



**The Board of Directors Report attached to the financial statements of
Raya Holding for Financial Investments S.A.E**

The Board of Directors' report attached to the financial statements during the period ending on 31/03/2024 (prepared in accordance with the provisions of Article 40 of the listing rules)



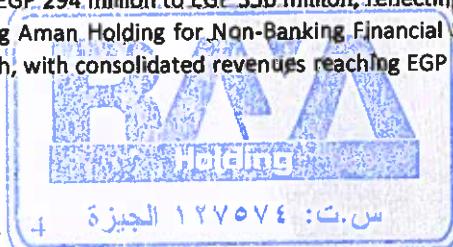
Dear Shareholders of Raya Holding for Financial Investments,

Presented is a comprehensive report that outlines an overview of the company's activities during the period ending on March 31st, 2024, pertaining to both the consolidated and standalone financial statements.

General Status of the Company and Business Results

Financial Key Highlights | for the three-month period ended March 31st, 2024 | Consolidated Financial Statements:

- Despite encountering significant market hurdles such as currency devaluation, inflationary pressures, and a 9% surge in lending interest rates from 19.25% in March 2023 to 28.25% in March 2024, the company saw noteworthy expansion in the fiscal year ending March 31st, 2024. This growth was achieved while upholding strong financial performance, showcasing a considerable increase in the company's overall profit margins.
- During the first quarter of 2024, Raya saw substantial revenue growth, with total group revenues reaching EGP 10.4 billion, compared to EGP 6.5 billion in the corresponding period of the previous year, marking a 59% increase. This surge can be attributed to the uptick in the group's foreign currency revenues, which rose by 65% to reach EGP 2.7 billion. Furthermore, foreign currency revenues accounted for 26% of the total group business volume during the period ending March 31st, 2024. Additionally, Raya's subsidiary companies across various sectors experienced a noteworthy uptick in business volume.
- The group showcased the resilience of its business strategy and its capacity to tackle obstacles. Raya Group maintained its consistent and fruitful expansion while bolstering and nurturing new endeavors and improving services for customers and shareholders across diverse sectors to attain heightened growth and profitability levels. The group remained committed to its ongoing and fruitful expansion efforts, bolstering and nurturing new ventures such as sales and distribution, information systems, non-banking financial services, and telecommunications call center sectors.
- For instance, Raya Distribution achieved consolidated revenues of EGP 4.7 billion during the first quarter of 2024, compared to EGP 2.8 billion in the previous year, marking a notable 66% increase. This growth can be credited to Raya's expansion strategy for its stores and a rise in revenues from retail sales and the distribution of electronics and appliances. In the information systems and technology sector, represented by Raya Integration and its subsidiaries, significant growth was observed, with sector revenues reaching EGP 2.5 billion during the first quarter of 2024, a substantial surge of 98% compared to the previous year. This rise can be attributed to new projects undertaken in collaboration with the banking and telecommunications sectors, where Raya currently holds a leading position in providing information technology services and spearheading digital transformation initiatives in Egypt.
- The telecommunications and outsourcing services sector, represented by Raya Customer Experience and its subsidiaries, saw a significant uptick in revenues during 2024. Total revenues amounted to EGP 625 million, compared to EGP 444 million in the same period of the previous year, marking a robust 41% annual increase. Furthermore, the consolidated group revenues were positively influenced by expansion in the food sector, with Raya Foods witnessing an increase in revenues from EGP 294 million to EGP 356 million, reflecting a 21% rise. Additionally, non-banking financial services, including Aman Holding for Non-Banking Financial Services and Electronic Payments, also experienced notable growth, with consolidated revenues reaching EGP 1.3 billion in



the first quarter of 2024, compared to EGP 1.04 billion in the first quarter of 2023, representing a solid 23% increase.

- In the first three-month period of 2024, the company witnessed a significant increase in gross profit, soaring to EGP 2.2 billion from EGP 1.4 billion in the same period of 2023, marking a remarkable 58% surge. This equates to a gross profit margin of 21% of total revenues. The upswing can be credited to enhanced profitability across various sectors within the group, notably in the sales and distribution of electronics and durable household appliances, information systems and technical services, data centers, microfinance, and consumer finance activities, as well as the call center services sector. Additionally, expansion in the frozen foods sector and increased exports to numerous countries worldwide contributed to this growth.
- General and administrative expenses totaled EGP 771 million, representing a 33% increase compared to EGP 581 million in 2023. Despite this rise, the proportion of general and administrative expenses to the group's total revenues decreased to 7%, down from 9% in the same period of the previous year. This reduction is noteworthy given the challenging economic conditions and the country's inflationary trends. It highlights the commitment of the company's various administrations to consistently devise solutions aimed at curbing expenses and boosting profitability within the group.
- Sales and marketing expenses surged by 24%, reaching EGP 327 million compared to EGP 265 million during the same period in 2023. Despite the inflationary pressures, the proportion of sales and marketing expenses as a percentage of the group's total revenues was recorded at 3%, down from 4% for the same period in the previous year.
- In the first quarter of 2024, EBITDA showcased outstanding performance, soaring to EGP 1.2 billion from EGP 660 million in the same period in 2023. This represents a notable annual increase of 83%, reflecting a 12% EBITDA margin. This remarkable accomplishment can be attributed to substantial growth and margin enhancement across various strategic business units, encompassing trade and distribution, information technology, non-banking financial services, and food business lines.
- In 1Q2024, net financing expenses surged by 56%, totaling EGP 373 million compared to EGP 238 million in 1Q2023. This notable increase can be attributed to two primary factors: Firstly, there was a 9% spike in overnight lending rates, escalating from 19.25% in March 2023 to a substantial 28.25% in March 2024. Secondly, the exponential growth and margin enhancement achieved in the Fintech NBFS (Non-Banking Financial Services) line of business (LOB) also played a significant role. This growth was propelled by expansions in lending portfolios and a favorable development in Net Interest Margins (NIMs).
- The consolidated net profit of the group before minority interest during the period (net profit for the period) amounted to EGP 378 million, compared to EGP 168 million during the first quarter of 2023. This improvement is credited to the substantial increase in the group's revenues from foreign currency resulting from companies exporting services or products, such as frozen foods, call center services, and the information technology systems sector.

Headcount:

- In 1Q2024, the total number of employees increased to 18,961. The significant rise in headcount is primarily attributed to expansions in Raya FMCG, Aman for Electronics Payments, Raya Foods, Aman for Financial Services, and Aman for Microfinance.



Financial Key Highlights | for the period ended March 31st, 2024 | Standalone Financial Statements:

- The total revenue for the period amounted to 33 million Egyptian pounds, compared to a total revenue of 348 million Egyptian pounds during the same period in 2023.

Strategic Business Units – Operational & Financial Overview during 1Q2024

Revenue turnover is allocated across the company's diverse strategic business units

Trade and Distribution Sector:

In 1Q2024, the Raya Trade and Distribution (RTD) business unit demonstrated exceptional financial performance, achieving total revenues of EGP 4.7 billion. This marked an impressive 66% YoY increase compared to EGP 2.8 billion in 1Q2023. The notable revenue growth can largely be attributed to the outstanding performance of both Raya's mobile distribution and retail segments, strategic expansions, and efficient operations in the United Arab Emirates, as well as the expansion of Raya mega stores and Raya shops.

Information Technology Sector:

In 1Q2024, Raya Information Technology (IT) saw a significant increase in revenue, experiencing a notable 98% YoY growth to reach EGP 2.5 billion, compared to EGP 1.3 billion in the same period of 2023. This substantial growth can be credited to the expansion of activities like installing, supplying, and maintaining ATMs for local banks, alongside the company's engagement in the digital transformation of information systems and data centers.

Communication Centers Sector:

Raya Customer Experience (RCX) has achieved impressive financial results in the first quarter of 2024, with revenues reaching EGP 625 million, marking a substantial 41% increase compared to the same period last year. This growth is attributed to strong performance across our business segments. Specifically, our Business Process Outsourcing (BPO) segment has shown remarkable growth, fueled by Egypt's competitive pricing as a delivery market. This has diversified our revenue mix and consequently enhanced profitability margins.

Non-Banking Financial Services, Electronic Payment, and Microfinance Sector (AMAN)

AMAN's gross revenues experienced a notable 23% year-on-year increase, reaching EGP 1.3 billion in 1Q2024 compared to EGP 1.04 billion in 1Q2023. This surge in revenue is driven by the expansion of the financing portfolio across various sectors including microfinance, consumer finance, and small and medium enterprises (SMEs).

Smart Buildings & Leasing Sector:

In 1Q2024, Raya Smart Buildings achieved revenues of EGP 49 million, indicating a 2% year-on-year increase from EGP 48 million in 1Q2023. This growth is credited to improvements in operational efficiencies at West Cairo premises and the expansion of the client portfolio for office rental services.

Logistics and Transportation Sector:

Ostool's financial performance in 1Q2024 exhibited remarkable growth, with revenues surging by 77% YoY to reach EGP 486 million, compared to EGP 274 million in the previous year. This impressive expansion is attributed to the company's robust expansion of activities in offering comprehensive logistics services to cement manufacturers and producers within Egypt. Additionally, Ostool expanded its clientele to encompass sectors such as grains, energy, and petrochemicals, thereby reinforcing its position as a pioneering entity in Egypt's heavy transport and logistics sector.



Vehicle Manufacturing Sector:

Raya Advanced Manufacturing achieved revenues of EGP 168 million during 1Q2024, marking a notable increase from EGP 97 million in 1Q2023, representing a significant 73% YoY growth.

Restaurants Sector:

In 1Q2024, Raya Restaurants exhibited strong financial performance, with revenues reaching EGP 35 million. This signifies a notable 13% YoY increase from the EGP 31 million generated in 1Q2023. The growth trajectory was primarily driven by the strategic expansion of the company's branch network, which not only strengthened its market presence but also contributed significantly to increased sales volume.

FMCG Sector:

In 1Q2024, Raya FMCG experienced substantial financial growth, with revenues reaching EGP 457 million, marking an impressive 62% YoY increase. This growth is primarily attributed to the establishment of new business partnerships and expansions, enabling the company to capture a larger market share. Additionally, effective expense management and cost optimization initiatives have contributed to the overall increase in revenue.

Frozen food Manufacturing sector:

Raya Foods achieved revenues totaling EGP 356 million in 1Q2024, representing a remarkable 21% YoY increase from EGP 294 million in 1Q2023. This substantial growth is primarily attributed to the fact that over 95% of the company's products are exported, leading to more than 90% of revenues being generated in foreign currency. Regarding local production and distribution, Raya Foods' local sales contributed a total of 5% to the overall business in 1Q2024.

Home Appliances Manufacturing sector:

Leveraging a diverse range of product offerings and brand optimization strategies, the company reached a significant revenue milestone of EGP 53 million in 1Q2024, marking a substantial YoY increase of 14% from EGP 46 million in 1Q2023.

Company Legal Representative
Name: Medhat Mohamed Ibrahim Khalil
Signature: 

Company Stamp

