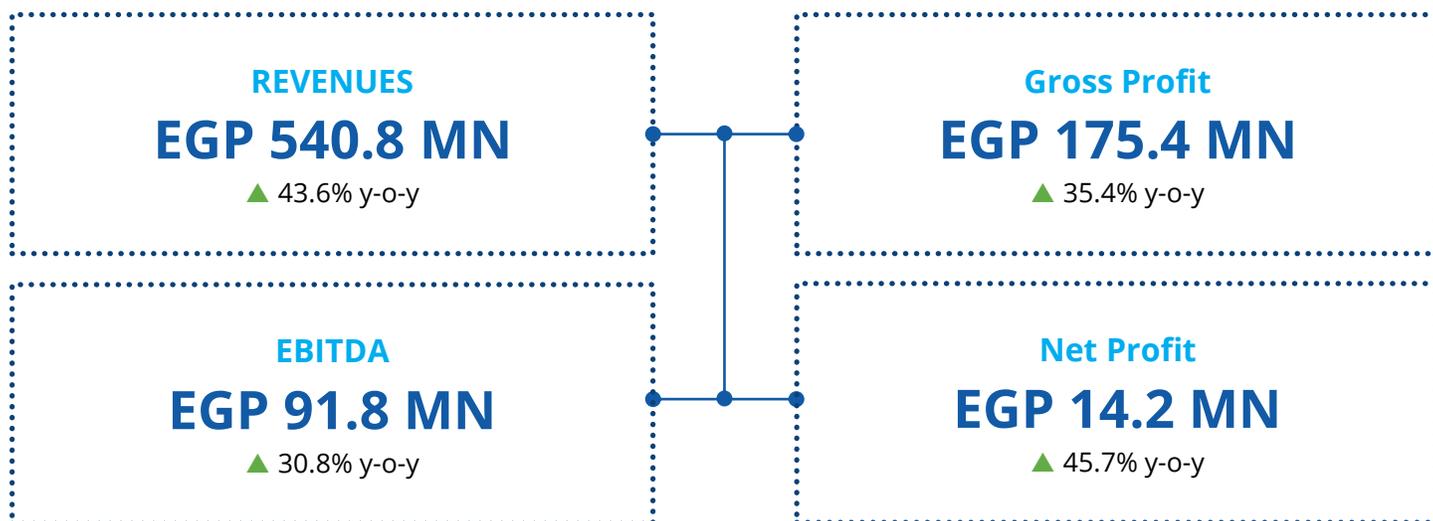


Raya Customer Experience Reports 1H 2022 Results



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 six-month period ended 30 June 2022, recording revenues of EGP 540.8 million, a 43.6% y-o-y increase. Gross profit increased by 35.4% y-o-y to EGP 175.4 million, while net profit recorded EGP 14.2 million in 1H 2022, up 45.7% compared to 1H 2021, with a net profit margin of 2.6%.

Summary Income Statement

EGP	1H2021	1H2022	% Change
Revenue	376,563,724	540,820,384	43.6%
<i>Outsourcing</i>	188,256,381	272,136,625	44.6%
<i>Insourcing</i>	109,972,961	171,854,855	56.3%
<i>Hosting</i>	78,334,382	96,828,904	23.6%
Gross Profit	129,544,439	175,391,771	35.4%
<i>Gross Profit Margin</i>	34.4%	32.4%	-2.0 pts
EBITDA	70,223,820	91,840,812	30.8%
<i>EBITDA Margin</i>	18.6%	17.0%	-1.6 pts
Net Profit	9,757,402	14,218,802	45.7%
<i>Net Profit Margin</i>	2.6%	2.6%	-

Note from the CEO

We are pleased to report on our 1H 2022 results which show strong top-line growth amidst an everchanging and turbulent operating environment. We continue to reap the benefits from our turnaround strategy coupled with a multitude of internal transformations and optimization initiatives, an ongoing exercise across all operations. While a number of global and local economic variables remain uncertain, we are fully confident in our ability to capitalize on shifting market dynamics and to push ahead with our growth strategy.

In the first half of 2022, RCX recorded double-digit revenue growth and improved profitability on the back of strong performance across our business segments. We have been aggressively pursuing growth opportunities and securing new contracts since the start of the year and revenues from these commercial activities have started materializing in the second quarter. A key strategy at RCX has long been to diversify sources of revenue in terms of currency, geography and business segment. In an increasingly inflationary environment exacerbated by the devaluation of the Egyptian pound in March 2022, our strategy has served us well and supported our growth. RCX finds itself in an enviable position whereby over half of its revenues are in US dollars, which has been instrumental amidst recent FX fluctuations.

On the regional front, we are thrilled with the success of our recent expansion into the Gulf area through our acquisition of Gulf CX. The transaction has unlocked significant potential for the company in the Gulf region with BPO operations in the Kingdom of Bahrain and Kingdom of Saudi Arabia. We have strengthened our position in KSA and are exploring a number of commercial and partnership activities in the coming period. Moreover, we have kicked off our expansion activities in Latin America and we expect to have physical presence on the ground by early to mid 2023.

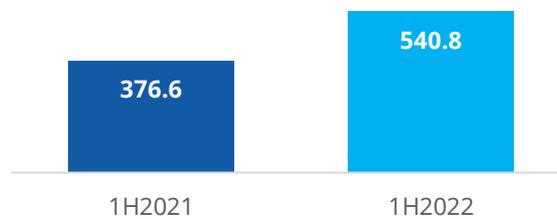
As we head into the second half of the year, we are optimistic that our turnaround strategy as well as our innovative product and service suite of solutions will weather the challenging macroeconomic environment and set us apart from the competition. Our Company is well-positioned to capture growth opportunities and deliver a strong performance in the coming period to create long-lasting value for our shareholders.

Ahmed Refky
Chief Executive Officer

Financial Performance

Consolidated revenues grew 43.6% y-o-y to reach EGP 540.8 million in 1H 2022 compared to EGP 376.6 million the previous year. Revenue growth was driven by an expansion in our operations, growing business at our recently acquired Gulf CX and increased utilization rates across our facilities.

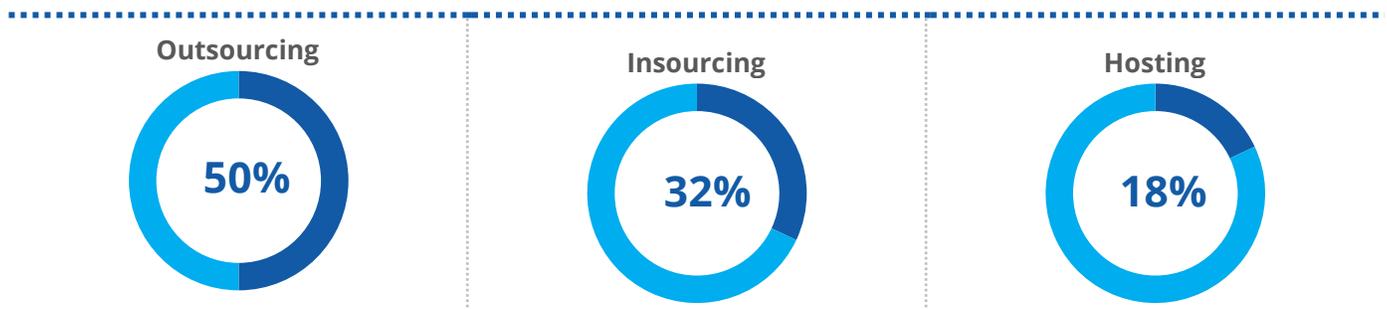
Consolidated Revenue



In terms of the revenue breakdown by **service segment**, *contact center outsourcing* continues to be the primary contributor recording EGP 272.1 million in 1H 2022, representing 50.3% of total revenue. Our *insourcing business*, also known as *HR outsourcing*, recorded EGP 171.9 million to make up 31.8% of total revenue, while the *hosting business* recorded EGP 96.8 million, accounting for the remaining 17.9% 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 30% 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 about half of total revenue in the second quarter of the year. RCX aims to shift the revenue mix towards a more optimal breakdown as market conditions normalize.

Revenue by Segment



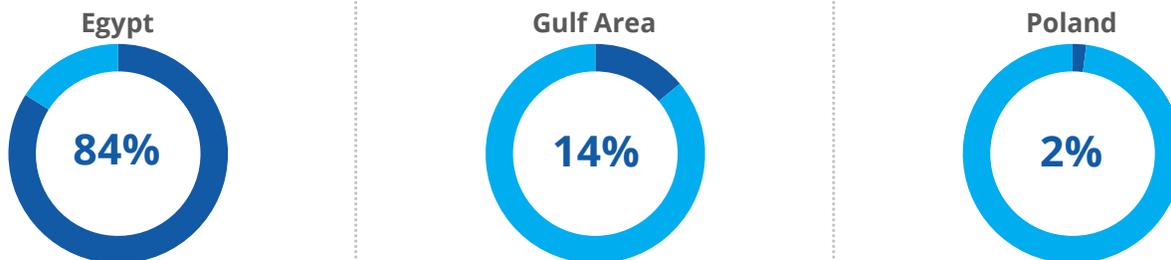
Analyzing 1H 2022 revenues by **currency**, *offshore* revenue (USD) recorded EGP 290.6 million, accounting for 53.7% of total revenue, compared to 51.4% in the same period last year. RCX's strategy is to consolidate USD recurring revenues to enable it to absorb fluctuations in foreign exchange rates. The strategy proved very effective during the recent devaluation of the Egyptian pound. Moving forward, as the company continues to increase its USD revenue share it will further strengthen its position relative to competitors amidst a volatile macroeconomic environment.

Revenue by Currency



Analyzing revenue by **geographical location**, RCX derived 83.7% of its 1H 2022 revenues from **Egypt's** facilities, which recorded EGP 452.7 million, up 27.4% compared to 1H 2021. The second largest contribution came from the **Gulf area** operations, which saw revenues increase nearly seven-folds year-on-year to reach EGP 78.1 million in 1H 2022, thanks to our recent acquisition of Gulf CX. One of RCX's strategies is to grow its geographic footprint into more high-value markets in the region and beyond. Our expansion in the Gulf area has proven to be a successful step in realizing our regional growth strategy. Finally, the **Poland** facility recorded EGP 10.0 million in revenues in 1H 2022 nearly at par with the previous year.

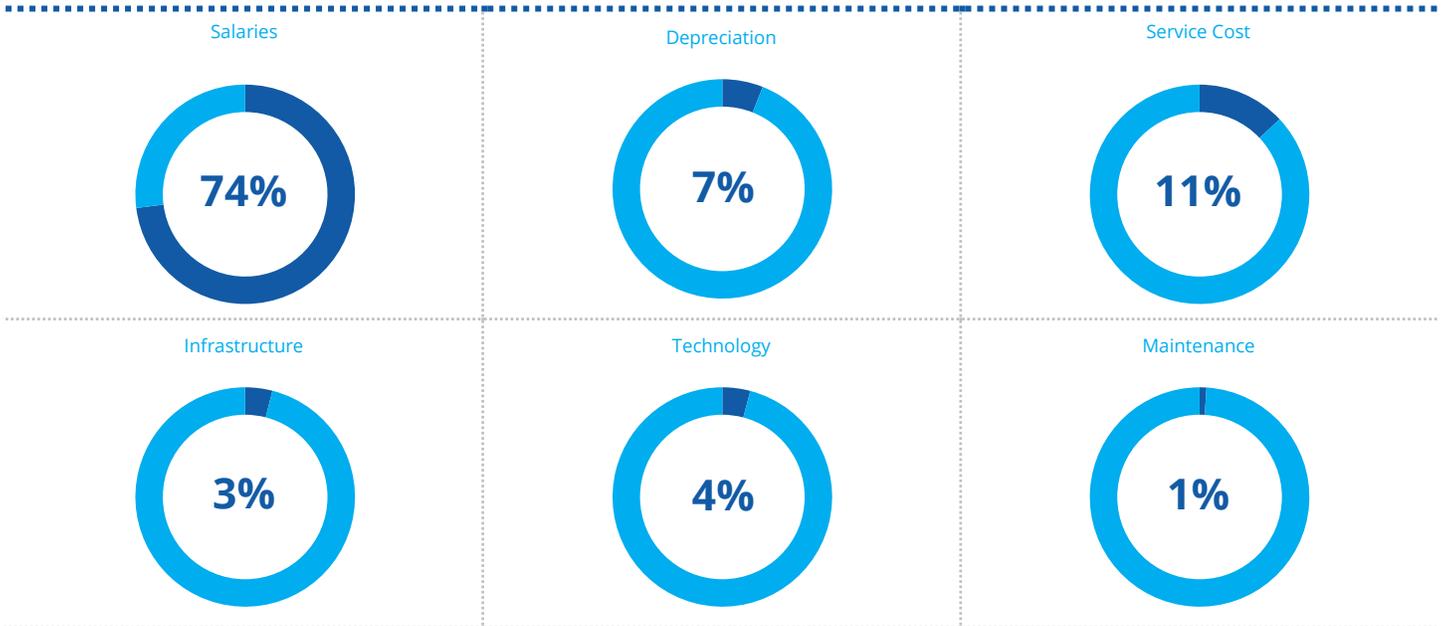
Revenue by Geographical Location



Gross Profit section

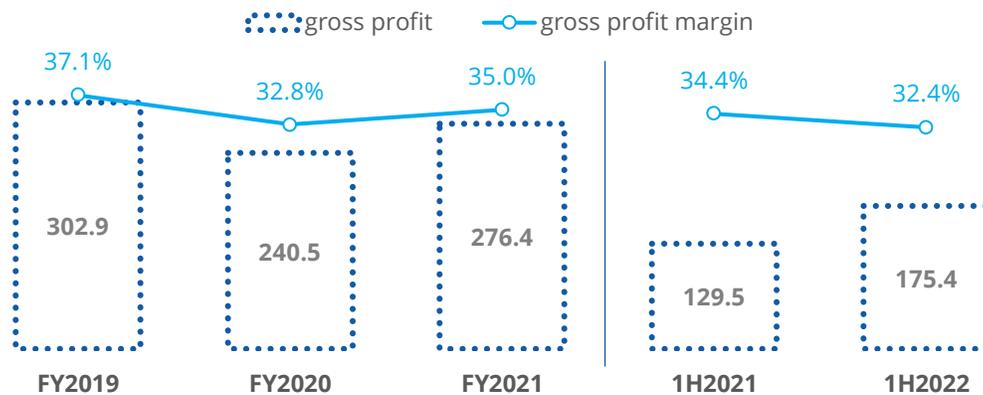
Total **costs of goods sold (COGS)** for 1H 2022 was EGP 371.4 million, a 50.3% y-o-y increase, which resulted in RCX's COGS as a percentage of revenues to increase to 68.7% compared to 65.6% in 1H 2021. Salaries & wages constituted the largest share of COGS standing at 74.3%, which is in line with the lower profit revenue mix due to the higher contribution from the insourcing segment as well as increased hiring associated with expansion plans.

COGS Breakdown



In 1H 2022, RCX's **gross profit** recorded EGP 175.4 million, up a strong 35.4% y-o-y, with a gross profit margin of 32.4% versus the 34.4% 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 as well as service costs associated with growing the business. Profitability is showing a steady improvement and RCX aims to restore profitability through reverting to the historical revenue mix and growing the outsourcing segment.

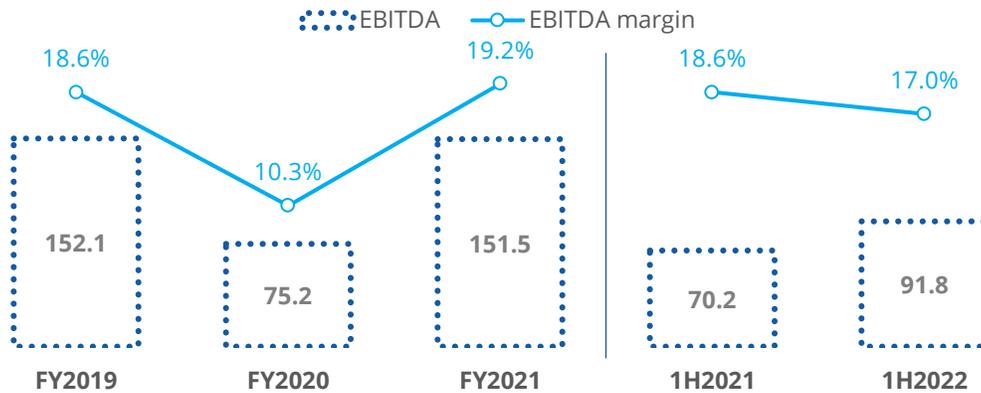
Gross Profit (MN) and Gross Profit Margin Evolution



Meanwhile, **selling, general and administrative (SG&A)** for 1H 2022 totaled EGP 75.5 million, up 35.1% y-o-y; however, RCX's SG&A as a percentage of revenues stood at 14.0% versus 14.8% in 1H 2021, despite the increase. The increase in SG&A expenses was due to higher annual salaries, currency devaluation related salary adjustments, 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 91.8 million in 1H 2022, up 30.8% y-o-y, with an EBITDA margin of 17.0% compared to 18.6% in 1H 2021. Higher SG&A expenses affected EBITDA margins year-on-year.

EBITDA (MN) and EBITDA Margin Evolution

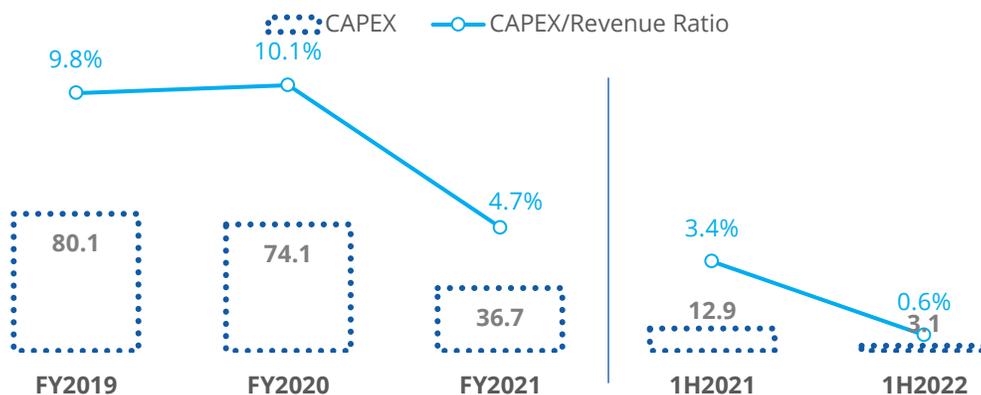


RCX reported a **net profit** of EGP 14.2 million in 1H 2022, up a strong 45.7% y-o-y, with a stable year-on-year net profit margin at 2.6%. The increase in net profit reflects business growth and operational efficiencies across the company. Additionally, as at 30 June 2022, the company’s financial position remained liquid with a healthy **cash balance** of EGP 52.1 million. Our historically large cash balance was used to finance our recent acquisition of 85% of Gulf CX.

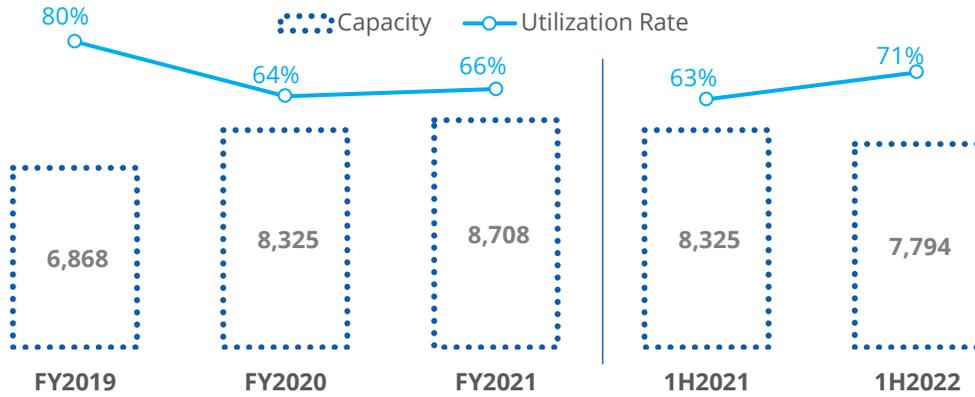
Operational Performance

In 1H 2022, RCX’s total workstation capacity stood at 7,794 with utilization rates recording 71%, compared to 63% in the same period last year, which excluded the Gulf CX capacity. Total CAPEX in 1H 2022 was EGP 3.1 million compared to EGP 12.9 million in 1H 2021 when RCX was completing infrastructure enhancements. CAPEX as a percentage of revenues dropped to 0.6% in 1H 2022 compared to 3.4% in the first half of the previous year.

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,
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RACC.CA on the EGX

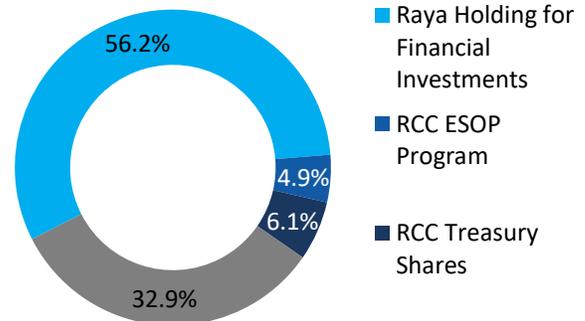
Number of Shares 218,454,770

Share Price (30 June 2022) EGP 2.15

Market Cap (30 June 2022) EGP 469,677,756

Shareholding Structure

(as at 30 June 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	1H2021	1H2022	Change
Revenue	376,563,724	540,820,384	43.6%
COGS	(247,019,285)	(371,358,982)	50.3%
Government Support	-	5,930,369	-
Gross Profit	129,544,439	175,391,771	35.4%
General & Administrative Exp.	(50,885,792)	(68,815,563)	35.2%
Selling & Marketing Exp.	(5,012,181)	(6,710,821)	33.9%
Rent	(26,702,058)	(26,970,548)	1.0%
Depreciation Leased Assets	(28,772,002)	(34,133,685)	18.6%
Operating Profit	18,172,406	38,761,154	113.3%
EBITDA	70,223,820	91,840,812	30.8%
Provisions	-	(50,000)	-
Impairments	(2,152,236)	(7,596,971)	253.0%
Impairments Reversal	2,794,295	53,293	-98.1%
Financing Interest on Leased Assets	(10,252,502)	(14,385,065)	40.3%
Interest Income (Expense)	6,729,074	(1,188,963)	-
Gain on Sale of Fixed Assets	613,586	-	-
FX Gain (Loss)	(1,741,654)	5,945,706	-
EBT	14,162,969	21,539,155	52.1%
Tax	(4,405,567)	(7,320,352)	66.2%
Net Income	9,757,402	14,218,803	45.7%
<u>Distributed as follows:</u>			
Shareholders of the Parent Company	9,111,268	15,221,141	67.1%
Minority Interest	646,134	(1,002,338)	-255.1%
Earnings Per Share	0.04	0.06	50%

Consolidated Balance Sheet

EGP	31 December 2021	30 June 2022
Assets		
Long Term Assets		
Fixed Assets	174,105,107	164,133,935
Right of Use Assets	227,722,857	244,786,864
Intangible Assets	60,140	65,100
Deferred Tax Asset	95,153	552,259
Goodwill	188,031,146	142,034,688
Total Long term Assets	590,014,403	551,572,846
Current Assets		
Accounts Receivables	145,501,584	228,115,022
Advance Payment & Other Debit Balances	84,347,750	141,071,308
Due from Related Parties	485,225	912,107
Cash & Cash Equivalents	82,856,958	52,099,418
Total Current Assets	313,191,517	422,197,855
Total Assets	903,205,920	973,770,701
Equity		
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	35,381,345
Merger Reserves	(2,834,374)	(2,834,374)
FX Translation Reserve	(5,757,706)	(724,126)
Treasury Stock	(27,658,910)	(45,817,430)
Retained Earnings	229,891,911	237,442,798
Net Income Attributable to Majority Owners	21,030,613	15,221,141
Total Parent's Shareholders' Equity	380,969,858	373,838,070
Minority Interest	5,569,861	4,567,523
Total Equity	386,539,719	378,405,593
Liabilities		
Long Term Liabilities		
Long Term Debt	57,532,060	56,104,530
Deferred Tax Liability	6,031,280	3,115,187
Other long term Liabilities	2,420,604	2,802,615
Long Term Loan for Right of Use	198,048,244	214,908,665
Total long term Liabilities	264,032,188	276,930,997
Current Liabilities		
Bank Overdraft	9,575,615	5,702,162
Accounts Payable	51,046,451	81,538,623
Other Credit Balance	96,256,689	111,581,805
Provisions	2,014,207	2,064,207

Due to Related Parties	8,044,298	7,733,679
Taxes Payable	8,504,071	10,998,299
Current Portion of Long Term Loan	21,492,496	26,170,838
Lease Liability	53,030,822	66,501,465
Dividends Payable	2,669,364	6,143,033
Total Current Liabilities	252,634,013	318,434,111
Total Liabilities	516,666,201	595,365,108
Total Liabilities & Equity	903,205,920	973,770,701