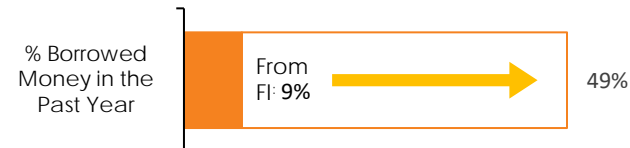


Significant opportunity neglected by formal banking sector...

Employment Characteristics by Income Group








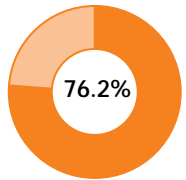
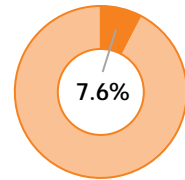
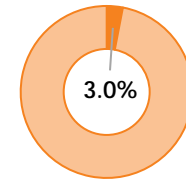
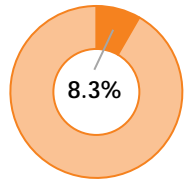
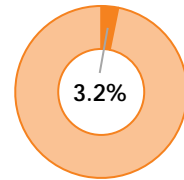
...resulting in low formal borrowing levels and missed value capture despite clear demand



Notes: (1) Adj. Net National Income Per Capita; (2) Borrowed from a financial institution or used a credit card

Source: World Bank Indicators, EIU Market Indicators, IMF Understanding Poverty & Inequality in Egypt Report 2019, latest issued World Bank Index

# Financing Segment: Product Overview

Financing Portfolio Summary					
					
	A. <b>Contact</b> Auto	B. <b>Contact</b> Trucks	C. <b>Contact</b> Shopping	D. <b>Contact</b> Mortgage	E. <b>Contact</b> Medical
Year Launched	2001	2019	2015	2016	2015
Product Financed	<ul style="list-style-type: none"> <li>✓ Retail auto credit</li> <li>✓ SMEs leasing for PV</li> </ul>	<ul style="list-style-type: none"> <li>✓ Retail loans and leasing for new &amp; used trucks</li> </ul>	<ul style="list-style-type: none"> <li>✓ Consumer durables</li> <li>✓ Fashion / jewelry</li> <li>✓ Insurance credit</li> <li>✓ Club memberships</li> <li>✓ Home finishing products</li> </ul>	<ul style="list-style-type: none"> <li>✓ Low &amp; middle-income mortgage</li> <li>✓ Long-term mortgage</li> <li>✓ Home equity loans</li> </ul>	<ul style="list-style-type: none"> <li>✓ Leasing and factoring of medical equipment for SMEs</li> </ul>
Contribution to 2020 Portfolio <sup>(1)</sup>					

Notes: (1) Other products represent the remaining 1.6% of the portfolio

# Financing Product Overview: A. Contact Auto

- Flagship financing product, market leader with +20 years of operational experience resulting in a robust data bank

## Overview of Contact Auto

Financing new and used passenger car purchases for both banked & unbanked retail and SME customers through diverse distribution and acquisition channels

			
✓ Contact Branches	✓ Dealers' Network	✓ Partnerships & JVs	✓ Digital Channels
<ul style="list-style-type: none"> <li>+25 strategically located Contact branches</li> <li>Strong footage outside the main cities catering to a wide range of Egyptians who are unbanked</li> </ul>	<ul style="list-style-type: none"> <li>+20 partnerships with auto dealers</li> <li>+1,000 dealers in the network</li> </ul> <p><u>Top Brands</u></p> 	<ul style="list-style-type: none"> <li>Partnerships and JVs allow Contact Auto to reach the mass market</li> </ul> <p><u>Key Partnerships</u></p> 	<ul style="list-style-type: none"> <li>Utilizing Contactcars.com, the largest new and used cars platform in Egypt, to enhance reach and customer acquisition</li> </ul>

## Contact Auto's Key Distinguishing Features

Proven track record of growth and resilience

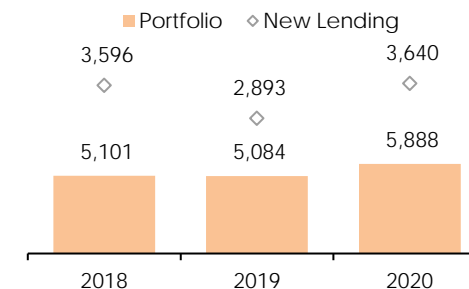
Catering to both banked and unbanked clients

Vast data bank enabling robust credit assessment

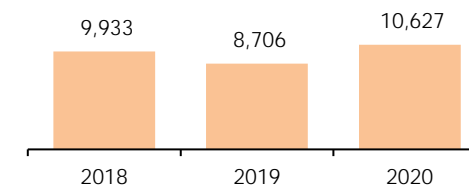
Superior collection processes developed over +20 years

## Key Figures

### Portfolio, New Lending (EGP mn)



### Number of Loans



### Avg. Tenor

3.5  
years

### Avg. Loan Size

554k  
EGP

# Financing Product Overview: B. Contact Trucks

- Utilizing motor expertise and brand to introduce new, highly profitable products to retail/SME clients in the trucking space

## Overview of Contact Trucks

### Unique Product Offering...

One of the only players providing small-ticket



Individual financing of new and used, light and heavy trucks



Financial leasing services for SMEs in transportation and logistics sectors

### ...Distributed through Strategic Touchpoints

A.

Direct to consumer approach at truck stops & stations

B.

Throughout the 25 contact branches available across Egypt

C.

Partnerships with truck dealers & maintenance centers

D.

Digital marketing through social media groups

## Contact Trucks' Key Distinguishing Features

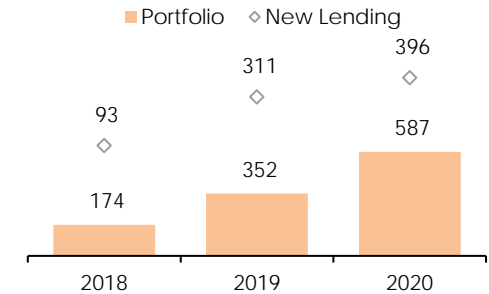
Capitalizing on +20 years in motor financing

Deep-rooted knowledge of ideal distribution strategies

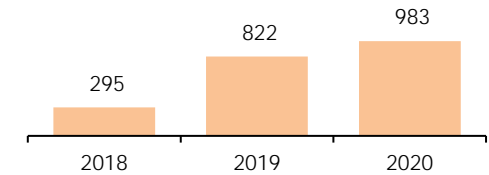
Ability to achieve higher margins due to product scarcity

## Key Figures

### Portfolio, New Lending (EGP mn)



### Number of Loans



### Avg. Tenor

3.5  
years

### Avg. Loan Size

597k  
EGP

# Financing Product Overview: C. Contact Shopping (1/2)

- Establishing presence in the fast-growing consumer finance space utilizing existing financing expertise

## Overview of Contact Shopping

### Consumer Finance Network



### 20:30 Card Partnership

- 50:50 JV between Premium Card and Contact
  - Bank-free credit card allowing holder to purchase products / services from a network of online and offline merchants
  - Initially will be rolled-out in Greater Cairo and Alexandria before expanding across other governorates
- ✓ *Route to capturing corporate clients*
  - ✓ *One of the first non-bank credit cards in the Egyptian market*

## Contact Shopping's Key Distinguishing Features

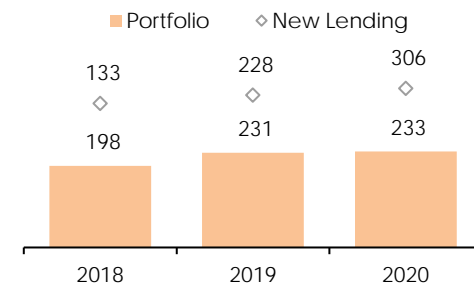
Trusted brand among retail customer base

Large and diversified network enabling product roll-out

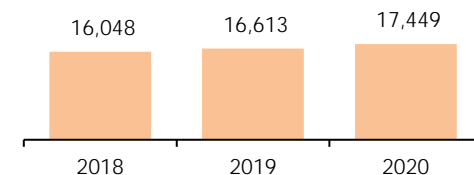
Leveraging credit and collection expertise in to ensure minimal credit losses

## Key Figures

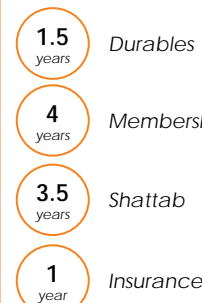
### Portfolio, New Lending (EGP mn)



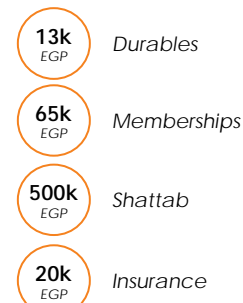
### Number of Loans



### Avg. Tenor



### Avg. Loan Size





# Financing Product Overview: C. Contact Shopping (2/2)

Partnerships with Leading Merchants in Each Product Segment Financed...

Product Segment

Sample Outlets



Electronics,  
Durables &  
Furniture



Jewelry &  
Fashion



Home  
Finishing -  
Upcoming



...with Room for Further Development  
Driven by Growing Partnership  
Network

Growth in Number of Outlets

Wider Target Audience

Growing Number of Clients and  
Traction

Developing the Infrastructure for a  
Platform to Build on

# Financing Product Overview: D. Contact Mortgage

- o *Tapping an unpenetrated, government-backed segment that offers increased stability and low default rates*



## Overview of Contact Mortgage

### Newly Introduced Products...

	I. Long-term Mortgage	II. Low / Middle Income Program	III. Home Equity Loans
Tenor	Up to 10 years	Up to 20 years	Up to 5 years
Target Segment	All building grades A, B & C	Government program targeting low & middle-class housing	Secured loan to finance home finishing

Offering a range of products catering to diverse segments

### ...Distributed through Strategic Touchpoints

Contact Branches	<ul style="list-style-type: none"> <li>o 25 Contact branches, with 15 located outside Greater Cairo</li> </ul>
Real Estate Developers	<ul style="list-style-type: none"> <li>o Utilizing relationships with real estate developers to maximize reach</li> </ul> 
Real Estate Brokers	<ul style="list-style-type: none"> <li>o Partnerships with brokers to offer mortgage products to clients while cross-selling and upselling other consumer financing products</li> <li>o For example, Contact offers discounts to Coldwell Banker Star Club members</li> </ul> 
Digital Platforms	<ul style="list-style-type: none"> <li>o Through the Sakneen mortgage platform, clients will apply online for mortgage &amp; home equity loans to finance ready-to-move homes or finishing a current one</li> </ul>

**sakneen**

## Contact Mortgage's Key Distinguishing Features

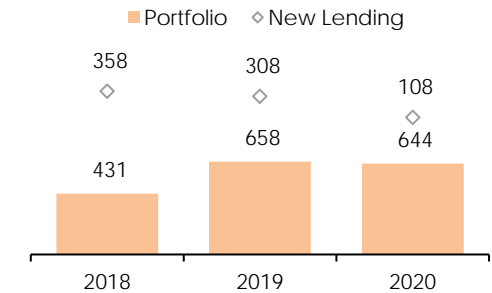
Trusted brand among retail customer base

Revolutionizing mortgage loans in Egypt by assisting regulators in new product development

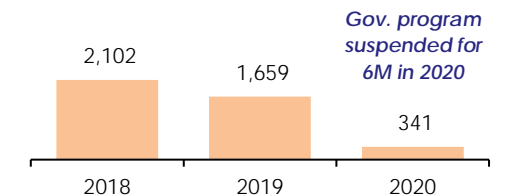
Mortgage structuring expertise

## Key Figures

### Portfolio, New Lending (EGP mn)



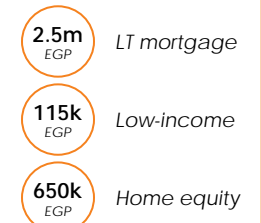
### Number of Loans



### Avg. Tenor



### Avg. Loan Size



# Financing Product Overview: E. Contact Medical

- o Differentiated financing alternatives offered to practitioners and vendors in a fundamental, growing industry

## Overview of Contact Medical

### Identified Market Gap

- o SMEs have limited access to credit, with only 13% of small enterprises receiving access to financing<sup>(1)</sup>
- o Currently, most leasing companies in the market are focused on large-ticket / asset-backed leasing to ensure low default rates

### Introduced Unique Offering

- o Capitalizing on its strong expertise in credit assessment & collection, Contact introduced leasing and factoring to SMEs in the medical space

### Leveraging Customer Acquisition Expertise

- o Reaching out to clients directly through network of Contact branches
- o Strong relationships with medical suppliers who enable further acquisition

### Enhanced Cross-Selling Opportunities

- o Increasing cross-selling prospects by tapping doctors and medical practitioners as long-term clients

## Contact Medical's Key Distinguishing Features

Focused on underserved SMEs and individual medical practitioners

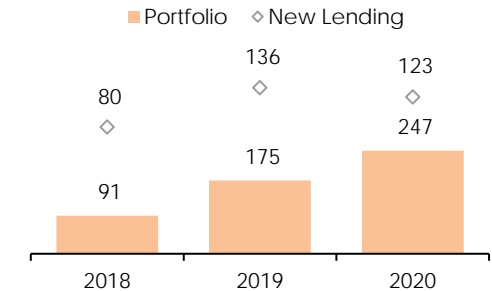
Unique value proposition through factoring and leasing

Introduced small-ticket financing in the medical space

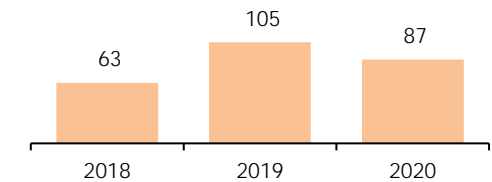
Enhancing clients' cashflows through diverse debt instruments

## Key Figures

### Portfolio, New Lending (EGP mn)



### Number of Loans



### Avg. Tenor

**3.0**  
years

### Avg. Loan Size

**2,834k**  
EGP

# Financing Growth Strategy

## Key Strategy Pillars

### Diversifying the Product Portfolio

- Diversified portfolio of asset-backed, credit financing, factoring and leasing products is unique in the retail and SME lending space
- Consistently introducing / relaunching products to the market including Shattab home finishing loans' introduction, Contact Shopping's re-launch, Contactcars.com's re-launch, long-term mortgages and Creditech, among others

**Contact**  
Shopping

**C**  
CREDITTECH



Long-term  
Mortgage

**Contact**  
Finishing

contactcars  
com

### Differentiated Target Audience

- Targets an extremely wide customer base using a detailed credit assessment policy to tap clientele that is often unreachable to legacy banks and other NBFIs

Rural

Banked

Formally  
Employed

Urban

Unbanked

Informally  
Employed

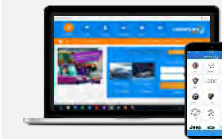
### Establishing Presence in High-Potential Areas

- With half of Egypt's population located in rural areas, Contact recently adopted a new strategy targeting the substantial demographic opportunities by reaching scale in rural areas through leveraging its extensive branch network to drive portfolio & revenue growth while reducing customer acquisition and operating cost

- ✓ Targeting the most high-density districts in each governorate
- ✓ Target 100 local merchants in each district
- ✓ Targeting at least 1% of the rural population in each district

### Enhancing Customer Touchpoints through Digital Transformation

- Contact is increasingly focused on developing its digital customer acquisition capabilities through:
  - Leveraging the Contactcars.com platform
  - Partnering with the Sakneen platform to offer online mortgage and home equity loans
- The Group is also working on introducing a customer loyalty app in order to unify customer experience and enhance customer engagement



Contact Cars

**sakneen**

Sakneen  
Platform



Customer  
Loyalty App

## B. Insurance

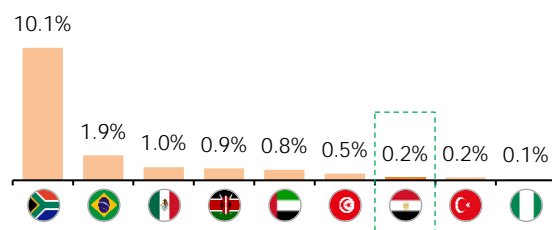
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# Insurance Market Highlights

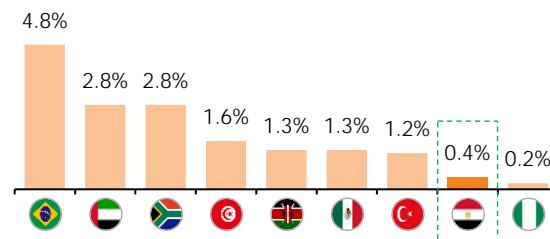
## Insurance Market Highlights

Low life and non-life insurance penetration...

Gross Life Premiums as a % of GDP

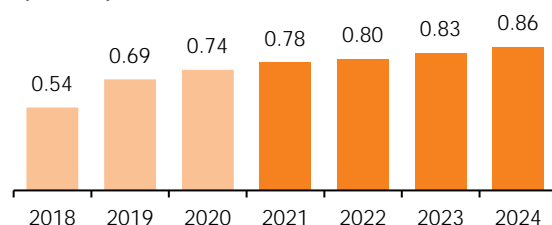


Gross Non-Life Premiums as a % of GDP

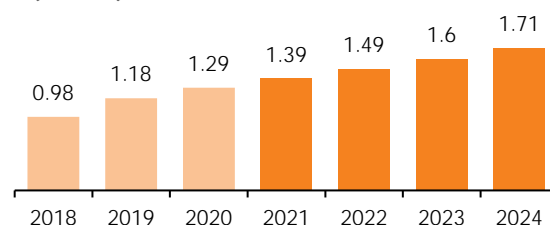


...leaving room for significant future growth & development

Gross Life Premiums Written (USD bn)

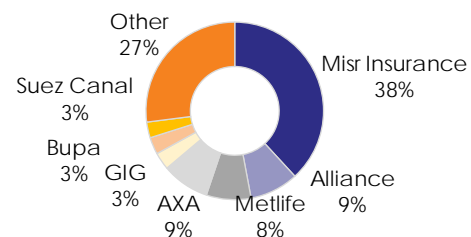


Gross Non-Life Premiums Written (USD bn)

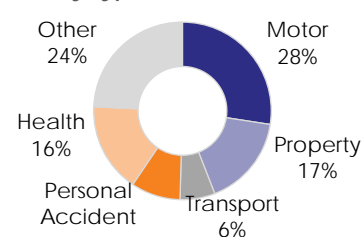


Fragmented market both by market players and insurance type

Insurance Market Key Players by Turnover<sup>(1)</sup>



Non-Life Insurance Market Breakdown by Type<sup>(2)</sup>



## Key Market Players

### Tier 1: Public Companies



Dominated by Misr Insurance

### Tier 2: Multinationals



Focused on large-ticket non-life insurance

### Tier 3: Local / Regional Companies

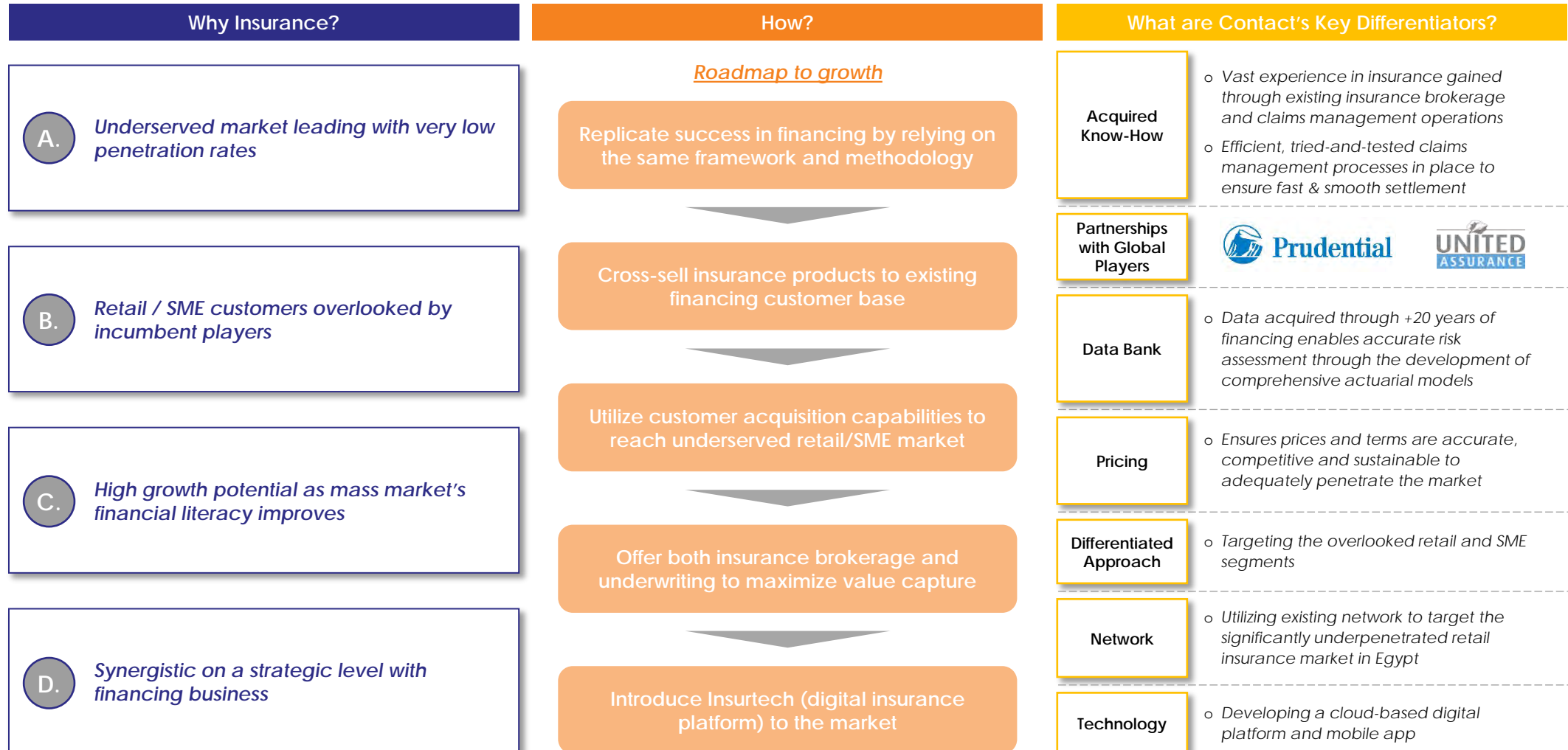


Competitors mostly focused on large-tickets



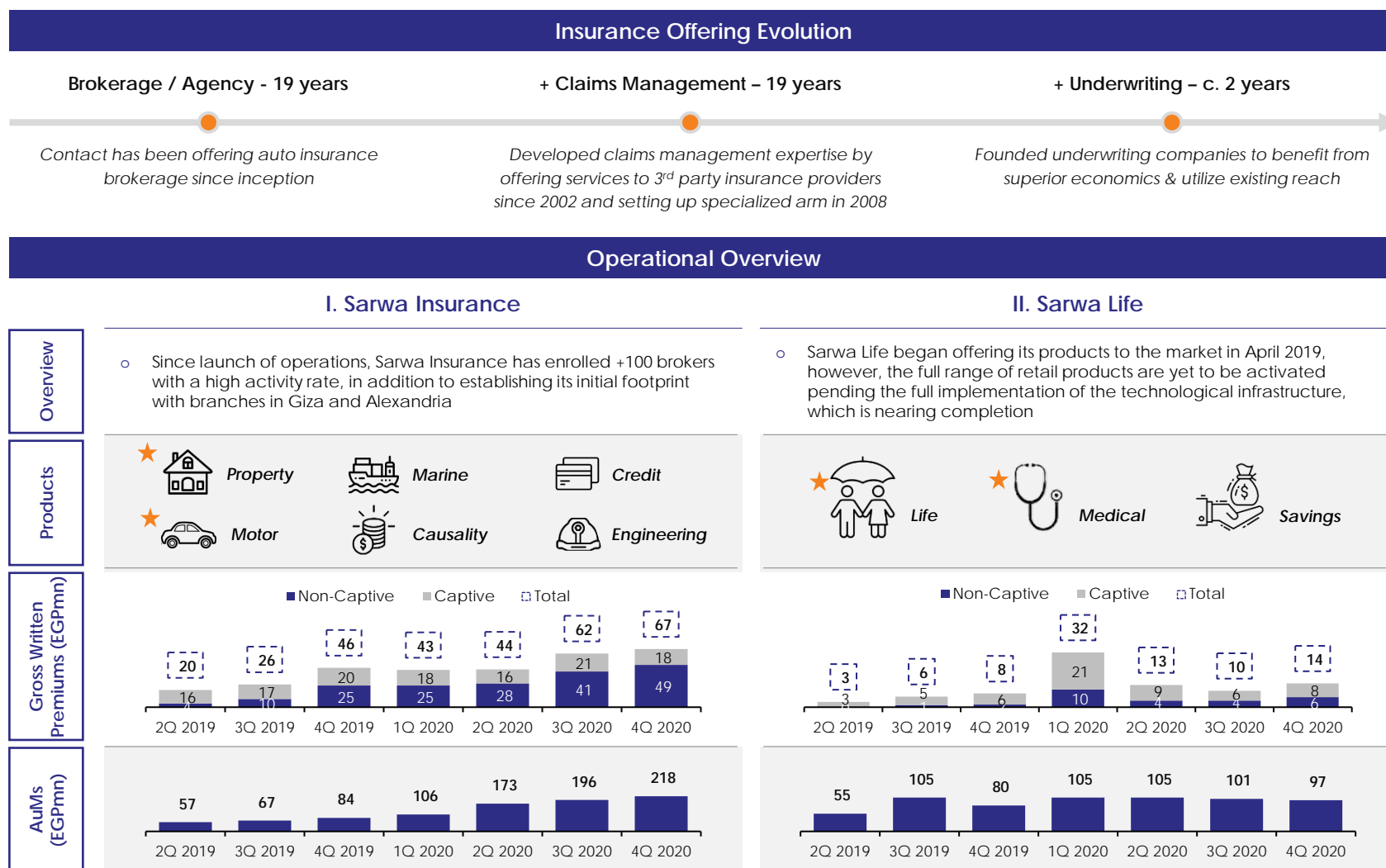
# Expanding into insurance space by leveraging insurtech platform

*Sarwa aims to become the largest homegrown insurance provider in the Egyptian market*



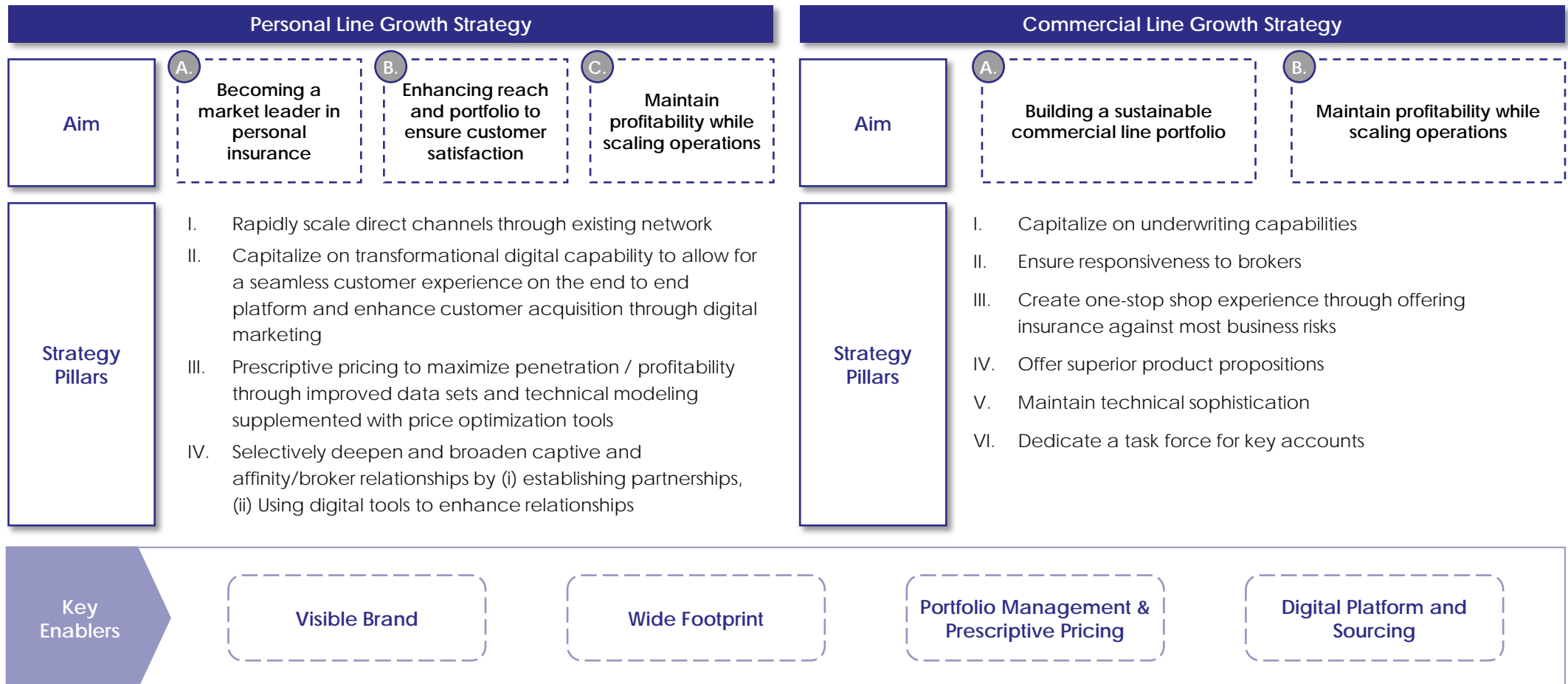
# Insurance Segment: Product Overview

- Contact has been an active player in Egypt's under-developed insurance sector for more than 19 years, having created and brought to market the first fully-developed retail car insurance product
- In response to the noticeable gap in the retail insurance space in Egypt, Contact Holding founded 2 greenfield companies; Sarwa Insurance and Sarwa Life to underwrite its own policies and further expand its insurance offering
- To ensure success of the newly founded entities, the Group relies on its extensive track record of:
  - Issuing various retail motor and other insurance policies through its insurance brokerage arm
  - Claims management for in-house products as well as third parties



★ Key focus areas

# Insurance Segment: Growth Strategy (1/2)



# Insurance Segment: Growth Strategy (2/2)

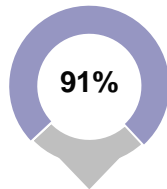
## Building to become the First Digital Insurer in Egypt



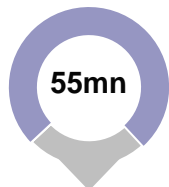
Capitalizing on a large, connected population...



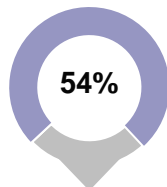
# of Mobile Connections



Mobile Penetration



# of Internet Subscribers



Internet Penetration



...by introducing the first digital insurance platform in Egypt...

A.

### Personal Lines

- **Mobile app** providing select pre-underwritten commercial insurance products
- Facilitates full quote and buy journey

B.

### Commercial Lines

- **Cloud-based platform** that provides commercial clients and brokers with dashboards with view of existing commercial policies and permits policy issuance and claims support



...to facilitate user experience and maximize customer acquisition prospects

1<sup>st</sup>

Cloud-based Insurance System in Egypt

Streamlined user experience and repeat clients

Enhanced customer acquisition by reaching non-traditional clients

15 min issuance time compared to c. 2 days previously

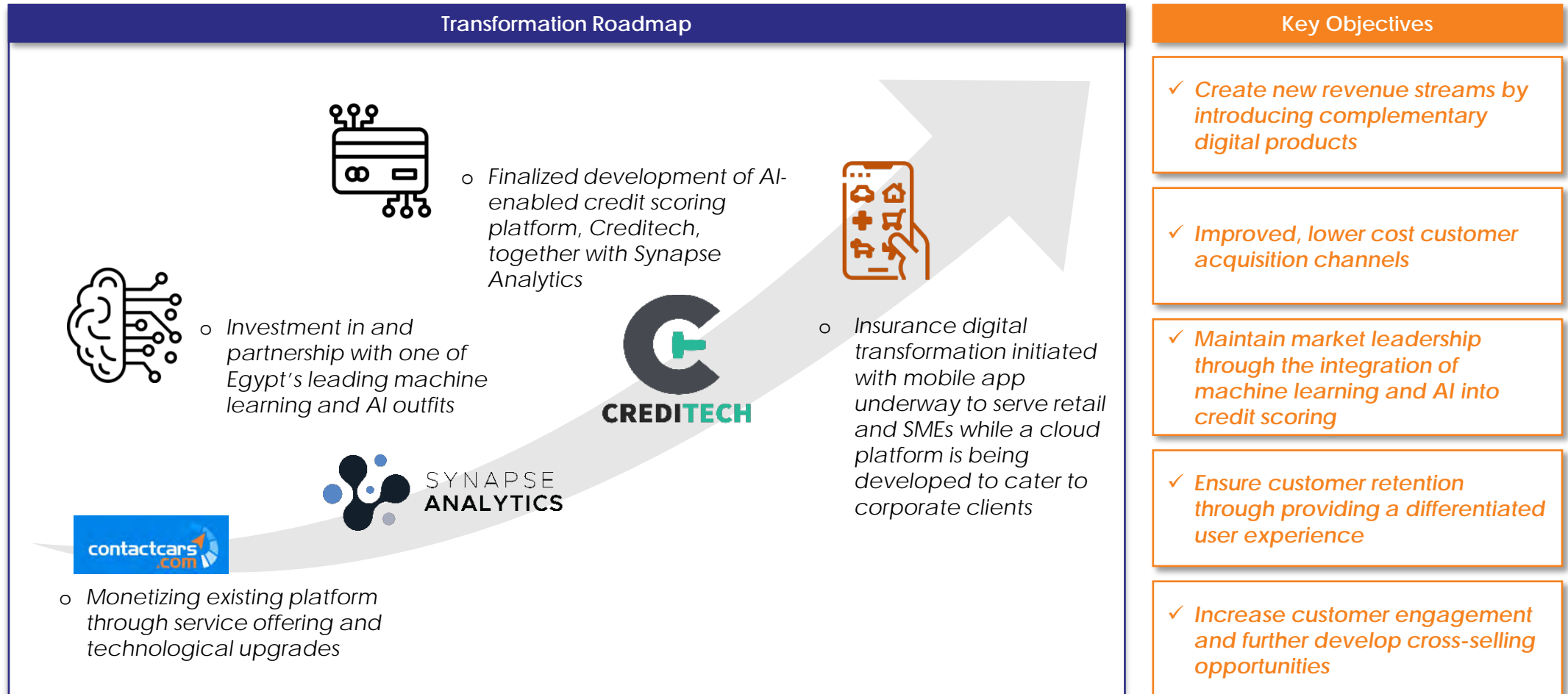
Adaptive questionnaire resulting in superior risk assessment/pricing

## C. Digital Platforms

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# Overview of Digital Platforms

## Leading the Financing and Insurance Sectors' Digitization Movement by Developing a Range of Digital Platforms using Proprietary Technology





# Overview of Contact Cars Platform



## *Dominant Automotive Portal in Egypt, Providing Fundamental Services to the Entire Auto Ecosystem*

<b>c. 1mn</b> Unique Monthly Users	<b>35%</b> Returning Users	<b>5:12 mins</b> High Avg. Time / Visit
---------------------------------------	-------------------------------	--



### Digital Marketplace

Automotive classified solutions for end-users and dealers for new and used vehicles



### Value-Added Services

An ecosystem of products and services that support end-users, corporate customers, dealers and OEMs with the buying, owning and selling of vehicles

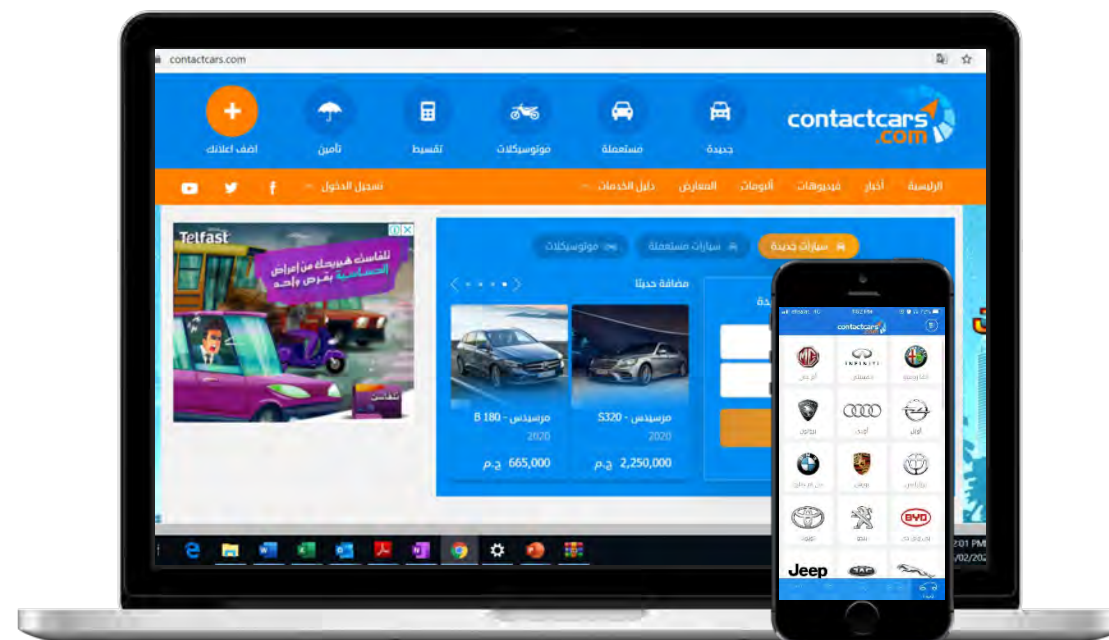


### Data

Continuously developing market and consumer insights to provide data and analytics to end-users, dealers, and other corporate customers to enhance their decision making ability

### Key Existing Features

- ✓ New Car Prices
- ✓ Used Cars Marketplace
- ✓ Used Car Valuation
- ✓ Dealer Pages
- ✓ Auto Loan Calculator
- ✓ Online Loan Application



# Contact Cars Market Opportunity



I. New Car Market	
Key Services	
✓ <b>Lead Generation</b>	
✓ <b>Purchase Facilitation</b>	
2020 Market Sizing	
New Passenger Vehicles ('000) <sup>(1)</sup>	180.0
Average Price (EGP mn)	0.5
<b>Market Size (EGP bn)</b>	<b>90.0</b>
Gross Margin	10.0%
<b>Dealer Market (EGP bn)</b>	<b>9.0</b>
Marketing / Lead Generation / Sales Acquisition	20.0%
<b>Contact Cars Market Segment (EGP bn)</b>	<b>1.8</b>

II. Used Car Market	
Key Services	
✓ <b>Lead &amp; Inventory Generation</b>	
✓ <b>Cycle Facilitation</b>	
✓ <b>Purchase &amp; Sale Facilitation</b>	
2020 Market Sizing	
Used Passenger Vehicles ('000)	650.0
Average Price (EGP mn)	0.2
<b>Market Size (EGP bn)</b>	<b>130.0</b>
Gross Margin	10.0%
<b>Dealer Market (EGP bn)</b>	<b>13.0</b>
Lead Generation	20.0%
<b>Contact Cars Market Segment (EGP bn)</b>	<b>2.6</b>

III. Services Market	
Key Services	
✓ <b>Maintenance &amp; Repairs</b>	
✓ <b>Tires &amp; Spare Parts</b>	
2020 Market Sizing	
<b>Contact Cars Existing Users</b>	
Total Unique Audience (mn)	7.00
(Less 50% Duplicate Devices)	3.50
(Less 50% Non-Owners)	1.75
<b>Contact Users Representation</b>	<b>1/3 of Car Park</b>
<b>Entire Market</b>	
Total Licensed Car Park ('000)	6,000
Average Price (mn)	0.265
<b>Total Value of Car Park (EGP bn)</b>	<b>1,590.0</b>
Penetration Rate	10.0%
<b>Penetrated Market (EGP bn)</b>	<b>159.0</b>
Annual Spend on Car Services	1.0%
<b>Total Services Market (EGP bn)</b>	<b>1.6</b>

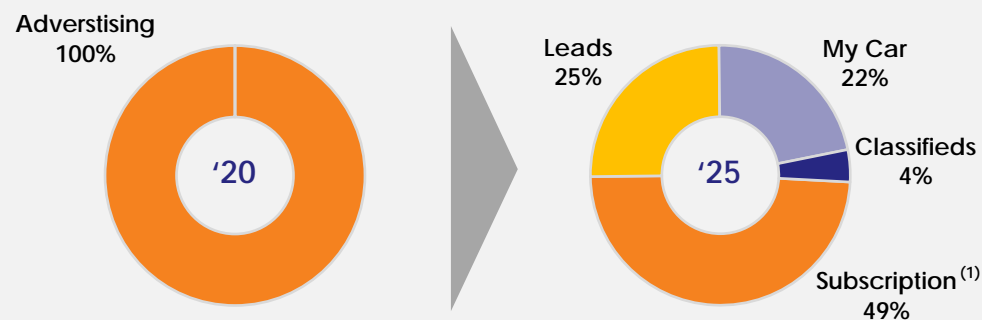
# Contact Cars Monetization Plan



## Overview of Transformation Strategy

- o In 2020, Contact Holding's management commenced the plan to monetize the platform by bringing it in-house and planning a relaunch with a wider range of services / revenue streams
- o Aiming to become the **#1 full automotive marketplace by traffic and engagement**
- o Key new service offerings include:
  - o Connecting buyers and sellers of new & used cars
  - o Adding a strong layer of B2B / dealer services, capitalizing on increasing engagement

## Shifting away from the Single Source Revenue Model to Diversified Revenue Streams



## Key Monetization Pillars

### Ecosystem Embedded with Cutting-Edge Technology



- o Creating a more experience-oriented environment for users and optimizing the contactless experience

**Chatbot, Virtual and Augmented Reality**



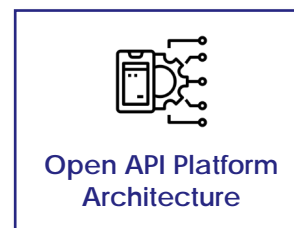
- o Build to scale-up and driving speed business value

**Chatbot, Virtual and Augmented Reality**



- o Enabling retailers to provide well-informed offerings to their target audiences by providing data driven decisions

**Analytics and Robo Advisor**



- o An innovative model enhancing routes to market, creating new value chains for IP and Improving B2B integrations

**Marketplace, Merchants, Social and Payment integrations**

# Overview of Creditech



## **Contact**

*Deep data for over 105k customers over 20 years*

- Leveraging Contact's deep data including:
  - Credit History and repayment behavior
  - Income levels
  - Detailed personal and demographic data
- Utilizing Contact's Balance sheet and/or insurance products; in addition to its strong collection



**SYNAPSE  
ANALYTICS**

*Pioneering data science & A.I. company*

- Leveraging Synapse's strong expertise in credit scoring in Egypt
- Utilizing Synapse's +40 highly experienced AI and software engineers



*Combining Contact's robust data bank with Synapse's unique AI experience to launch a pioneering digital lending platform*

- Newly founded joint venture between Contact Holding and Synapse Analytics expected to launch in 2021
- Creditech will leverage the highly detailed credit scoring algorithms utilizing Contact's data and will leverage Contact's balance sheet, insurance products, and collection expertise to enable businesses to start offering financing products
- Creditech will act as a platform for Fintech companies and retailers who aim to provide financing to their customer base
- **Development is finalized, platform currently being commercialized**



## D. Debt Capital Markets

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# Overview of Debt Capital Markets

## Overview of Debt Capital Markets Activities

- Originally established to **deepen Egypt's debt capital markets and further enhance the Group's availability and cost of funding**
- Pioneer in introducing new products to the market:
  - 1<sup>st</sup> securitization in 2005
  - 1<sup>st</sup> real estate backed securitization in 2015
  - 1<sup>st</sup> sukuk mudaraba in 2020
- In 2020, Egypt's debt market reached a number of issuances amounting to a total value of +EGP 29.2bn

## Funding Enhancement Approach

- Strategy to fund a significant portion of the financing and insurance operation through DCM
- Working with regulators and stakeholders to unlock further offerings and enhance market liquidity
- Exploiting an under-utilized savings product and targeting the retail segment

### Money Market Fund

- First open-ended money market fund issued by the Group in Q1 2021 was initially 3.0x oversubscribed, increasing to **4.5x** oversubscription

## DCM Segment Highlights

31  
Debt  
Issuances  
totaling  
+EGP 26bn

A – AA+  
Credit  
Rating

First  
Securitization  
Issuance

First  
Real Estate-  
Backed  
Securitization

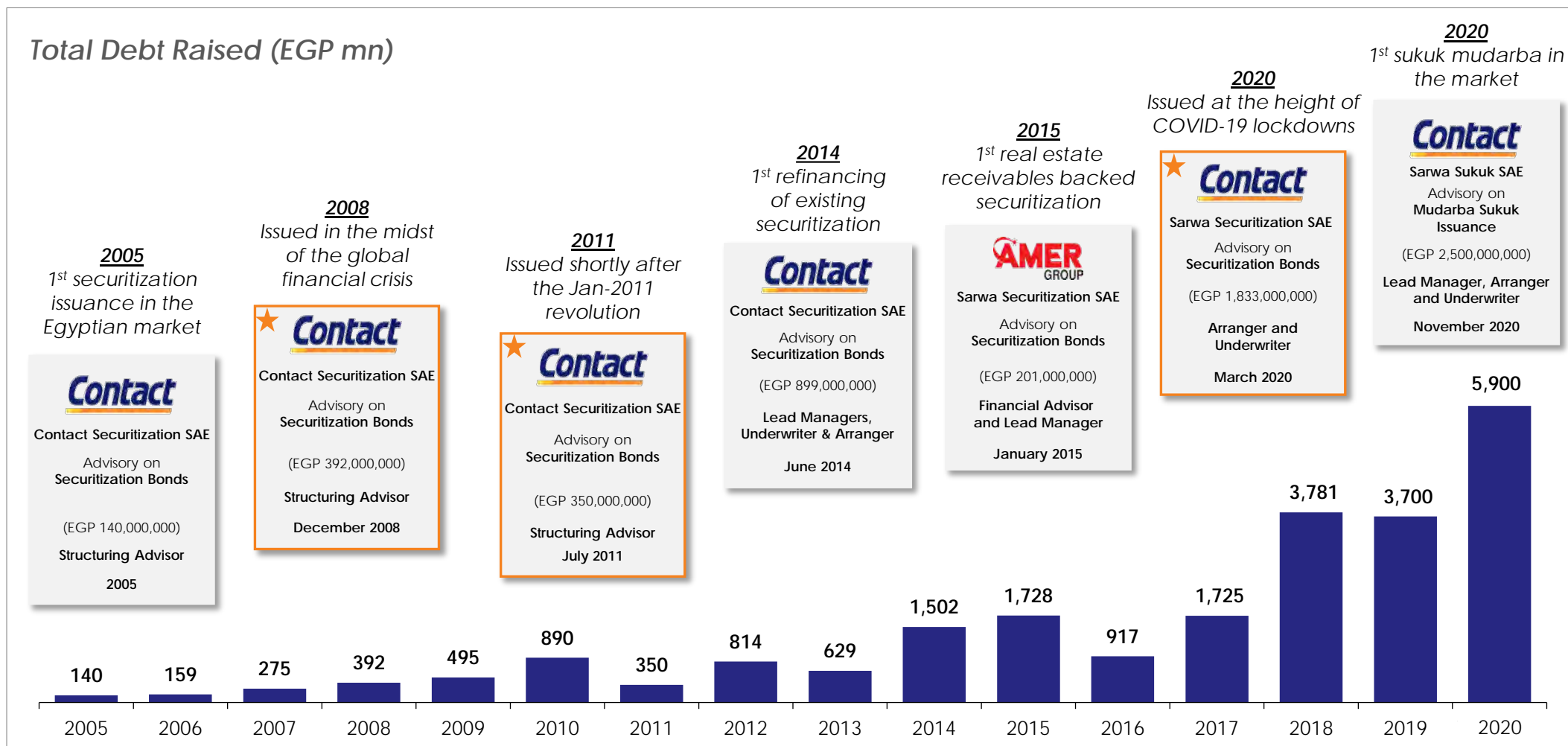
Largest  
Securitization  
Issuer

First Sukuk for  
a Financial  
Institution



# Debt Capital Markets Track Record

*Egypt's Leading DCM Player with a Proven Record of Executing Transactions in Challenging Market Conditions, Safeguarding the Group's Liquidity Requirements*



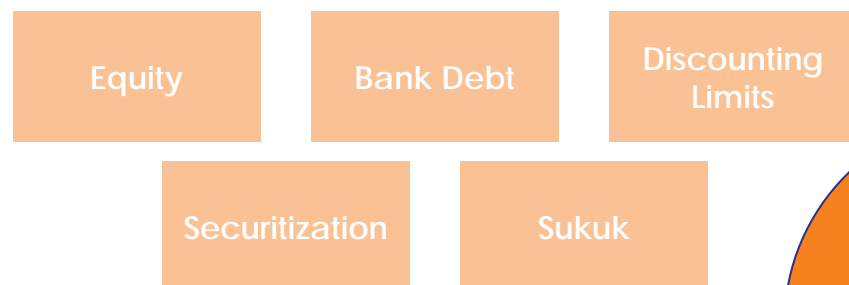


# Section 4 Funding Sources

# Overview of the Group's Funding Sources

## Diversifying Funding Sources

- Strategy to diversify funding sources is key in ensuring **minimal funding costs**, ensuring continued **access to financing** and **extracting the main benefits** of each funding alternative



## Large Liquidity Pool

- By issuing a wide range of debt instruments, Contact is able to **access a wide pool of funds** as it attract various investor types including banks, insurance funds and pension funds

- **Contact's bonds have the highest credit rating** for a non-sovereign bond in Egypt, making the issuances desirable to all investor types

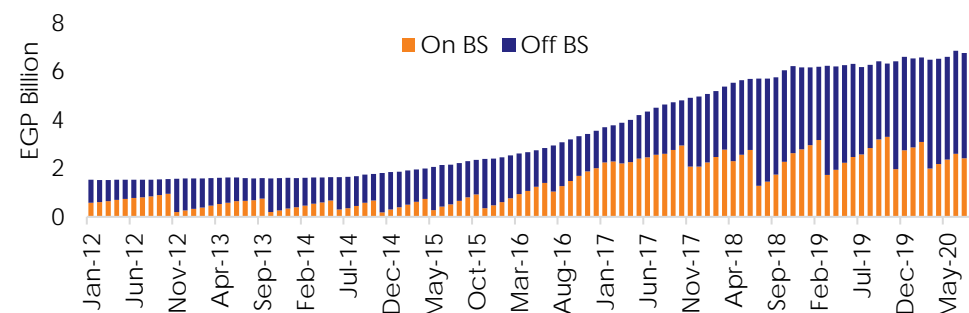
**A – AA+**  
Highest rated  
Non-Sovereign  
Bond

## Reducing Cost Of Funding

- +20 years of financing experience resulting in the most effective funding policy being implemented
- To ensure minimal cost of funding, the Group utilizes (among other instruments) securitization bonds and sukuk to finance its operation
- Contact issues fixed rate bonds against a selected benchmark. The Group benefits from refinancing the products if interest rates decrease, while facing no risk from any adverse fluctuations

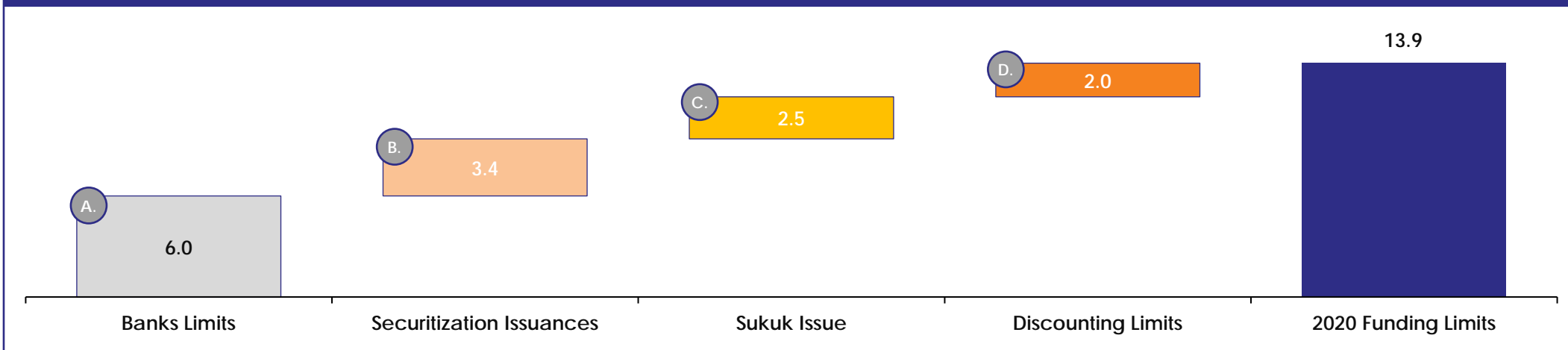
## Reducing Liquidity Risk

- Off-Balance Sheet financing generates new lending capacity on balance sheet by offloading existing portfolio



# 2020 Funding Sources In Depth

## Overview of 2020 Funding Limits



### A. Banks Limits

#### Banking Facilities

- o Contact has strong relationships with Egypt's largest banks, enabling swift drawdown if and when bank debt is needed

### B. Securitization Issuances

#### Mar-20 Issuance

- o Bond size: EGP 1.8 billion
- o Avg. Coupon Rate: 15.19%

Tranche	A.	B.	C.
Size	645	873	310
Coupon	14.56%	15.41%	15.91%
Maturity	Apr-20	Apr-22	Feb-24
Rating	AA+	AA	A

#### Dec-20 Issuance

- o Bond size: EGP 1.6 billion
- o Avg. Coupon Rate: 10.27%

Tranche	A.	B.	C.
Size	400	876	352
Coupon	9.85%	10.35%	10.55%
Maturity	Dec-21	Dec-23	Nov-25
Rating	AA+	AA	A

### C. Sukuk Issue

#### Sukuk – November 2020

- o Mudaraba Sukuk issuance of EGP 2.5 billion in Q4 2020
- o Banque Misr and Misr Capital acting as strategic partner and bookrunner, underwriting EGP 2.5 billion
- o Sukuk rating is A-

### D. Discounting Limits

#### Discounting - 2020

- o Outstanding discounted portfolios of EGP 1.3 billion as of Dec-2020
- o Allows for portfolio offloading to enhance lending capabilities



# Section 5 Historical Financial Performance



# Consolidated Management Reclassified Accounts

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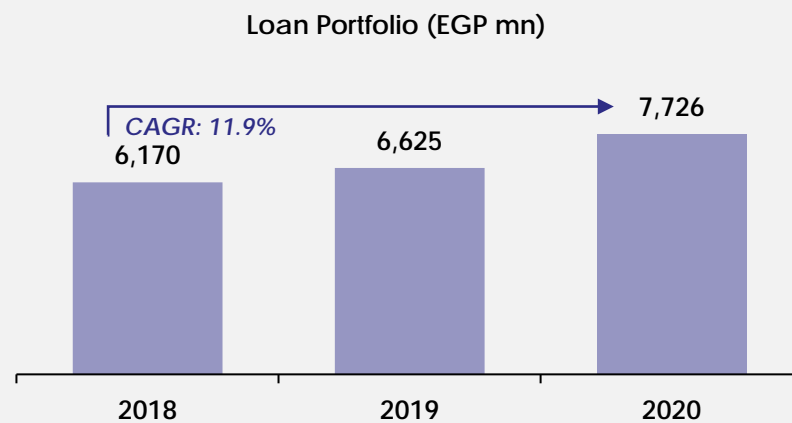
Management accounts are a reclassification of the consolidated audited accounts as following:

1. The auto credit and consumer goods financing businesses have been treated under current accounting standards as trading activities (due to the legal structure of the companies – using a hire-purchase contract structure) and as such they account for the sales value of the underlying assets (net of sales tax) and the cost which matches the sale. As Contact Credit became a licensed consumer finance business, new accounting standards were applied, though a portion of the business conducted through JVs is still being adapted. We reclassify all numbers and present the income statement as a financing business and therefore include only interest income and expense.
2. The consolidated audited accounts do not consolidate any companies with ownership under 50%, even though Contact group entities have full management control over several of these businesses. In the reclassified accounts (income statement) these are consolidated fully with accounting for minorities. The portfolios of these companies are also consolidated.
3. Securitization and discounting financing are off-balance sheet and without recourse. Under current accounting standards the financial statements do not show the balance and income from portfolios that were refinanced via those structures, despite the fact that the group continues to earn substantial revenues from these portfolios during their full tenor. In the reclassified accounts the revenues (interest income) and expense (bond interest as interest expense) are reclassified and the full portfolio included.
4. The consolidated audited accounts summarize insurance companies' activities while the management accounts separate revenues; gross and net, and consolidating OPEX and SG&A.

# Sustainable Growth and Profitability Trajectory

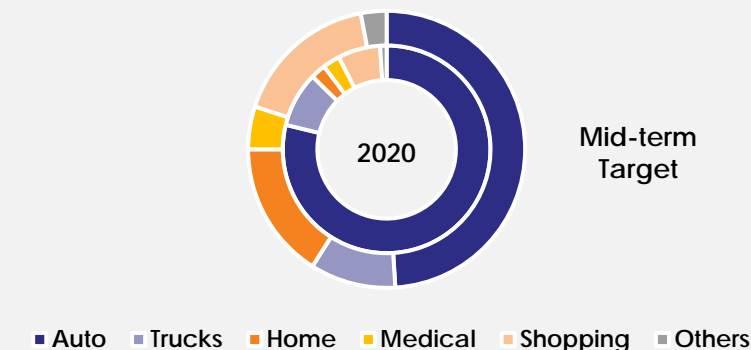
- Between 2018 and 2020, the Group's loan portfolio grew by an average of 11.9% CAGR on the back of growth in mortgage lending, Contact Shopping, and leasing in addition to the roll-out of new products and stable growth in its flagship product, auto loans
- While car loans initially represented the main contributor to the Group's overall portfolio, Contact has moved towards a more diversified portfolio to benefit from: the available market opportunities; greater accessibility of clients; and higher margin products such as Contact Trucks and Contact Shopping
- As part of its diversification strategy, Contact Holding entered the insurance underwriting market through Sarwa Life and Sarwa Non-Life thus setting up multiple revenue streams that can be directly fed by its existing customer base

## A substantial and growing loan portfolio...

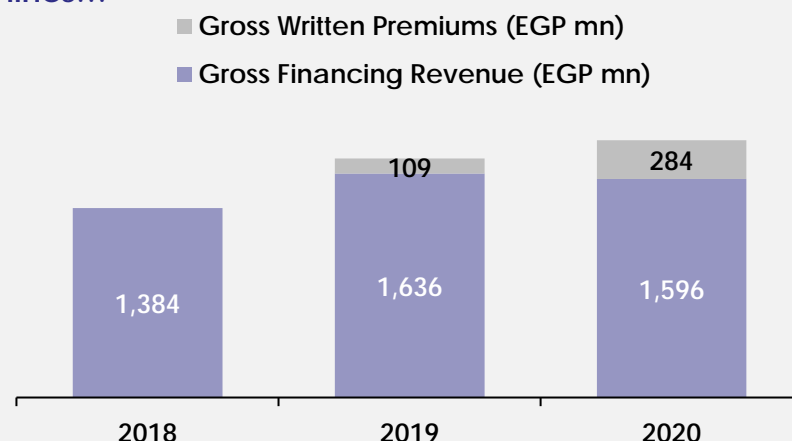


## ...underpinned by a diversified product offering with multiple growth drivers...

### New Lending Portfolio (EGP mn)

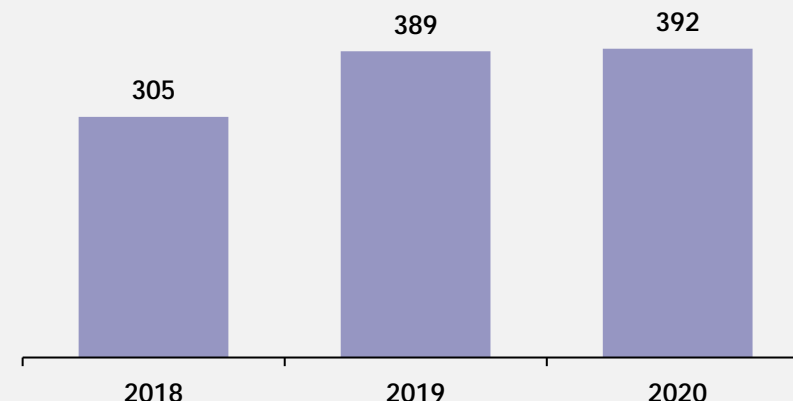


## ...with multiple revenue streams across its business lines...



## ...resulting in robust financial performance

### Adjusted Net Profit After Minorities<sup>(1)</sup> (EGP mn)





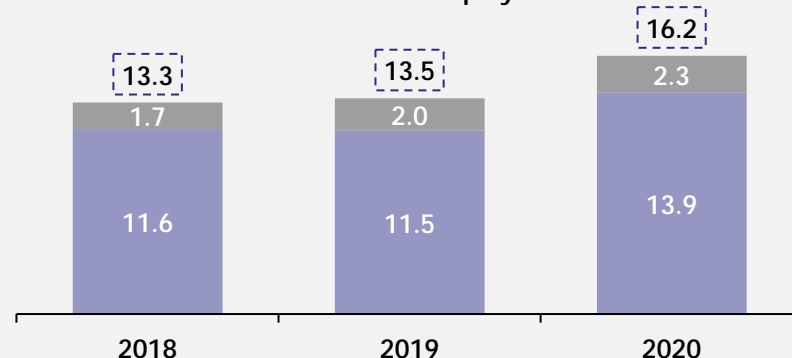
# Supported by a Robust Balance Sheet and Unrivalled Funding Capabilities

- Contact has employed a diverse funding strategy where management regularly monitors rates in the debt and capital markets to optimize its cost of funding. As a result, management has alternated between raising debt or equity, at times recalling outstanding securitization bonds to improve the funding mix and enhance spreads
- Furthermore, the Group's ability to off-load its debt burden in the form of securitization, discounted lending, or sukuk issuances lends it a certain degree of flexibility when it comes to leverage
- As a result, the Group has maintained healthy leverage levels with sufficient capacity to expand its portfolio

## A well diversified funding base...

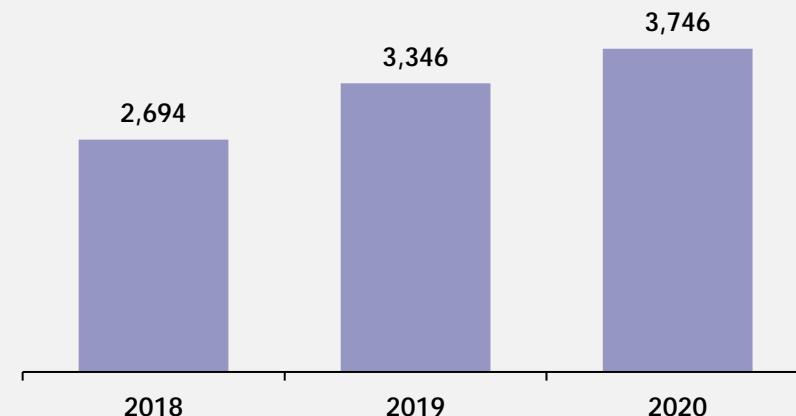
Funding Limits (EGP bn)

■ Debt ■ Equity



## ...with refinancing option enabling portfolio transfer...

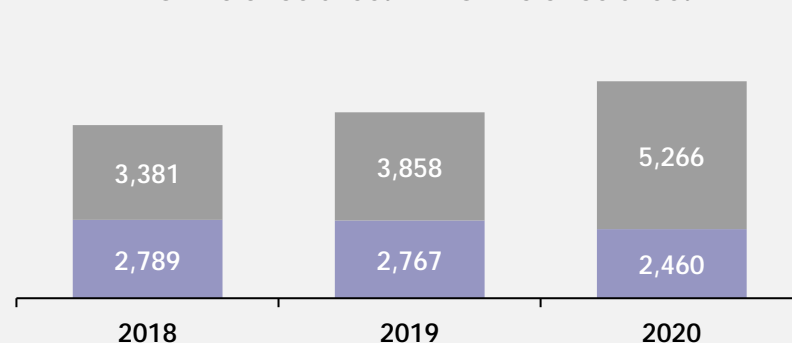
Transfer of New Portfolio (EGP mn)



## ...thus freeing up leverage capabilities...

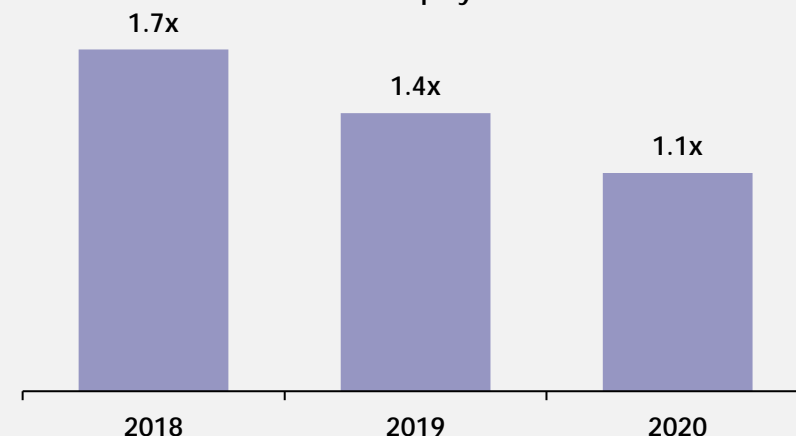
Total Portfolio (EGP mn)

■ On-Balance Sheet ■ Off-Balance Sheet



## ...and yielding low leverage levels

Debt / Equity<sup>(1)</sup>



## A. Financing Performance Review

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# Financing: Summary Income Statement (1/3)

## Net Interest Income

- The Group boasts substantially higher reported NIMs on the back of a diversified product portfolio that includes high spread products and a versatile funding strategy that capitalizes on optimal market rates

## Net Revenue from Portfolio Transfer

- Contact's funding strategy entails the routine offloading of its balance sheet portfolio using sukuk issuances, securitization, and discounting limits
- The resulting revenue from portfolio transfer is partially booked as soon as the portfolio is offloaded with the remaining portion amortized over the lifecycle of the bond thus yielding a more even income curve

## Other Insurance Services

- Other Insurance Services from other services includes insurance brokerage income that is generated from products that are paid for in cash only in addition to income from contact service club
- Since the non-cash portion of the insurance brokerage income is accounted for in the interest income, fluctuations in income from other services occur depending on split between cash and non-cash

Financing Income Statement (EGP 000s)	2018	2019	2020	CAGR (18-20)	4Q-2020	4Q-2019	Y-o-Y Growth
Interest Income	1,127,121	1,249,708	1,140,969		264,115	285,654	
Interest Expense	(707,690)	(755,523)	(653,952)		(147,274)	(208,483)	
<b>Net Interest Income</b>	<b>419,431</b>	<b>494,185</b>	<b>487,017</b>	<b>8%</b>	<b>116,841</b>	<b>77,171</b>	<b>51%</b>
<i>Net Interest Margin (%)</i>		7.7%	6.8%		N/A	N/A	

<b>New Lending Portfolio</b>	<b>4,298,917</b>	<b>3,878,098</b>	<b>4,619,696</b>	<b>4%</b>	<b>1,397,531</b>	<b>1,068,765</b>	<b>31%</b>
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<b>Transferred Portfolio</b>	<b>2,693,600</b>	<b>3,345,586</b>	<b>3,746,159</b>	<b>18%</b>	<b>N/A</b>	<b>N/A</b>	
<i>As % of New Lending Portfolio</i>	62.7%	86.3%	81.1%				

<b>Net Revenue from Portfolio Transfer</b>	<b>181,381</b>	<b>296,414</b>	<b>355,905</b>	<b>40%</b>	<b>181,969</b>	<b>173,434</b>	<b>5%</b>
<i>As % of Transferred Portfolio</i>	6.7%	8.9%	9.5%				

Fee Income	75,803	89,878	99,247		41,294	35,973	
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<b>Financing Income</b>	<b>676,615</b>	<b>880,477</b>	<b>942,169</b>	<b>18%</b>	<b>340,104</b>	<b>286,578</b>	<b>19%</b>
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Other Insurance Services	43,899	41,740	31,551		7,402	9,495	
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<b>Net Operating Income</b>	<b>720,513</b>	<b>922,217</b>	<b>973,720</b>	<b>16%</b>	<b>347,506</b>	<b>296,073</b>	<b>17%</b>
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# Financing: Summary Income Statement (2/3)

## Cost to Income Ratio (%)

- Reported cost to income ratio is very competitive in today's market, underpinned by the Group's scale of operations which allows it to benefit from its existing sales channels and other cost centers to roll-out new products
- Although, cost to income ratio has risen significantly in 2020 on the back of branch expansions and product investments, it is expected to normalize around historical averages in the medium term as income from new product launches ramp up

## Cost of Risk Ratio (%)

- The Group's cost of risk ratio has remained fairly low as a result of its superior credit assessment approach and low delinquency rates
- Furthermore, the Group's provisioning strategy is in line with the implementation of the IFRS9 standards as evidenced by the provisions taken during 2020

## Adjusted Net Income After Minorities

- Minority income has decreased significantly in 2020 as the Group shifted away from recognizing a portion of its income through its JVs, rather directing this income towards its own companies
- 2020 net income was adjusted for c. EGP 9mn to set up the digital platform for contactcars.com; c. EGP 15mn in ESOP, part of a 4-year program with an annual distribution that is amortized over three years; and c. 16mn in deferred taxes, which the Group chooses to pay upfront to generate future savings

Financing Income Statement (EGP 000s)	2018	2019	2020	CAGR (18-20)	4Q-2020	4Q-2019	Y-o-Y Growth
<b>Net Operating Income</b>	<b>720,513</b>	<b>922,217</b>	<b>973,720</b>	<b>16%</b>	<b>347,506</b>	<b>296,073</b>	<b>17%</b>
Operating Expenses	(132,190)	(181,173)	(249,160)		(69,953)	(51,188)	
Marketing Expenses	(3,052)	(3,838)	(20,509)		(11,147)	(1,291)	
<b>Total Operating Expenses</b>	<b>(135,242)</b>	<b>(185,011)</b>	<b>(269,669)</b>	<b>41%</b>	<b>(81,100)</b>	<b>(52,479)</b>	<b>55%</b>
<b>Cost to Income Ratio (%)</b>	<b>18.8%</b>	<b>20.1%</b>	<b>27.7%</b>		<b>23.3%</b>	<b>17.7%</b>	
Provisions	(14,430)	(28,951)	(15,416)		20,069	(24,555)	
<b>Cost of Risk Ratio (%)</b>		<b>0.5%</b>	<b>0.2%</b>		<b>-0.5%</b>	<b>4.9%</b>	
IPO Fees	(22,745)	0	0		0	0	
Contactcars.com operating expenses	0	0	(9,105)		(3,295)	0	
SG&A Expenses	(38,425)	(27,648)	(43,943)		(12,833)	(3,006)	
Other Income / Expenses	4,123	3,372	(2,673)		(3,209)	290	
Depreciation & Amortization <sup>(1)</sup>	(10,965)	(22,032)	(35,021)		(9,105)	(6,642)	
<b>EBT</b>	<b>502,828</b>	<b>661,947</b>	<b>597,893</b>	<b>9%</b>	<b>258,033</b>	<b>209,681</b>	<b>23%</b>
Corporate Tax	(103,844)	(155,614)	(178,634)		(68,120)	(64,862)	
<b>Implied Tax Rate (%)</b>	<b>20.7%</b>	<b>23.5%</b>	<b>29.9%</b>		<b>26.4%</b>	<b>30.9%</b>	
<b>Net Income</b>	<b>398,985</b>	<b>506,333</b>	<b>419,259</b>	<b>3%</b>	<b>189,913</b>	<b>144,819</b>	<b>31%</b>
Minorities	(78,285)	(82,249)	(41,315)		(18,357)	(25,645)	
<b>Net Income After Minorities</b>	<b>320,700</b>	<b>424,084</b>	<b>377,943</b>	<b>9%</b>	<b>171,556</b>	<b>119,173</b>	<b>44%</b>
<b>Adjusted Net Income After Minorities<sup>(2)</sup></b>	<b>343,445</b>	<b>424,084</b>	<b>417,472</b>	<b>10%</b>	<b>177,068</b>	<b>119,173</b>	<b>49%</b>

Notes: (1) Amortization includes ESOP; (2) Adjusted in 2018 for IPO fees and in 2020 for ESOP, contactcars.com expenses, and deferred taxes

# Financing: Summary Income Statement (3/3)

## Overview of Group's Provisioning in 2020

In preparation of the full implementation of the IFRS 9, the Group has conducted a credit risk assessment for each business and product portfolio as per the IFRS9 guidance for financial institutions, based on the asset type, historical recovery of each product and the figures for the Expected Credit Losses (ECL) for each type of business came in as follows:

	ECL
Financing Business	91,887,718
Insurance Business	781,589
Debtors & Other Business	11,456,631
Cash & Cash Equivalent	255,470
<b>Total</b>	<b>104,381,408</b>

With an opening provision balance of EGP 40.5 million at the beginning of 2020, and the additional contingency provisions of EGP 38.2 million booked during the year, the total provision balance was EGP 78.8 million at the end of the third quarter. Accordingly, the difference between the ECL model is booked through both the group equity and the P&L bringing the total provision balance after fully adopting the IFRS 9 to EGP 104 million.

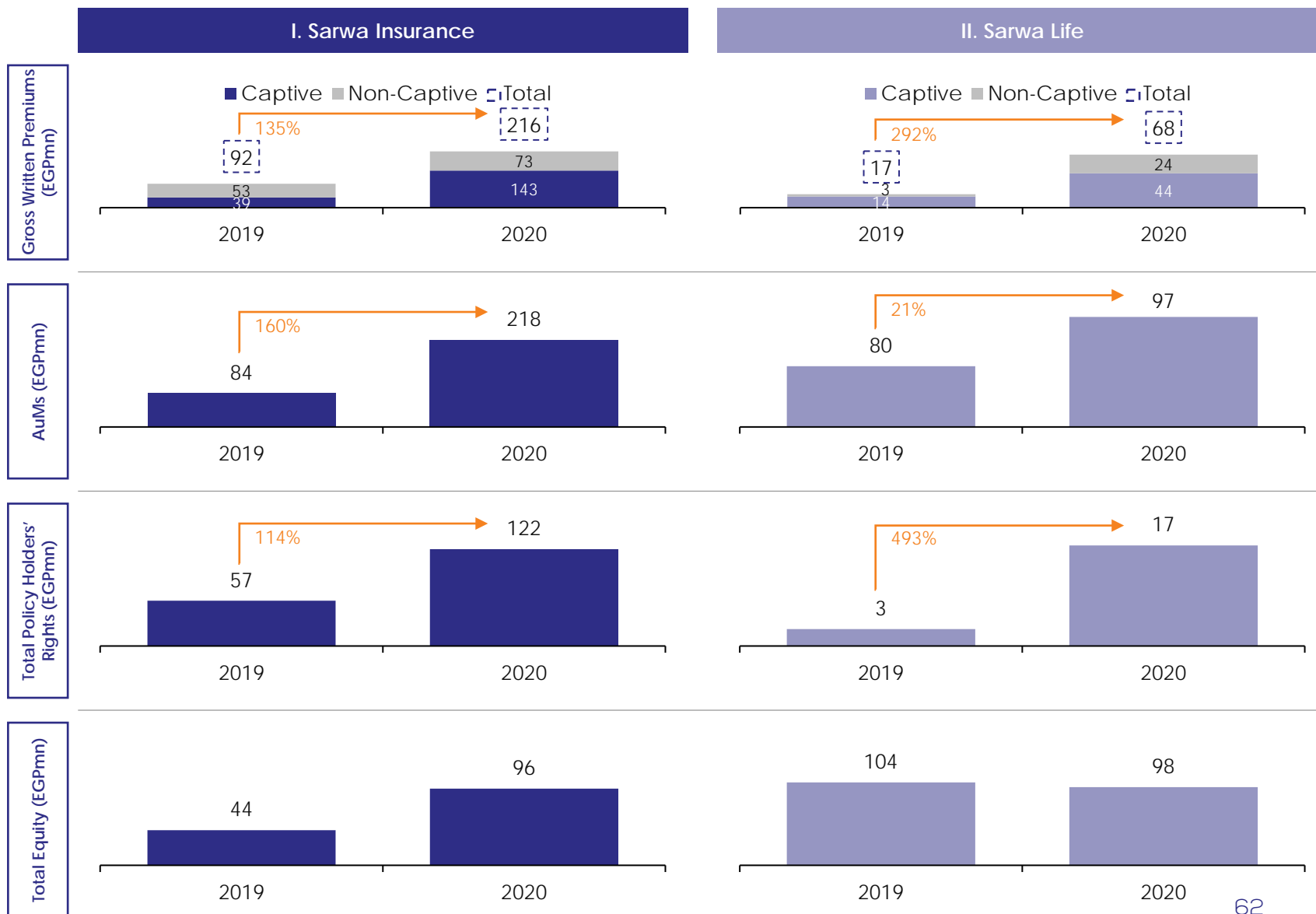
	2020
Provision balance at the end of 2019	40,533,908.63
Total contingency provisions during 2020	38,269,884.57
<b>Net Operating Income</b>	<b>78,803,793</b>
Reverse contingency provision	(38,269,885)
2019 ECL model results through Equity	53,594,108
2020 ECL model results through P&L	10,253,392
<b>Total provision balance after IFRS9 full implementation</b>	<b>104,381,408</b>

## B. Insurance Performance Review

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# Insurance: Financial Performance Review

- Launched in 2019, The Group has achieved substantial growth in gross written premiums y-o-y with potential to unlock growth avenues as the insurance arm undergoes a digital transformation
- The new digital platform with its adaptive algorithm is expected to reduce the time it takes to issue a new policy from 10-14 days to a matter of minutes, which is unprecedented in the Egyptian Market
- Furthermore, underwritten premiums are expected to witness further growth as the Group rolls out its life products to retail clients and develop business partnerships for its non-life products





# Insurance: Summary Income Statement (1/2)

## Net Earned Premium Ratio (%)

- Given the nascence of the insurance underwriting arm of the Group, net earned premium has fluctuated as management ramps up the deployment of its products in the market with expectations to stabilize in the mid-fifties range

## Loss Ratio (%)

- Loss ratio is expected to decline as the Group scales its operations with management targeting an average midterm rate of c. 45%

## Expense Ratio (%)

- Expense ratio is expected to decline significantly as the Group launches its digital platform to customers, thus facilitating customer acquisition and lowering operating expenses in the near term especially when compared to traditional insurance players in the market who heavily rely on insurance appraisers rather than an automated system

Insurance Business Income Statement (EGP 000s)				
	2018	2019	2020	Y-o-Y
Life Written Premiums		17,337	67,957	292%
Non-Life Written Premiums		91,889	215,899	135%
<b>Gross Written Premium</b>		<b>109,227</b>	<b>283,856</b>	<b>160%</b>
% Growth		NMF	159.9%	
Other Direct Income		2,378	5,237	
Ceded Premium		(20,847)	(73,109)	
<b>Net Written Premium</b>		<b>90,757</b>	<b>215,984</b>	<b>138%</b>
As % of Gross Written Premium		83.1%	76.1%	
Unearned Premium Service		(49,137)	(49,818)	1%
<b>Net Earned Premium</b>		<b>41,620</b>	<b>166,166</b>	<b>299%</b>
Net Earned Premium Ratio (%)		38.1%	58.5%	
Investment Income		18,984	32,829	73%
<b>Net Claims Insured</b>		<b>(20,564)</b>	<b>(90,519)</b>	<b>NMF</b>
Loss Ratio (%)		49.4%	54.5%	
Net Commissions	0	(9,657)	(29,701)	
Provisions	0	0	(1,640)	
Operating Expenses	(35,966)	(50,305)	(67,697)	
SG&A	0	(9,521)	(29,210)	
Expense Ratio (%)	NMF	166.9%	77.2%	
<b>Total Operating Expenses</b>	<b>(35,966)</b>	<b>(90,047)</b>	<b>(218,766)</b>	<b>NMF</b>
Combined Ratio (%)	NMF	216.4%	131.7%	
<b>Insurance Activity Surplus (Deficit)</b>	<b>(35,966)</b>	<b>(29,443)</b>	<b>(19,772)</b>	<b>NMF</b>

# Insurance: Summary Income Statement (2/2)

Insurance Business Income Statement (EGP 000s)				
	2018	2019	2020	Y-o-Y
<b>Insurance Activity Surplus (Deficit)</b>	<b>(35,966)</b>	<b>(29,443)</b>	<b>(19,772)</b>	<b>NMF</b>
Other Income / Expenses	0	50	8	
Provisions	0	0	(174)	
Depreciation	0	(600)	(1,620)	
<b>EBT</b>	<b>(35,966)</b>	<b>(29,992)</b>	<b>(21,557)</b>	<b>NMF</b>
Corporate Tax	(1,002)	(6,146)	(4,617)	
<i>Implied Tax Rate (%)</i>	<i>NMF</i>	<i>n/a</i>	<i>n/a</i>	
<b>Net Income</b>	<b>(36,968)</b>	<b>(36,138)</b>	<b>(26,175)</b>	<b>NMF</b>
Minorities	(584)	768	906	
<b>Net Income After Minorities</b>	<b>(37,552)</b>	<b>(35,369)</b>	<b>(25,269)</b>	<b>NMF</b>

## Insurance Activity Surplus (Deficit)

- As of 2020, the insurance business is loss making at the operational level as the Group is still operating with a limited product range

## Net Income

- Despite its operational losses, the Group has incurred taxes on its investments in treasury bills
- Furthermore, net income was negatively impacted by the substantial investment in the Group's anticipated digital platform and the rapid expansion of the insurance underwriting business, and is expected to rebound as the Group scales its operations

## C. Consolidated Performance Review

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# Consolidated: Summary Income Statement

Consolidated IS (EGP000s)	2018	2019	2020	CAGR (18-20)	4Q-2020	4Q-2019	Y-o-Y
Interest Income	1,127,121	1,249,708	1,140,969		264,115	285,654	
Interest Expense	(707,690)	(755,523)	(653,952)		(147,274)	(208,483)	
<b>Net Interest Income</b>	<b>419,431</b>	<b>494,185</b>	<b>487,017</b>	<b>8%</b>	<b>116,841</b>	<b>77,171</b>	<b>51%</b>
Fee Income	75,803	89,878	99,247		41,294	35,973	
Net Revenue from Portfolio Transfer	180,985	296,414	355,905		181,969	173,434	
<b>Financing Operating Income</b>	<b>676,218</b>	<b>880,477</b>	<b>942,169</b>	<b>18%</b>	<b>340,104</b>	<b>286,578</b>	<b>19%</b>
Insurance Services:							
<b>Gross Written Premiums</b>	<b>0</b>	<b>109,228</b>	<b>283,856</b>	<b>NMF</b>	<b>80,940</b>	<b>53,516</b>	<b>51%</b>
Reinsurance & Reserves	0	(69,984)	(122,927)		(33,848)	(29,385)	
Claims and Provisions	0	(20,564)	(92,159)		(35,602)	(11,739)	
Investment Income	0	18,984	32,829		9,916	6,689	
Net Insurance Income	0	37,663	101,599	NMF	21,406	19,081	12%
Other Insurance Services	43,899	41,740	31,551		7,402	9,495	
<b>Insurance Operating Income</b>	<b>43,899</b>	<b>79,403</b>	<b>133,149</b>	<b>74%</b>	<b>28,808</b>	<b>28,576</b>	<b>1%</b>
<b>Net Operating Income</b>	<b>720,117</b>	<b>959,880</b>	<b>1,075,318</b>	<b>22%</b>	<b>368,912</b>	<b>315,154</b>	<b>17%</b>
Other Income / Expenses	4,123	5,800	2,572		(1,177)	1,299	
Provisions	(14,430)	(28,951)	(15,590)		19,895	(24,555)	
Operating Expenses	(168,156)	(231,478)	(325,961)		(92,576)	(65,644)	
SG&A	(38,425)	(46,826)	(102,854)		(28,621)	(12,764)	
IPO Fees	(22,745)	0	0		0	0	
Marketing Expenses	(3,052)	(3,838)	(20,509)		(11,147)	(1,291)	
Depreciation & Amortization	(10,965)	(22,632)	(36,641)		(9,757)	(7,006)	
<b>EBT</b>	<b>466,466</b>	<b>631,955</b>	<b>576,335</b>	<b>11%</b>	<b>245,529</b>	<b>205,193</b>	<b>20%</b>
Corporate Tax	(104,845)	(161,760)	(183,252)		(70,032)	(71,176)	
<b>Net Income</b>	<b>361,621</b>	<b>470,195</b>	<b>393,083</b>	<b>4%</b>	<b>175,498</b>	<b>134,016</b>	<b>31%</b>
Minorities	(78,869)	(81,481)	(40,409)		(16,687)	(25,229)	
<b>Net Income After Minorities</b>	<b>282,752</b>	<b>388,714</b>	<b>352,674</b>	<b>12%</b>	<b>158,811</b>	<b>108,788</b>	<b>46%</b>
<b>Adjusted Net Income After Minorities</b>	<b>305,497</b>	<b>388,714</b>	<b>392,203</b>	<b>13%</b>	<b>164,323</b>	<b>108,788</b>	<b>51%</b>




# Consolidated: Summary Balance Sheet

Consolidated BS (EGP000s)	2018	2019	2020
Fixed asset	104,911	118,202	135,726
Cash and cash equivalents	813,358	126,624	133,775
Financial Investment	242,287	902,893	1,184,308
Investments in associates	56,321	59,244	44,904
Conditional Bank Account	2,330	0	0
Portfolio	1,895,338	2,456,732	2,402,167
Debtors and other debit balances (net)	135,842	171,987	261,933
Intangible assets ( Goodwill)	26,474	26,474	25,303
Leased assets (net)	0	0	0
Lease contracts under settlement	0	0	0
Deferred tax assets	282	1,440	301
Work in progress	0	7,132	15,623
Securitization surplus	144,153	50,238	29,508
Due from related parties	79,498	34,129	23,320
Deferred cost -insurance	15,626	218	0
<b>Total non-current assets</b>	<b>3,516,420</b>	<b>3,955,314</b>	<b>4,256,868</b>
Paid-in capital	115,217	191,516	191,516
Advance payment -capital increase	0	0	0
Legal reserve	48,393	53,034	0
Share premium reserve	749,049	750,409	957,765
Retained earnings	703,222	968,294	1,080,876
<b>Equity attributable to the owners of the company</b>	<b>1,615,882</b>	<b>1,963,253</b>	<b>2,230,157</b>
Non controlling interest	49,060	66,402	69,455
<b>Total equity &amp; non controlling interest</b>	<b>1,664,942</b>	<b>2,029,655</b>	<b>2,299,612</b>
Banks - credit balances	1,573,060	1,539,616	1,344,965
Suppliers and other credit balances	270,117	340,123	439,236
Deferred tax liabilities	4,184	4,957	22,657
Other Provisions	0	32,516	34,543
Due to related parties - credit	4,116	3,828	0
insurance policyholders' rights	0	37,102	115,855
<b>Total liabilities</b>	<b>1,851,477</b>	<b>1,958,143</b>	<b>1,957,257</b>
<b>Total shareholders' equity and liabilities</b>	<b>3,516,420</b>	<b>3,987,798</b>	<b>4,256,868</b>



# Appendix

# Insurance Segment Product Overview

Product Overview		
Target Segment	Product	Description
 <b>Personal Line (Individuals)</b>	<b>Private Motor</b>	<ul style="list-style-type: none"> <li>Insurance against loss or damage, liability to third parties and towing expenses</li> </ul>
	<b>Home</b>	<ul style="list-style-type: none"> <li>Covers buildings and contents against fire, lightning &amp; explosions</li> </ul>
	<b>Life</b>	<ul style="list-style-type: none"> <li><i>Upcoming – Life insurance covering individuals and SMEs</i></li> </ul>
	<b>Healthcare</b>	<ul style="list-style-type: none"> <li><i>Upcoming – To offer individual healthcare policies</i></li> </ul>
 <b>Commercial Line (Corporate &amp; SMEs)</b>	<b>Comm. Fleets</b>	<ul style="list-style-type: none"> <li>Insurance against loss or damage, liability to third parties and towing expenses</li> </ul>
	<b>Causality</b>	<ul style="list-style-type: none"> <li>Includes money, fidelity guarantee, public liability, workmen's compensation and personal accidents insurance</li> </ul>
	<b>Comm. Property</b>	<ul style="list-style-type: none"> <li>Provides broad insurance protection against all risks that may affect business continuity for commercial or industrial sectors</li> </ul>
	<b>Engineering</b>	<ul style="list-style-type: none"> <li>Includes contractors all risks, erection all risks and contractors plants and machinery insurance</li> </ul>
	<b>Marine</b>	<ul style="list-style-type: none"> <li>Marine Cargo and Hull insurance required for the goods being imported, imported or transited from the port to the final destination</li> </ul>
	<b>Credit</b>	<ul style="list-style-type: none"> <li>Protects banks and other financing institutions against the risk of non-payment</li> </ul>
	<b>Life</b>	<ul style="list-style-type: none"> <li>Life insurance policies for corporate employees</li> </ul>
 <b>MM &amp; Asset Management</b>	<b>Asset Mgmt.</b>	<ul style="list-style-type: none"> <li>Invests premiums earned through clients policies</li> </ul>
	<b>Money Market Fund</b>	<ul style="list-style-type: none"> <li>New money market fund with a base of EGP 100mn set up with Misr Capital in Q1 2020</li> <li>Offers specific return profile to clients</li> </ul>



# Contact Holding Legal Structure

## Legal Structure

