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## **Raya Contact Center S.A.E. announces its intention for public offering of ordinary shares on the Egyptian Exchange**

Cairo, 29 March 2017

Raya Contact Center S.A.E. (“**RCC**”, the “**Company**” or the “**Issuer**”) announced today the offering of up to 48,994,000 existing ordinary shares representing 48.99% of the Company’s outstanding share capital listed on the Egyptian Exchange (“**EGX**”) currently owned by Raya Holding for Financial Investments (the “**Selling Shareholder**”).

The offering will include (i) an International Offering to institutional investors, (ii) an Egyptian Retail Offering to retail investors in Egypt (collectively the “**Combined Offering**”) and (iii) a Closed Subscription wherein the Issuer will offer to the Selling Shareholder the right to, and the Selling Shareholder has agreed to, subscribe for new Shares (the “**Closed Subscription Shares**”) with a value of EGP 100,000,000 (calculated as the number of shares to be purchased in the Closed Subscription multiplied by the Offer Price). The International Offering Shares, the Egyptian Retail Offering Shares and the Closed Subscription Shares will be offered and sold at the same price (the “**Offer Price**”). Details of the Combined Offering and the Closed Subscription are outlined in the Offering Highlights section, below.

RCC received in February 2015 permission to list its shares on the EGX under the symbol RACC.CA. RCC has submitted the Public Subscription Notice (“**PSN**”) to the EGX on 29 March 2017 and is awaiting approval to proceed with the offering and for the shares to be admitted for trading on the EGX.

Commenting on the offering, RCC’s Chief Executive Officer Mr. Ahmed Imam said: “We are now in the midst of transformation process of being a multinational BPO Service Provider. As much as this gives us pride of our accomplishments and aspirations for what is yet to come, it also implies significant work that is needed to kick off and streamline our operations across our new locations. The future holds a lot of potential for Raya Contact Center, and we are geared up for the challenge.”

RCC is a leading provider of business process outsourcing (“**BPO**”), serving multiple clients in Europe and the Middle East with 77% of revenues generated is denominated in foreign currency, predominantly in USD as at November 30, 2016. The Company operates from facilities in Egypt, as well as in Dubai, UAE and Warsaw, Poland – delivering its services in over 25 languages. RCC was founded in 2001 and is currently a subsidiary of the Selling Shareholder, a leading Egyptian group of companies in a variety of industries. RCC believes that it enjoys a market leading position in the Egyptian contact center outsourcing (“**CCO**”) market.

As at November 30, 2016, RCC had 4,870 workstations across eight facilities, as compared to 200 workstations in 2001. Two additional facilities are expected to open in 2017. During, the first eleven months of 2016, RCC processed an average of 8.0 million transactions per month, as compared to approximately 6.5 million transactions in the corresponding period in 2015.

RCC offers a comprehensive portfolio of BPO services, including customer contact services, professional services, back office and inside sales channel management. RCC is evolving from offering individual customer relationship management (“**CRM**”) BPO services to combining multiple service offerings, covering both the front-end and the back-end of the clients’ customer experience, into customized solutions adapted to RCC’s clients’ needs. RCC believes that these customized end-to-end customer solutions provide an improved experience for its clients’ customers and create stronger customer relationships, which reinforces its clients’ brand recognition and enhances customer loyalty and, in turn, the clients’ loyalty to the Company. RCC’s services and solutions are delivered across multiple channels including digital (SMS, email, chats, social media and apps, among others) and voice and are enabled by process design, technology and intelligence functions.



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RCC also enjoys long-standing client relationships across a variety of industries working with market leaders in sectors such as telecommunications and media, technology and consumer electronics, banking, financial services and insurance (“**BFSI**”), retail and food, automotive and travel. RCC’s ability to retain its clients is witnessed from i) its high retention rates which reached 96.4%<sup>1</sup>, by number of clients, in 11M-16, and ii) high revenue contribution from existing clients, with 77% of 11M-16 revenue coming from clients with over 5 years of relationship with the Company. RCC has a highly-engaged employee base with over 5,500 employees in Egypt, Dubai and Warsaw which are critical to the Company’s ability to deliver best-in-class customer service.

The Company has the following certifications: COPC, a global performance management system designed to balance and improve the quality, accuracy and efficiency of service to generate higher customer satisfaction and leverage profitability; and a PCI DSS certification in respect of account data protection, e-payments and credit card data security. The Company also follows ITIL, a leading IT infrastructure framework, with all the professional technical team being ITIL certified.

RCC’s revenue for the eleven months ending November 30, 2016 was EGP463.1 million (growing with a CAGR of 33.6% from 2013 to 11M-2016). RCC’s EBITDA and Net Profit for the eleven months ending November 30, 2016 were EGP152.6 million and EGP98.6 million, respectively, implying an EBITDA margin and Net Profit Margin of 32.9% and 21.3%, respectively.

## **For Further Information, Please Contact:**

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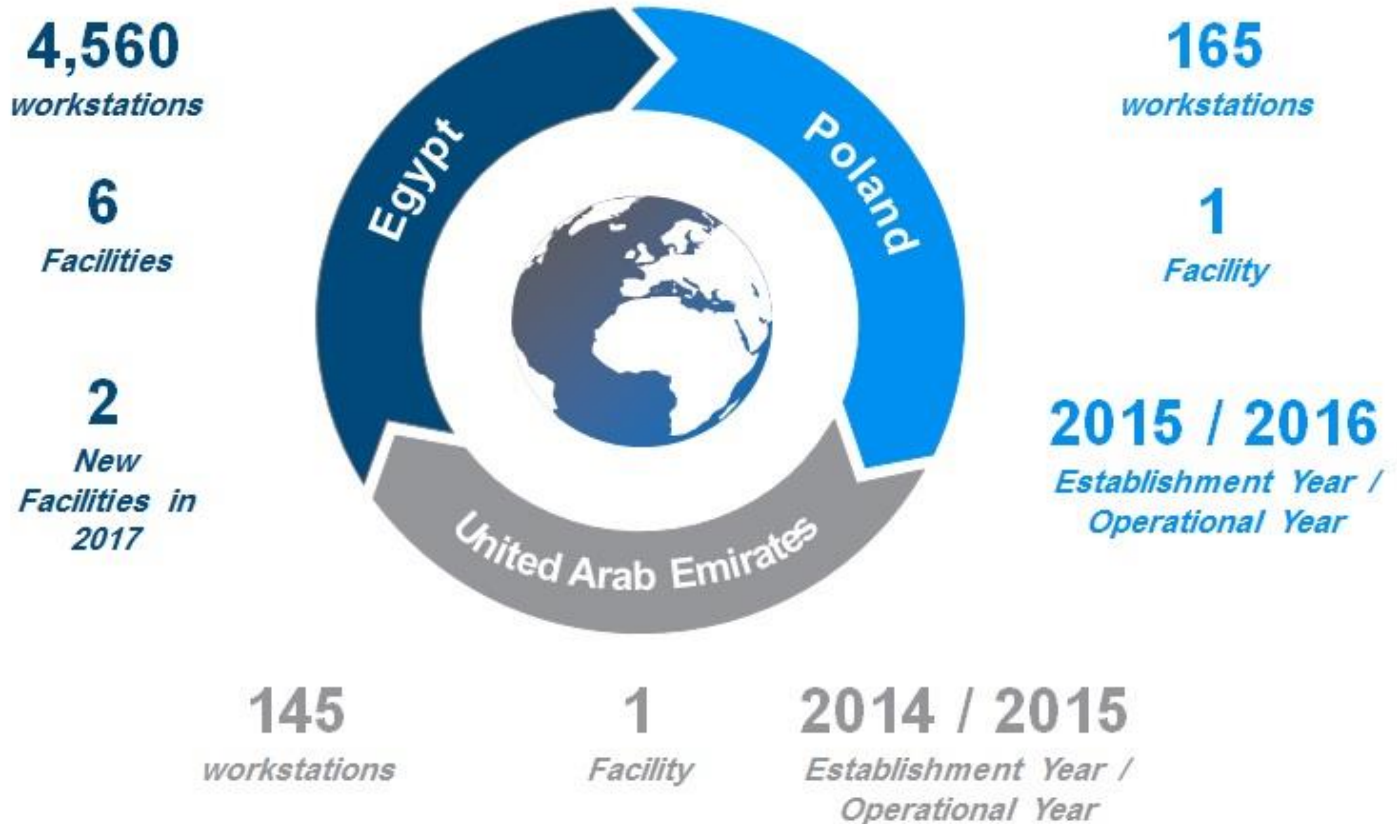
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<sup>1</sup> Retention rates defined as the percentage of existing clients that have stayed with RCC for more than 1 year

## RCC's Delivery Centers Overview



## Key Investment Highlights

- A Growing Industry Supported by Key Fundamental Trends***

The BPO industry has continued to grow in recent years as more enterprises realize the cost savings and efficiency that can be accomplished by outsourcing non-core business activities and functions. BPO enables organizations to: (i) focus on their core capabilities; (ii) retain greater control over costs and budgeting; (iii) increase customer satisfaction; (iv) reduce the time-to-market for new products and services; and (v) redeploy capital used in internal processes. Several trends has been witnessed in the global BPO market, which the Company believes is in its benefit, mainly the continued trends of offshoring as well as outsourcing non-core business processes in general and contact center services, in particular to third party providers.

- Leading Market Position in Increasingly Attractive Core Egyptian Market and Strong Market Presence in Favourable UAE and Polish Markets***

As the largest provider of BPO solutions in Egypt, RCC believes that it holds the number one market position in the Egyptian CCO market in terms of number of workstations and competing positions in the UAE and Polish CCO markets. RCC believes that it benefits from a location portfolio diversity given that its facilities are spread across Egypt, Poland and Dubai. According to A.T. Kearney 2016 Global Services Location Index, the Company

is present in the top 20 favourable countries for business process outsourcing with Egypt, Poland and Dubai standing as the most favourable countries to operate in the Middle East and Africa region, Europe and the Gulf region, respectively. The countries where RCC operates from, provide unique advantages as an outsourcing and offshoring destination. The Company believes that the key competitive advantages for the countries where it operates in are: i) operational cost savings given Egypt's low cost nature compared to other countries, especially after the EGP flotation; ii) abundant and multilingual talent supply, iii) proximity to major markets, iv) quality and scalable infrastructure and v) continuous government support.

- ***Scalable Operational Platform Supported by a Low Capital Intensity***

RCC benefits from a high degree of operational efficiency, generated by its ability to scale the business quickly, with low levels of capital and other expenditures, resulting in an "asset light" business model. RCC rents all of its facilities, and its primary capital expenditures are in respect of technical and IT equipment. RCC's "asset light" model provides it with a scalable operational platform that has contributed to growing its workstations from 200 workstations in 2001 to 4,870 workstations in 11M-16 owing to the continuous expansion in Egypt as well as the successful expansion into the UAE and Poland.

- ***A Comprehensive Provider of BPO Services with Long Standing Client Relationships Across Multiple Sectors***

RCC is the largest BPO provider in Egypt and one of the largest in the MENA region. RCC is one of the only regional market participants that provides a comprehensive portfolio of customizable solutions with multiple different sub-services, thereby catering to its clients' changing needs and giving it the ability to sell multiple BPO services to existing clients. RCC has focused on building its business by providing a broad range of differentiated, high quality services, beginning with contact center services, the core of the BPO industry, and adding other services over time. RCC works with market leaders in sectors such as, telecommunications and media, technology and consumer electronics, BFSI, retail and food, automotive and travel. RCC has a high customer satisfaction, with retention rates standing at 96.4% as at November 30, 2016. RCC's clients are extremely loyal to it, with approximately 77% of revenues for the eleven months ended November 30, 2016 coming from clients with which the Company have worked with for over 5 years.

- ***Efficient HR Management and State of the Art Infrastructure Endorsed by Various Renowned Certifications***

RCC is able to recruit its employees from a deep talent pool and have a strong track record of retaining and developing top talent. RCC has established a robust human resources platform, which allows it to access a skilled and multi-lingual workforce in Egypt, Dubai and Warsaw, principally comprised of university graduates, and to deploy its employees quickly to service new clients and provide new services, while maintaining high quality standards. RCC believes that it is seen as a desirable workplace, as evidenced by its employee retention rate, which the Company Management believes exceeds industry standards. RCC strategically implements collaborative and proprietary training processes to recruit, train and retain one of the largest workforces in the industry in Egypt. RCC strive to provide its employees with an attractive career path that incentivizes them to engage in achieving or exceeding our clients' business objectives.

RCC continually invest in its infrastructure in order to ensure both the highest customer service experience and to ensure the protection of its clients' and its clients' customers' data. As technology is the cornerstone of its operations, having a scalable and reliable technology platform helps the Company deliver differentiated and customizable services and solutions for its clients. RCC is committed to the highest standards of quality and have several accredited technology and IT certifications, including COPC (performance management) and PCI DSS (payment security) as well as following the ITIL (IT) framework, which the Company uses in quality monitoring, performance management and business analysis and reporting.

- ***Experienced and Seasoned Management Team***

RCC's senior management team has an average of 22 years in the industry and an average of 10 years with the Company, with many senior management team members continuing with the Company since it was founded or shortly after. RCC also has an established track record of hiring other senior managers with expertise in the industry to support its growth with local regional insight and multinational experience. The depth and breadth of its senior management team's experience has enabled the Company to respond effectively to changes in the market by continuing to develop its comprehensive service portfolio and increase its market presence.

- ***Healthy Offshore Business with an Attractive U.S. Dollar Cash Flow Stream Supporting Both Growth and Profitability***

RCC serves clients inside and outside Egypt, with the majority of its clients being located outside of Egypt. Accordingly, RCC's offshore revenue, which is denominated in foreign currency, has always constituted the majority of the Company's total revenue, (comprising 77% of revenue for the eleven months ended November 2016), while the majority of its costs are all denominated in Egyptian Pounds. This has supported the Company's revenue growth and enhanced its profitability amidst the weakening of the Egyptian Pound. This has, in turn helped the Company in boosting its revenue and enhance its margins with revenues reaching EGP 463.1 million, as at November 30, 2016 (representing a 33.6% combined annual growth rate from 2013 to the end of November 2016). RCC's EBITDA margin was 32.9% as at November 30, 2016.

## **Strategy**

The main goals of RCC's growth strategy are to: (i) sustain the leading BPO service provider position in Egypt; (ii) grow into the leading market participant in the GCC region; and (iii) develop a challenger position in Europe.

RCC intend to pursue these goals through the following strategies:

- ***Service Development Strategy***

- Focusing on higher margin services, and providing their existing clients with increased "value-added" services; and
- Expanding RCC's BPO service offerings and introducing add-on services to further serve their clients' needs.

- ***Market Penetration Strategy***

- Optimizing the Company's existing facilities in Egypt, Dubai and Warsaw;
- Expanding the Company's facilities in Tier II cities in Egypt as well as in the U.A.E and Poland;
- Growing the Company's client base through targeting new clients in industries it currently serves and expanding in new industries; and
- Expanding the Company's off-shore services, focusing European markets.

- ***Market Development Strategy***

- Expanding the Company's footprint in the region by building new capacity or acquiring new contact-centers in accordance to the Company's acquisition strategy criteria and utilizing the proceeds of the closed subscription.

## Financial Highlights<sup>2</sup>

EGP in millions	11M-2016
<b>Revenue</b>	<b>463.1</b>
<i>2013-11M 2016 CAGR</i>	<i>33.6%</i>
<b>EBITDA</b>	<b>152.5</b>
<i>EBITDA Margin, %</i>	<i>32.9%</i>
<b>Net Profit</b>	<b>98.6</b>
<i>Net Profit Margin, %</i>	<i>21.3%</i>
<b>Net Debt / EBITDA</b>	<b>-0.01x</b>

## Offering Highlights

Pursuant to approvals received from the Egyptian Financial Supervisory Authority (“EFSA”) and the EGX, shares will be offered to international institutions (the “International Offering”) with a further offering of shares in a domestic offering in Egypt (the “Egyptian Retail Offering”). Following the completion of the Combined Offering, the Company will offer exclusively to the Selling Shareholder in the Closed Subscription the right to subscribe for new Shares with a value of EGP100,000,000.

All of the gross proceeds from the Combined Offering will be received by the Selling Shareholder, which has undertaken to use a portion of the proceeds of the Combined Offering, amounting to EGP100 million to subscribe for the Closed Subscription Shares at the Offer Price pursuant to the Closed Subscription.

The Combined Offering will consist of 48,994,000 ordinary shares, with up to 44,094,600 shares for the International Offering and a further 4,899,400 shares in the Egyptian Retail Offering.

The Selling Shareholder is Raya Holding for Financial Investments, which holds 99.8% of the share capital of RCC.

EFG Hermes Promoting & Underwriting is sole global coordinator and bookrunner for the Combined Offering. Dechert LLP is international counsel to the issuer, Zaki Hashem and Partners is serving as local counsel to the issuer and the Combined Offering, while Matouk Bassiouny is serving as local counsel to the sole global coordinator and bookrunner.

—Ends—

## About Raya Contact Center Company S.A.E.

Raya Contact Center, founded in 2001, is a leading provider of business process outsourcing, serving multiple clients primarily in Europe and the Middle East, from operating facilities in Egypt, as well as in Dubai, UAE and Warsaw, Poland. The Company offers a comprehensive portfolio of BPO services, including customer contact services, professional services, back office and inside sales channel management. The Company has over 4,800 workstations across eight centers located in Egypt, UAE and Poland serving multiple clients from a variety of industries across Europe and the Middle East Region. Learn more about RCC by visiting [www.rayacc.com](http://www.rayacc.com)

<sup>2</sup> Figures derived from Egyptian Accounting Standards audited financial statements. The financial highlights are qualified in their entirety by RCC’s audited financial statements, including the Notes thereto.



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This announcement does not constitute a recommendation concerning the Combined Offering. The price and value of securities and any income from them can go down as well as up. Past performance is not a guide to future performance. Information in this announcement or any of the documents relating to the Combined Offering cannot be relied upon as a guide to future performance. Before purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Offering Circular, when published.



In connection with the Combined Offering, EFG Hermes Promoting & Underwriting or any of their respective affiliates, acting as investors for their own account(s), may subscribe for or purchase Shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for its or their own accounts in such Shares and other securities of the Company or related investments in connection with the Combined Offering or otherwise.

In connection with the Egyptian Retail Offering, EFG Hermes Promoting & Underwriting, or any of its agents, may, to the extent permitted by applicable law, effect transactions with a view to supporting the market price of the Shares at a higher level than that which might otherwise prevail in the open market. If the trading price per Share falls below the offer price on or after the date of the commencement of trading of Shares on the EGX, and ending 30 days after that date (such period, the “**Stabilization Period**”), purchasers of Shares in the Egyptian Retail Offering may submit sell orders and EFG Hermes Promoting & Underwriting will submit purchase orders for Shares at the offer price, which will remain open until the end of the Stabilization Period. At the end of the Stabilization Period, open purchase orders submitted by EFG Hermes Promoting & Underwriting will be matched with open sale orders and executed on the EGX. Save as required by law or regulation, neither the stabilizing manager nor any of its agents intends to disclose the stabilization transactions conducted in relation to the Egyptian Retail Offering except as may be required by the EGX and / or the EFSA.

## 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 the Company’s 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. The Company’s 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 a significant loss of the Company’s top clients, inability to maximize the Company’s utilization of its workstations, damage to, or disruption in, the Company’s key technology systems, unauthorized disclosure of sensitive or confidential client and customer data, mismatch in the currency in the Company’s revenue and expenses, increase in competition with regional and global players, inability to maintain effective internal controls, unfavorable global economic conditions, failing to attract and retain enough sufficiently trained employees to support the operations, significant increase in employee expenses and changes in labor laws, among others.

Accordingly, investors should not rely on the forward-looking statements in this announcement and investors are strongly advised to read the Offering Circular, including the audited financial statements contained therein. None of RCC, Management or EFG Hermes Promoting & Underwriting gives any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.