RAYA CONTACT CENTER REPORTS Q1 2021 RESULTS

REVENUES
EGP 182.8 MN
▼ (5.7%) y-o-y

GROSS PROFIT
EGP 64.4 MN
▲ *35.3% Gross Profit Margin*

EBITDA
EGP 32.0 MN
▲ *17.5% EBITDA Margin*

NET PROFIT
EGP 2.0 MN
▼ (80%) y-o-y

Raya Contact Center (RACC.CA on EGX), Egypt's largest provider of comprehensive business process outsourcing (BPO) services, announced its consolidated Q 2021 results, reporting revenue of EGP 182.8 million. The largest contributor to revenue was the Outsourcing segment (49%), followed by HR Outsourcing services (30%) and Hosting services (21%). Gross profit margin for the period recorded 35.3% up from 30.5% in Q1 2020 while net profit recorded EGP 2 million, reflecting a net profit margin of 1.1% compared to EGP 10.3 million, and 5.3% in Q1 2020, respectively.

Summary Income Statement

EGP	Q1 2020	Q1 2021	% Change
Revenue	**193,912,459**	**182,866,741**	***(5.7%)***
Outsourcing	*39,208,708*	*38,049,884*	*(17.60%)*
Insourcing	*42,664,311*	*54,517,501*	*19.40%*
Hosting	*112,039,440*	*90,299,357*	*(13.00%)*
Gross Profit	**59,114,500**	**64,498,645**	***9.1%***
Gross Profit Margin	*30.5%*	*35.3%*	*+15.7 pts*
EBITDA	**15,700,774**	**32,085,677**	***111.7%***
EBITDA Margin	*8.1%*	*17.5%*	*+9.4pts*
Net Profit	**10,301,199**	**2,047,198***	***(68.20%)***
Net Profit Margin	*5.3%*	*1.1%*	***(80.10%)***

* Normalized net profit recorded EGP 5.8 Million reflecting a Net Profit Margin of 3%. Normalization restates the income statement prior to implementing article 49 of the Egyptian Accounting Standards related to rent contracts. Further explanation found below in the net profit section of the financial overview.

Note from the CEO

With the worst of the Pandemic behind us, we are pleased to announce our Q1 2021 earnings release, and I continue to be thrilled with the materializing of our turnaround strategy. Our operation optimization and internal development activities have already started yielding, evidently by the significant enhancement of our operational performance from 2020.

Revenues have recorded EGP 182.9 million for the period, down 5.7% Y-o-Y. The decline is mainly due a general slowness in in our industry due to the Pandemic and the resulting slow decision making process, especially in our targeted markets in the GCC region. We have anticipated the decline in the previous quarter, and as COVID-19 vaccines continue to be distributed and the increasing restrictions ease across the globe, we believe that we will start Q2 with a positive momentum.

Gross Profit has recorded EGP 64.5 million, reflecting a gross profit margin of 35.3%, while on the EBITDA level the Company recorded EGP 32 million, reflecting an EBITDA margin of 17.5%, almost double our same margin of the same quarter last year. Normalized net profits however, have recorded EGP 5.8 million and a 3% Net Profit Margin, due to the downsizing of our Dubai operations as was communicated in Q4. We are still hold a very positive outlook on the region, and with our aggressive commercial activities and robust pipeline, we are certain that during this year we will boost our GCC utilization rates and further expand in the region, through both organic and acquisitive approaches.

We are quite pleased with the improvement in our operating margins, on both the GP and the EBITDA levels, and we are confident about our guidance and remain optimistic about our 2021 trajectory, especially with revenues kicking in from the business we landed last year.

We have also delivered on our internal development activities, as we heavily reduced our concentration rates, enhanced and terminated legacy account that were burdening our profitability for years, and finally executing our digitalization efforts by introducing a fully automated services offering to our portfolio.

Utilization also plays a major role in our transformational strategy, and our efforts to ensure optimized operations. Our workstation utilization currently stands at 54%, due to the triggering of the work from home since the start of the Pandemic, and even though we it had never reached that point, it gives us room to fully utilize our capacity without further investment in the local market, and allocate our expansion investments into foreign markets, in line with our acquisition strategy.

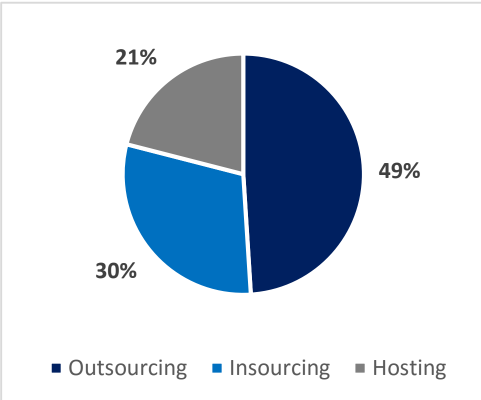
On the expansion front, we have disclosed that we have successfully completed the due diligence process and have submitted a Binding Offer to acquire majority stake in a BPO player located in the GCC. We are now in the process of drafting the final transaction documents and agreements, which we expect to be concluded by early June. The transaction is expected is strengthen our position in the GCC region, and establish a concrete foundation for our presence the KSA Market. It will also deliver a range of post integration synergies and is expected to contribute significantly to our consolidated margins.

Our balance sheet remains resilient, with a healthy cash balance standing at EGP 228.4 million in Q1 2021, which will be partially used to finance our upcoming acquisitions, and boosting our digitalization strategy.

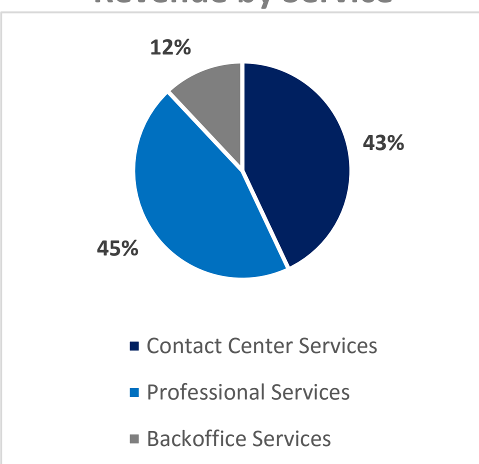
We remain confident that by focusing on growth, innovation, products and services renewal, tackling our operational shortfalls, and managing our cost drivers we will be able to overcome the existing macro-economic challenges and be well positioned to resume our double digit growth for years to come.

Ahmed Refky
Chief Executive Officer

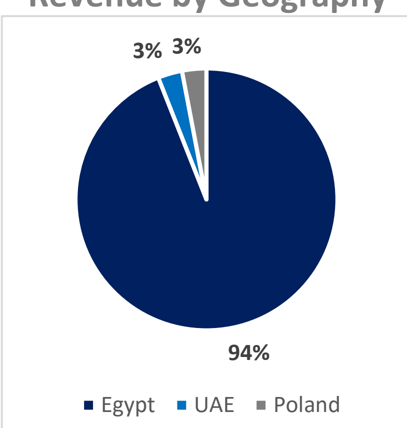
Revenue by Segment



Revenue by Service



Revenue by Geography

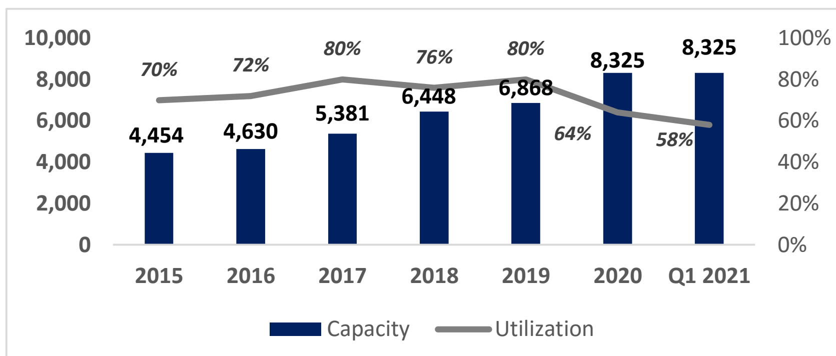


Operational Review

In Q1 2021, RCC's total workstation capacity stood at around 8,300 with utilization rates recording 58%, compared to 64% of the same quarter last year. RCC's total CAPEX/Revenue recorded 4.8% for the period, versus 10% in Q1 2020. The decline in CAPEX is mainly attributable to the completion of our 1,500 workstation facility in Smart Village that was offloaded via a 3-year Hosting contract in March 2020.

RCC prides itself on the quality, reliability and security of its service, a key competitive strength that is a function of its continued investment in human resources development and quality assurance programs. In 2020, RCC successfully renewed and maintained its operational quality accreditation certificates, including its COPC accreditation for performance management for the 13th consecutive year, the ITIL information technology framework, and the PCI-DSS e-payment security accreditation. Moreover, RCC follows best practices as (ISMS) Information Security Management system, which is mapped by NIST and SANS institute.

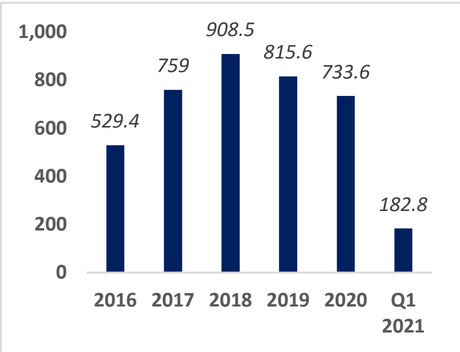
Workstation Evolution & Utilization[1]



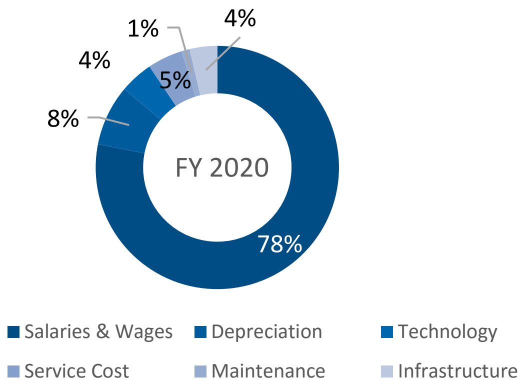
CAPEX / Sales Ratio

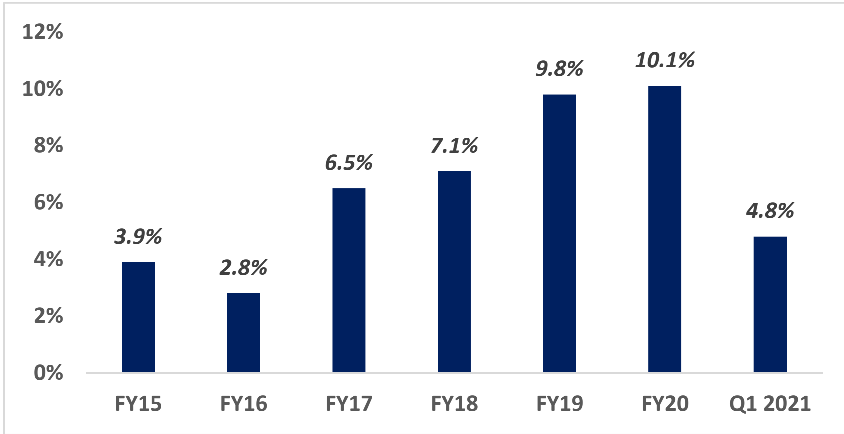
[1] Utilization is calculated as the average productive workstations' utilization by the average total workstations.

Revenue Progression
(EGP mn)



COGS Breakdown





Financial Review

Consolidated revenues in Q1 2021 recorded EGP 182.8 million, down (5.7%) y-o-y — The decline in our top line is mainly due to several factors including, the downsizing by one of our largest GCC clients on the back of a newly imposed telecom security law in the UAE; as was previously communicated towards the end of FY 2020, in addition to terminations of some minor accounts in line with Management's account cleansing exercise targeting some of the legacy unprofitable accounts.

Analyzing Q1 2021 revenue by ***currency***, *offshore* revenue (USD) recorded EGP 95.1 million, representing 52% from total revenue, compared to 65% of the same quarter of last year, while locally generated revenue accounted for the balance. Q1 2021 revenue by ***service segment***, our main revenue contributor, *contact center outsourcing* recorded EGP 90.3 million, representing 49% of total revenue. *Insourcing business* (*HR outsourcing*) recorded EGP 54.5 million, representing 30% of total revenue, while the *Hosting business* recorded EGP 38 million, representing 21% of revenue.

The change in revenue mix during since the Pandemic that witnessed the Insourcing business, which delivers a relatively low profitability margin due its high HR cost, increase to reach 30% of total revenues, has played a major role in our declining profitability margins. On another note, we have witnessed an overall slowness decision making process in the business environment during the first quarter of 2021 mainly with the Outsourcing business, which have led to its lower contribution of 49% of total revenue compared to around 65% in previous years.

Analyzing revenue by ***geographical location***, **Egypt's** facilities generated EGP 172.4 million of revenue, representing 94% from total revenue. **UAE's** operations contributed by EGP 5.6 million, representing 3% from total revenue, while our facility in **Poland** accounted for EGP 4.8 million.

On the ***costs of goods sold*** (COGS) level, RCC recorded EGP 118.3 million in Q1 2021. Salaries & wages constituted of the largest share of COGS standing at 78%, which is in line with our historical trends.

Gross profit recorded EGP 64.5 million, and yielding a GP margin of 35.3%, up by 5% y-o-y. The enhancement in our gross profit margin reflects the materialization of management efforts to optimize our operations, despite the negative effect of the revenue mix change.

Meanwhile, ***selling, general and administrative*** (SG&A) expenses recorded 27.8 million in Q1 2021, representing 15.2% from total revenue. The increase in SGA expenses during the quarter was due to annual salary increases, while Marketing expenses accounted for EGP 2.5 million, in line with the strategy of our newly created Marketing function to establish our marketing presence and brand awareness in both Egypt and the GCC.

EBITDA recorded EGP 32 million, with a 17.5% EBITDA margin, reflecting an outstanding increase y-o-y, compared to the 8% EBITDA margin that was achieved in Q1 2020.

Net profit recorded EGP 2 million with a net profit margin 1.1%, down from EGP 10.3 million reflecting an 80% decline from the same period last year.
It is worth mentioning that starting 2021, the Company has implemented Article 49 of the Egyptian Accounting Standards related to Rent contracts. In essence, the article tackles the mechanism by which medium to long term rent agreements are treated on both the balance sheet and income statement, reflecting a negative impact of around EGP 4 million, if net income were to be normalized for comparability with previous periods.

By design, the new treatment's effect will be enhanced on the long run, given the nature of its treatment as compounded interest right of use facility, where the interest portion of the payment is substantial at the beginning of the tenor and decline throughout with principal payments kicking in.

Furthermore, effective tax rate for the quarter (c. 45%) have also had an impact on our bottom line. The effect is due to the sharp decline in our operations in the UAE, where the country offers a tax free environment, resulting in 96% of the quarter's revenue are generated from Egypt.
With regards to non-operating income, our interest income has witnessed a decline due to the recent decrease in interest rates from c.11% to c. 8.7%. in addition, FX is still burdening our profitability where we recorded c. EGP 2.2 million in FX losses. On that note, around EGP 1 million of FX losses is again attributable to the implementation of the previously explained accounting treatment, as a big portion of our rent contracts is in USD.

As of end Q1 2021, the company's financial position remained liquid with a healthy ***cash balance*** of EGP 228.4 million or c.28.5% of total assets.

About Raya Contact Center

Raya Contact Center (RCC) is a world-class business process outsourcing (BPO) and contact center outsourcing (CCO) service provider offering contact center, professional, back office and inside sales channel management services to global clients, including Fortune 1,000 companies in the Middle East, Europe, Africa, & North America in over 25 different languages. ***Q1 2021***, Raya Contact Center operated ten top-of-the-line facilities, spanning eight facilities in various locations around Egypt, one facility in Dubai, UAE, and one in Warsaw, Poland, with over 8,300 seats capacity and average of 5,700+ employees. RCC serves a diversified clientele base of over 100 clients operating in the EMEA region, focusing on high growth industries, namely telecom & media, technology & consumer electronics, travel & hospitality, banking, automotive, and retail industries.

Raya Contact Center is the number one BPO provider in Egypt boasting the largest market share by total FTEs (Full Time Equivalent), and aspires to be the leading BPO provider in the MENA region. Raya Contact Center is the only listed BPO player on the Egyptian Stock Exchange, and is currently trading under the symbol “RACC.CA”.

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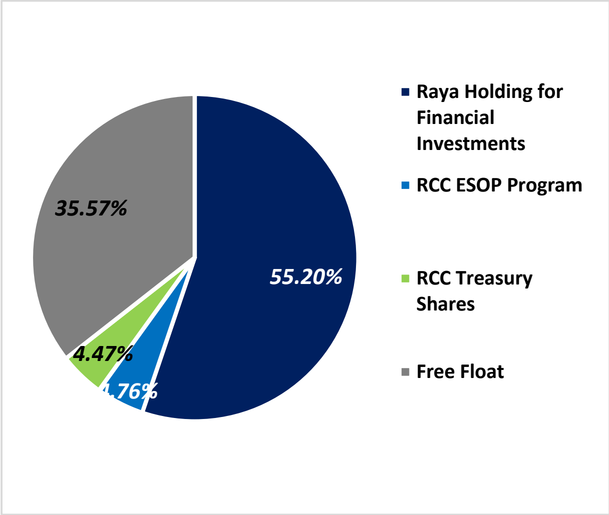
RACC.CA on the EGX	
Number of Shares	222,727,272
Share Price (May 9th)	EGP 3.35
Market Cap (May 9th)	EGP 746 Million

Shareholding Structure

(May 9th, 2021)



Forward-Looking Statements

This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial results, plans, or expectations regarding our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations in the prices of raw materials or employee costs required by our operations, its ability to retain the services of certain key employees, its ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.

Consolidated Income Statement

EGP	Q1 2020	Q1 2021	% Change
Revenue	**193,912,459**	**182,866,741**	***(6.0%)***
COGS	(134,797,959)	(118,368,096)	*13.9%*
Gross Profit	**59,114,500**	**64,498,645**	**-**
General & Administrative Exp.	(22,779,783)	(25,415,490)	*19.8%*
Selling & Marketing Exp.	(947,599)	(2,460,962)	*50.2%*
Rent	(28,534,424)	(13,758,276)	*3.8%*
Impairments	(2,567,701)	(799,330)	*(55.9%)*
Impairments Reversal	1,655,918	75,279	*(46.7%)*
Depreciation Leased Assets		(14,372,093)	-
Operating Profit	**5,940,911**	**7,767,773**	***30.8%***
Interest Income (Expense)	4,547,816	3,368,323	-
Gain on Sale of Fixed Assets	0	0	-
FX Gain (Loss)	350,901	(2,212,932)	-
Other Non-operating expenses	-	(5,222,802)	
EBT	**10,839,628**	**3,700,362**	***(65.9%)***
Tax	(538,429)	(1,653,164)	-
Net Income	**10,301,199**	**2,047,198**	***(80.1%)***
Distributed as follows:			
Shareholders of the Parent Co.	10,037,170	1,752,052	
Minority Interest	264,029	295,146	
Earnings Per Share	**0.04**	**0.01**	

Consolidated Balance Sheet

	December 2020	Q1 2021
Assets		
Long Term Assets		
Fixed Assets	174,331,769	173,253,203
Right of Use Assets	-	179,555,189
Intangible Assets	146,549	123,087
Deferred Tax Asset	63,731	684,136
Goodwill	26,582,777	26,582,777
Total Long term Assets	**201,124,826**	**380,198,392**
Current Assets		
Accounts Receivables	118,508,274	132,147,607
Advance Payment & Other Debit Balances	53,307,295	61,177,792
Due from Related Parties	6,162	6,162
Deferred Tax	-	-
Cash & Cash Equivalents	216,166,529	228,408,920
Total Current Assets	**387,988,260**	**421,740,481**
Total Assets	**589,113,086**	**801,938,873**
Equity		
Issued and Paid Capital	106,060,606	106,060,606
ESOP Program	5,303,030	5,303,030
Additional Paid in Capital	44,891,436	44,280,860
Legal Reserve	31,060,282	31,060,282
Merger Reserves	(2,834,374)	(2,834,374)
FX Translation Reserve	(6,203,963)	(5,655,984)
Treasury Stock	(50,239,412)	(48,134,690)
Retained Earnings	226,675,436	237,908,877
Net Income Attributable to Majority Owners	35,638,175	1,752,052
Total Parent's Shareholders' Equity	**390,351,216**	**369,740,659**
Minority Interest	1,238,694	1,360,805
Total Equity	**391,589,910**	**371,101,464**
Liabilities		
Long Term Liabilities		
Long Term Debt	52,138,725	65,728,822
Deferred Tax Liability	5,109,834	3,837,358
Other long term Liabilities	1,804,176	1,568,392
Long Term Loan for Right of Use	-	130,420,179
Total long term Liabilities	**59,052,735**	**201,554,751**
Current Liabilities		
Bank Overdraft	4,422,487	5,631,231
Accounts Payable	33,815,735	48,388,830
Other Credit balance	64,980,837	64,370,566
Provisions	2,014,207	2,014,207
Due to Related Parties	7,226,328	8,141,858
Long Term Debt	14,246,393	13,987,673

Current Portion of Long Term Lease		13,145,764
Taxes Payable	-	68,947,659
Dividends Payable	16,151,634	4,654,870
Total Current Liabilities	**147,550,328**	**229,282,658**
Total Liabilities	**160,889,710**	**430,837,409**
Total Liabilities & Equity	**592,269,820**	**801,938,873**