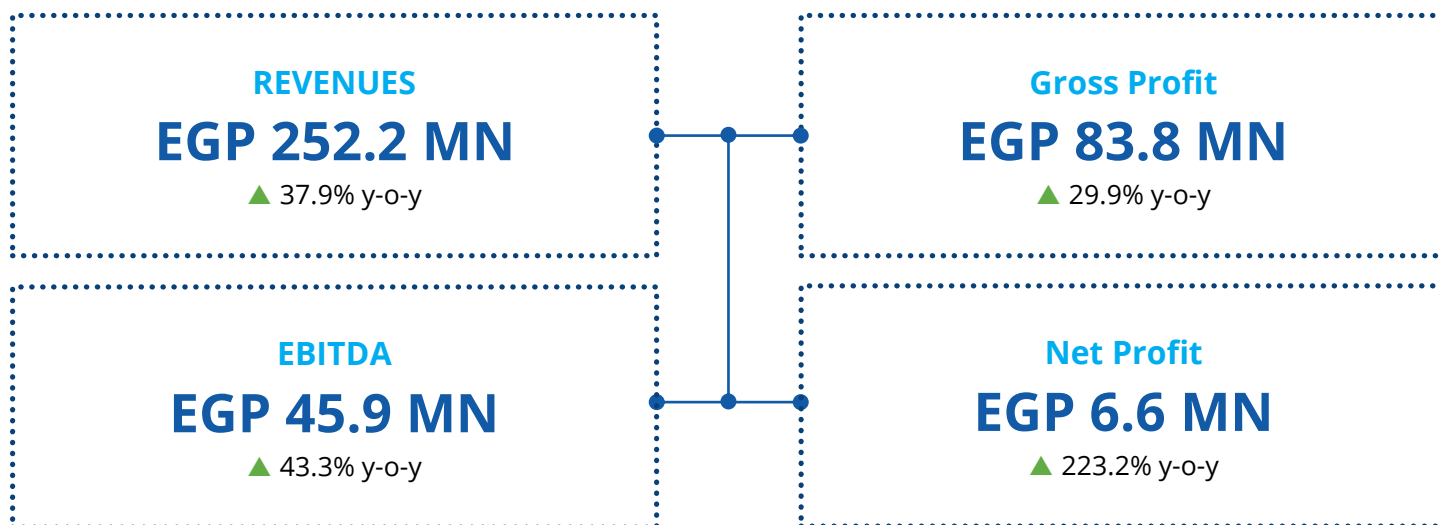


## Raya Customer Experience Reports 1Q 2022 Results



Raya Customer Experience (RACC.CA on EGX), Egypt's leading business process outsourcing (BPO) and contact center outsourcing (CCO) services provider, announced today its consolidated results for the quarter ended 31 March 2022, recording revenues of EGP 252.2 million, a 37.9% y-o-y increase. Gross profit increased by 29.9% y-o-y to EGP 83.8 million, while net profit recorded EGP 6.6 million in 1Q 2022, up 223.2% compared to 1Q 2021, with a net profit margin of 2.6%.

### Summary Income Statement

EGP	1Q2021	1Q2022	% Change
<b>Revenue</b>	182,866,742	252,173,789	37.9%
<i>Outsourcing</i>	90,299,357	119,359,519	32.2%
<i>Insourcing</i>	54,517,501	90,159,173	65.4%
<i>Hosting</i>	38,049,884	42,655,097	12.1%
<b>Gross Profit</b>	64,498,646	83,771,485	29.9%
<i>Gross Profit Margin</i>	35.3%	33.2%	-2.1 pts
<b>EBITDA</b>	32,065,161	45,939,046	43.3%
<i>EBITDA Margin</i>	17.5%	18.2%	0.7 pts
<b>Net Profit</b>	2,047,199	6,616,144	223.2%
<i>Net Profit Margin</i>	1.1%	2.6%	1.5 pts

## Note from the CEO

We are pleased to report on our 1Q 2022 results and are thrilled with our performance as we enter the new year. Our turnaround strategy along with extensive internal transformations and optimization efforts are yielding improved results down the income statement. Our outlook is positive despite the uncertainty of global market developments with full confidence in our strategy to capitalize on shifting market dynamics.

RCX achieved double-digit revenue growth and an over threefold increase in net profit during 1Q 2022. The impressive results were achieved through strong performances across our business segments and a recovery in utilization rates across our facilities. In addition, half of our revenues are in US dollars which helped mitigate the impact of the devaluation of the Egyptian pound on our top line. Our performance is a testament to the potential RCX is capable of realizing.

In September 2021, RCX acquired an 85% stake in Gulf CX unlocking significant potential for the company in the Gulf region. We are very pleased with our operations in the Kingdom of Bahrain and the Kingdom of Saudi Arabia thus far particularly with regards to our lucrative BPO segment. Gulf CX's presence in the KSA has been welcomed with strong demand for our products and services. Consequently, we are expanding into a new 400-seat facility in Riyadh, which is expected to be operational in 2Q 2022. With newly secured strategic contracts in the KSA and additional ongoing discussions, the facility will equip us to meet the needs of our growing pipeline and sustain business growth in the Kingdom.

We are pushing forward with our global expansion and diversification plans. Growing our operations in Poland and strengthening our presence as a key player in the European market remains a top priority. Our goal is to expand the Poland business beyond its 2% revenue contribution today and to attract clients from other European markets. Additionally, our US entity in Delaware is actively pursuing acquisition opportunities to grow its share in the US market. In a relatively short period of time the US entity attracted a growing roster of US-based clients and is seeking further expansion in the US market.

Our turnaround strategy has laid a strong foundation for the next chapter in RCX's story. Our innovative solutions as well as product and service optimization have equipped us with the necessary tools to navigate the challenging macroeconomic environment and strategically capture growth opportunities. We are well-positioned to deliver a strong performance in the coming period and create long-lasting value for our shareholders.

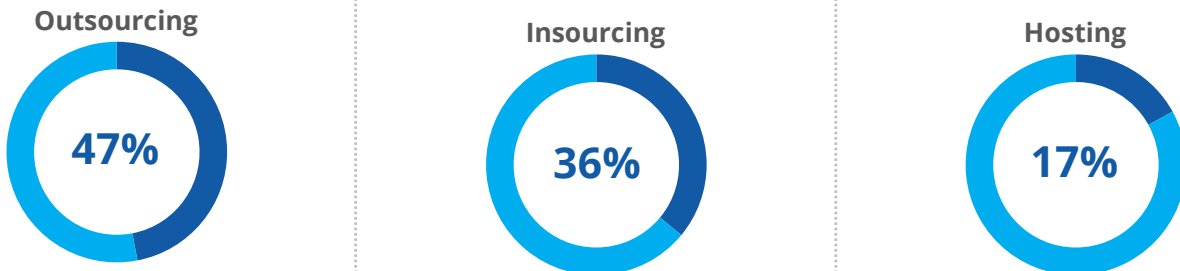
**Ahmed Refky**  
Chief Executive Officer

## Financial Performance

**Consolidated revenues** in 1Q 2022 grew 37.9% y-o-y to reach EGP 252.2 million, driven by an expansion in our operations, growing business at our recently acquired Gulf CX and increased utilization rates across our facilities. In terms of the revenue breakdown by **service segment**, *contact center outsourcing* continues to be the primary contributor recording EGP 119.4 million in 1Q 2022, representing 47.3% of total revenue. Our *insourcing business*, also known as *HR outsourcing*, recorded EGP 90.2 million to make up 35.8% of total revenue, while the *hosting business* recorded EGP 42.7 million, accounting for the remaining 16.9% of total revenue.

The COVID-19 pandemic brought about a change in revenue mix which resulted in a suboptimal breakdown by service type and consequently affected the company's profitability margins. The insourcing business delivers a relatively low profit margin due to the high HR cost associated with its operations. At this time, the segment represents a larger share of total revenue at around 35% compared to historical levels of 15-20%. Furthermore, a challenging macroeconomic environment negatively impacted the outsourcing business, a high profit margin segment, which normally contributed to around 70% of total revenue but accounted for 47% of total revenue in the first quarter of the year.

### Revenue by Segment



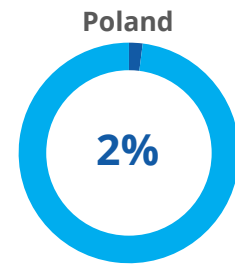
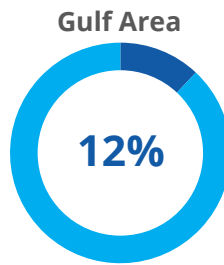
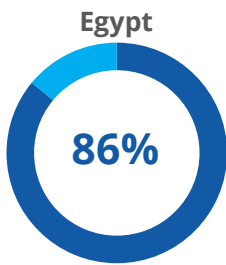
Analyzing 1Q 2022 revenues by **currency**, *offshore* revenue (USD) recorded EGP 125.6 million, accounting for 49.8% of total revenue, compared to 52.1% in the same quarter last year. In light of the recent devaluation of the Egyptian pound, maintain approximately 50% of revenues in US dollars has exhibited the company's resilience and competitive advantage.

### Revenue by Currency



Analyzing revenue by **geographical location**, RCX derived 86.3% of its revenues from **Egypt's** facilities, which recorded EGP 217.5 million in 1Q 2022. The second largest contribution came from the **Gulf area** operations, which saw revenues reach EGP 29.7 million, representing 11.8% of total revenue. Finally, the **Poland** facility recorded EGP 5.0 million, up 3.5% y-o-y compared to 1Q 2021, and contributing 2.0% of total revenues.

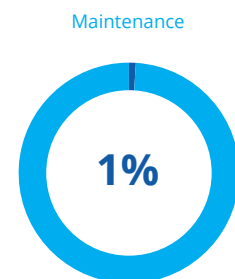
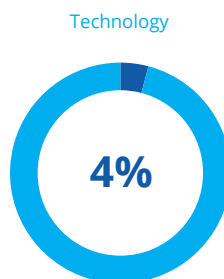
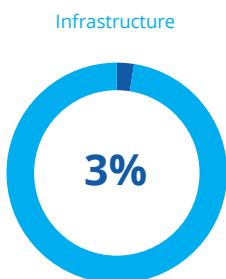
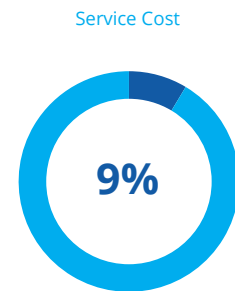
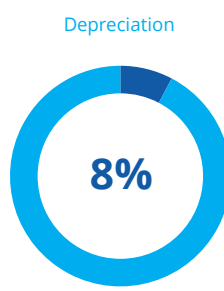
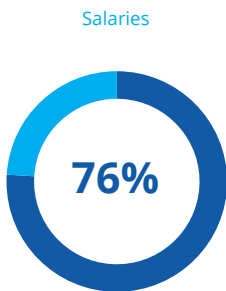
### Revenue by Geographical Location



### Gross Profit section

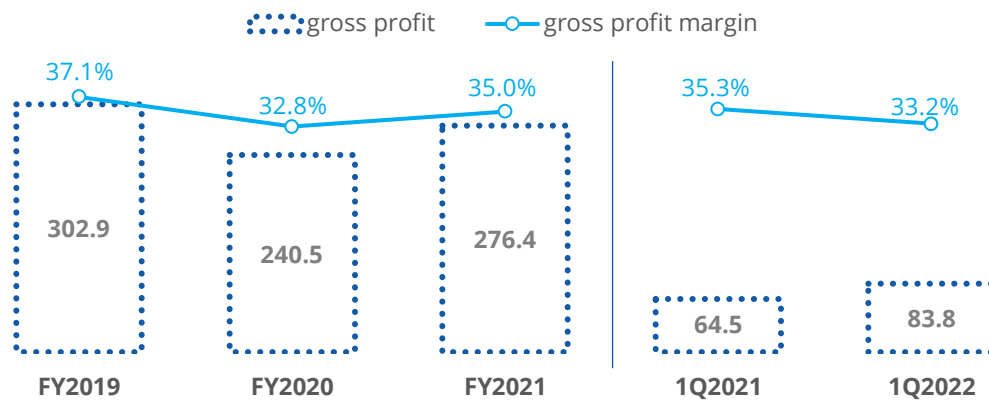
Total **costs of goods sold (COGS)** for 1Q 2022 was EGP 173.0 million, a 46.1% y-o-y increase, which resulted in RCX's COGS as a percentage of revenues to increase to 68.6% compared to 64.7% in 1Q 2021. Salaries & wages constituted the largest share of COGS standing at 76.0%, which is in line with the lower profit revenue mix due to the higher contribution from the insourcing segment.

### COGS Breakdown



In 1Q 2022, RCX's **gross profit** recorded EGP 83.8 million, up 29.9% y-o-y, with a gross profit margin of 33.2% versus the 35.3% recorded in the same period last year. While gross profit expanded significantly, our gross profit margin was impacted by the higher salaries and wages expenses. RCX aims to restore profitability through reverting to the historical revenue mix and growing the outsourcing segment.

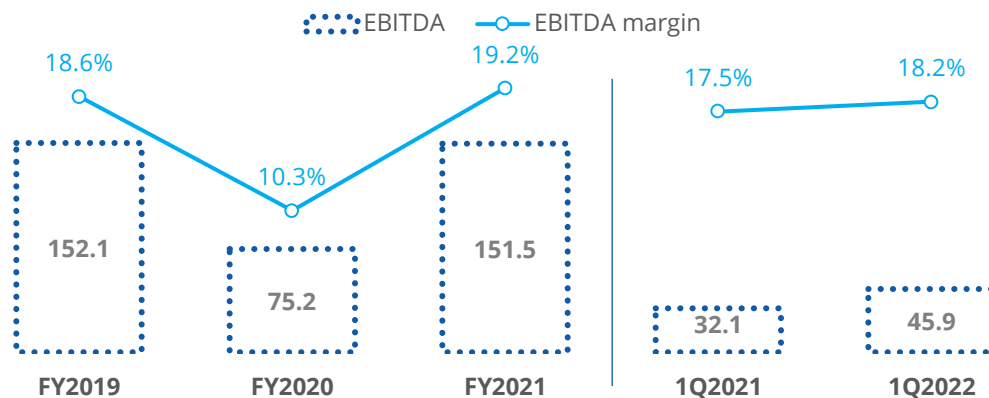
**Gross Profit (MN) and Gross Profit Margin Evolution**



Meanwhile, **selling, general and administrative (SG&A)** for 1Q 2022 totaled EGP 35.0 million, up 30.4% y-o-y, representing 13.9% as a percentage of revenues compared to 15.0% in 1Q 2021. The increase in SG&A expenses during the year was due to higher annual salaries and marketing expenses. The higher marketing expenditure is in line with the company's strategy to raise brand awareness both in Egypt and the Gulf area to strengthen the company's position.

**EBITDA** recorded EGP 45.9 million, reflecting an impressive 43.3% y-o-y increase compared to the EGP 32.1 million recorded in 1Q 2021, which yielded an EBITDA margin of 18.2% compared to 17.5% in 1Q 2021. Despite a decrease in gross profit margins, RCX was able to sustain a stable EBITDA margin year-on-year.

**EBITDA (MN) and EBITDA Margin Evolution**



RCX reported a **net profit** of EGP 6.6 million in 1Q 2022 with a net profit margin of 2.6% versus a net profit of EGP 2.0 million with a net profit margin of 1.1% in 1Q 2021. The increase in net profit reflects business growth and operational efficiencies across the company.

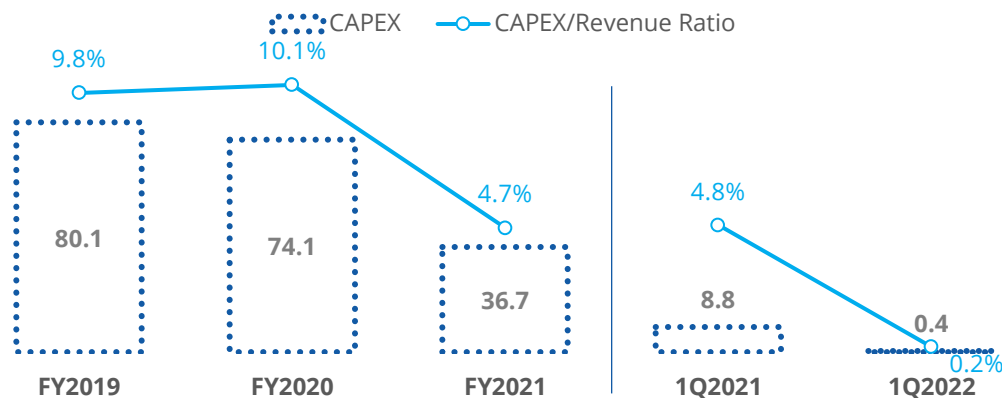
As at 31 March 2022, the company's financial position remained liquid with a healthy **cash balance** of EGP 112.3 million. Our historically large cash balance was used to finance our recent acquisition of 85% of Gulf CX. It is worth mentioning that a refinancing facility is currently being negotiated in the range of USD 10 million, part of which will be used to boost our automation and AI strategy and is expected to be finalized in the first half of 2022.

## Operational Performance

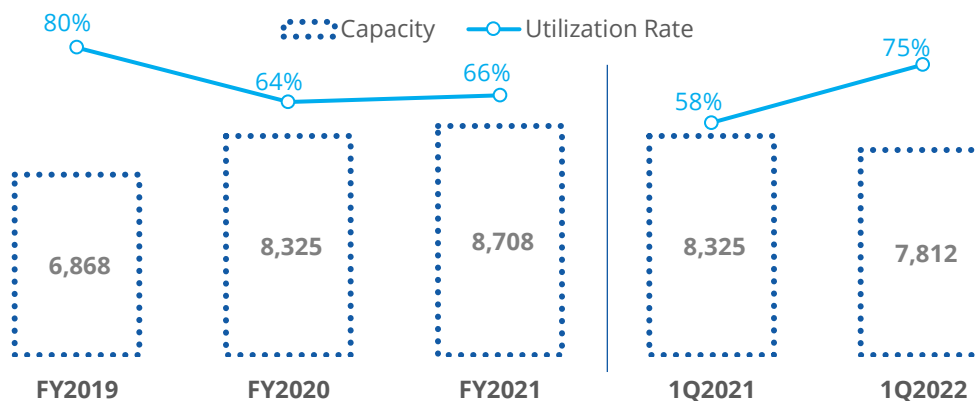
In 1Q 2022, RCX's total workstation capacity stood at 7,812 with utilization rates recording 75%, compared to 58% in the same quarter last year, which excluded the Gulf CX capacity. Total CAPEX for 1Q 2022 recorded EGP 11.8 million compared to EGP 8.8 million in 1Q 2021, and remained relatively unchanged as a percentage of revenues at 4.7% in 1Q 2022 compared to 4.8% in the same quarter the previous year.

RCX is recognized as an industry expert and prides itself on consistently delivering reliable, secure, high-quality service to its customers. The company's competitive strength is a function of its continued investment in human resources development and quality assurance programs. In 2021, RCX successfully renewed and maintained its operational quality accreditation certificates, including its COPC accreditation for performance management for the 15th consecutive year, the ITIL information technology framework and the PCI-DSS e-payment security accreditation. Moreover, RCX adheres to the Information Security Management System (ISMS) best practices as outlined by the NIST and SANS institutes.

### CAPEX (MN) / Revenue Evolution



### Workstation Evolution and Utilization



## About Raya Customer Experience

Raya Customer Experience (RCX) 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. In 2021, Raya Customer Experience operated 13 state-of-the-art delivery sites, spanning eight facilities nation-wide in Egypt, one facility in the UAE, one in the Kingdom of Bahrain, two in KSA and one in Poland. The facilities combined have an approximate seating capacity of 9,000 and 5,700 employees. RCX 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 Customer Experience 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 Customer Experience is the only listed BPO player on the Egyptian Stock Exchange and is currently trading under the symbol "RACC.CA".

For further information,  
please contact:

### Raya Customer Experience

#### Karim Seoudy

Director of Investments & Investor Relations

T: +2 (0)2 8276 0000

[investor\\_relations@rayacc.com](mailto:investor_relations@rayacc.com)

#### RACC.CA on the EGX

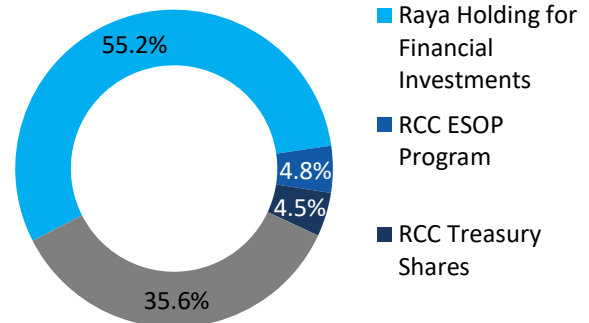
**Number of Shares** 222,727,272

**Share Price (31 March 2022)** EGP 2.41

**Market Cap (31 March 2022)** EGP 536,772,726

#### Shareholding Structure

(as at 31 March 2022)



## 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	1Q2021	1Q2022	Change
<b>Revenue</b>	<b>182,866,742</b>	<b>252,173,789</b>	<b>37.9%</b>
COGS	(118,368,096)	(172,954,752)	46.1%
<b>Government Support</b>	-	4,552,448	-
<b>Gross Profit</b>	<b>64,498,646</b>	<b>83,771,485</b>	<b>29.9%</b>
General & Administrative Exp.	(25,415,490)	(32,186,514)	26.6%
Selling & Marketing Exp.	(2,460,962)	(2,806,567)	14.0%
Rent	(13,758,276)	(12,955,848)	-5.8%
Depreciation Leased Assets	(14,372,093)	(16,040,727)	11.6%
<b>Operating Profit</b>	<b>8,491,825</b>	<b>19,781,829</b>	<b>133.0%</b>
<b>EBITDA</b>	<b>32,065,161</b>	<b>45,939,046</b>	<b>43.3%</b>
Impairments	(799,330)	(3,199,642)	300.3%
Impairments Reversal	75,279	51,180	-32.0%
Financing Interest on Leased Assets	(5,222,802)	(5,983,380)	14.6%
Interest Income (Expense)	3,368,323	(177,250)	-105.3%
Gain on Sale of Fixed Assets	-	-	-
FX Gain (Loss)	(2,212,932)	(2,279,516)	3.0%
<b>EBT</b>	<b>3,700,363</b>	<b>8,193,221</b>	<b>121.4%</b>
Tax	(1,653,164)	(1,577,077)	-4.6%
<b>Net Income</b>	<b>2,047,199</b>	<b>6,616,144</b>	<b>223.2%</b>
<u>Distributed as follows:</u>			
Shareholders of the Parent Company	1,752,052	7,110,588	-
Minority Interest	295,146	(494,444)	-
<b>Earnings Per Share</b>	<b>0.01</b>	<b>0.03</b>	-

## Consolidated Balance Sheet

EGP	31 December 2021	31 March 2022
<b>Assets</b>		
<b>Long Term Assets</b>		
Fixed Assets	174,105,107	174,450,310
Right of Use Assets	227,722,857	242,897,563
Intangible Assets	60,140	68,045
Deferred Tax Asset	95,153	2,801,260
Goodwill	188,031,146	142,034,688
<b>Total Long term Assets</b>	<b>590,014,403</b>	<b>562,251,866</b>
<b>Current Assets</b>		
Accounts Receivables	145,501,584	184,792,222
Advance Payment & Other Debit Balances	84,347,750	92,476,994
Due from Related Parties	485,225	702,658
Cash & Cash Equivalents	82,856,958	112,274,650
<b>Total Current Assets</b>	<b>313,191,517</b>	<b>390,246,524</b>
<b>Total Assets</b>	<b>903,205,920</b>	<b>952,498,390</b>
<b>Equity</b>		
Issued and Paid Capital	103,924,355	103,924,355
ESOP Program	5,303,030	5,303,030
Additional Paid in Capital	25,941,331	25,941,331
Legal Reserves	31,129,608	35,381,339
Merger Reserves	(2,834,374)	(2,834,374)
FX Translation Reserve	(5,757,706)	(1,461,606)
Treasury Stock	(27,658,910)	(42,842,362)
Retained Earnings	229,891,911	237,443,426
Net Income Attributable to Majority Owners	21,030,613	7,110,588
<b>Total Parent's Shareholders' Equity</b>	<b>380,969,858</b>	<b>367,965,727</b>
Minority Interest	5,569,861	5,075,419
<b>Total Equity</b>	<b>386,539,719</b>	<b>373,041,146</b>
<b>Liabilities</b>		
<b>Long Term Liabilities</b>		
Long Term Debt	57,532,060	60,426,966
Deferred Tax Liability	6,031,280	4,890,859
Other long term Liabilities	2,420,604	2,540,768
Long Term Loan for Right of Use	198,048,244	211,478,113
<b>Total long term Liabilities</b>	<b>264,032,188</b>	<b>279,336,706</b>
<b>Current Liabilities</b>		
Bank Overdraft	9,575,615	23,975,381
Accounts Payable	51,046,451	51,754,458
Other Credit Balance	96,256,689	102,910,553
Provisions	2,014,207	2,014,207

Due to Related Parties	8,044,298	7,808,004
Taxes Payable	8,504,071	12,384,328
Current Portion of Long Term Loan	21,492,496	25,503,357
Lease Liability	53,030,822	65,691,950
Dividends Payable	2,669,364	8,078,300
<b>Total Current Liabilities</b>	<b>252,634,013</b>	<b>300,120,538</b>
<b>Total Liabilities</b>	<b>516,666,201</b>	<b>579,457,244</b>
<b>Total Liabilities &amp; Equity</b>	<b>903,205,920</b>	<b>952,498,390</b>