

Cairo for Investment and Real Estate Development Releases 1Q 2019 Results

1Q19¹ Financial & Operational Highlights

Revenue EGP 200.9 million ▲ 31% y-o-y	EBITDA EGP 105.7 million ▲ 29% y-o-y 53% Margin	Net Profit EGP 74.3 million ▲ 39% y-o-y 37% Margin
Cash Earnings EGP 88.1 million ▲ 37% y-o-y	K-12 Students 24.2 thousand ▲ 13% y-o-y 92% Utilization	Higher-ED Students 7.9 thousand ▲ 42% y-o-y 60% Utilization
Geographical Reach 6 Egyptian governorates 1/19 Universities/Schools	Number of Schools 19 schools > 1,900 Teachers	Number of Faculties 9 faculties > 600 Professors

Cairo, 16 January 2019

Cairo for Investment and Real Estate Development (“CIRA”, CIRA.CA on the Egyptian Stock Exchange), the largest integrated provider of educational services in the Egyptian private sector, announced today its results for the three-month period ending 30 November 2018¹ posting revenues of EGP 200.9 million, up 31% year-on-year. Adjusted EBITDA² for the period stood at EGP 105.7 million, representing a year-on-year expansion of 29% and an EBITDA margin of 53% for 1Q19, unchanged from its level during the same quarter last year. Net profit grew by an exceptional 39% year-on-year to record EGP 74.3 million, with a 2-percentage point expansion in the net profit margin to reach 37% in 1Q19.

Summary Income Statement

(EGP mn)	1Q2018	1Q2019	% change
Revenues	153	201	31%
Gross Profit	100.1	128.5	28%
Gross Profit Margin	65%	64%	
Adjusted EBITDA ²	81.8	105.7	29%
Adjusted EBITDA Margin	54%	53%	
Net Profit	53.4	74.3	39%
Net Profit Margin	35%	37%	

¹ Refers to Q1 of CIRA’s fiscal year 2018/19 which ends 31 August 2019, in line with the academic year.

² CIRA’s Adjusted EBITDA factors out one-off IPO-related expenses incurred in 1Q 2019 of EGP 11.4 million



Note from the CEO

Our results in the first quarter of the 2018/2019 academic year have seen us build on a banner performance during the previous year, making important strides in our mission to provide affordable, quality education to Egypt's growing middle class. We delivered double-digit growth of 31% at our top-line driven by the strong demand for our services, while prudent cost management has allowed us to improve profitability with a two percentage-point expansion in our net profit margin for the quarter.

On the operational front, during the first quarter of the 2018/2019 academic year CIRA admitted an additional 2,833 students across our 19 K-12 institutions as well as 2,309 new enrollments at our Badr University. The uptick in volumes is in line with CIRA's organic growth strategy that deploys innovation and leverages our institutional capacity to absorb new students while staying true the promise of quality our stakeholder families have come to expect

At our K-12 schools, we're driving new demand by complementing our reputation for quality and affordable education with new innovations in the extracurricular activity space. CIRA is actively working to broaden its appeal with a host of new activities and programs in the areas of art, sports, engineering, and science to complement and round out the students' academic careers. These efforts work to expand the choices available to families while paving new avenues for growth and value creation at CIRA.

CIRA is also going the extra mile to help students at Badr University realize gains from their investment in education. CIRA is increasingly focused on the development of career planning services at BUC, rolling out employability and job-matching programs for senior students and smoothing their paths to the workforce. Here too, CIRA is working to broaden the institution's appeal and demonstrate its success in shaping holistic learning experiences and adding value to an education.

Parallel to innovation, we are also fast-tracking our plan to deploy c. EGP 1.1 billion in investments over the coming three to five years across projects in primary education, tertiary education, and healthcare. On the heels of the successful launch of our new faculty of Film, Theater, Performing and Visual Arts at BUC, the first quarter of the 2018/2019 academic year has seen us expedite construction work on four new structures to house the Schools of Medicine, Applied Medicine, Law, and Animal Health Nutrition and Food Safety. These faculties are on track for getting the rest of the approvals to be ready to admit students by September of 2019.

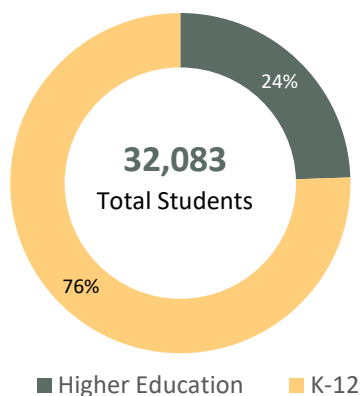
Looking forward, CIRA is intent on developing the capabilities and infrastructure to accommodate the forecast growth in BUC's student body and establishing Badr University as one of Egypt's premier institutes of higher education. We are also actively screening opportunities to expand our K-12 presence leveraging our plug-and-play business model.

Further along the expansion front, CIRA was initially allotted an 81-feddan plot for the purpose of setting up a university west of the Egyptian governorate of Assiut in Upper Egypt, subject to the submission of a completed university application file being prepared by our in-house team. The project has an estimated cost of EGP 2.5 billion and will be completed over three phases. This allotment is part and parcel of our expansionary strategy for the group.

CIRA is proud of its operational and financial performance, and we welcome the widening sophisticated shareholder base which now fills the ranks of its investors. We appreciate the trust you've placed in CIRA as we strive to create sustainable shareholder value as reflected in a more than 60% increase our share price since our October 2018 IPO. Our end goal is simple: to consolidate our position as Egypt's top provider of integrated educational services and create lasting value for all its stakeholders, and we believe we are laying the groundwork to achieve it.

Mohamed El Kalla, Chief Executive Officer

Total Students by Segment (1Q2019)



Operational Performance

Higher Education

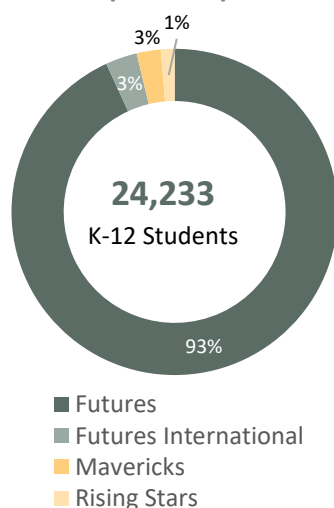
CIRA's higher education segment is comprised of the company's flagship Badr University (BUC), with its nine faculties following the opening of its new faculty of Film, Theater, Performing and Visual Art in 2018.

With a current capacity of 13,030 students, BUC's enrollment grew by an exceptional 42% year-on-year between 1Q18 and 1Q19, with 7,850 students enrolled during the quarter. The growth in students is testament to management's success to date in its primary task to increase the utilization rate at BUC. Despite a modest growth in capacity during the period, utilization has grown from 49% in 1Q18 to 60% in 1Q19.

Key Operational Highlights

	1Q2018	1Q2019	% change
Number of Faculties	8	9	13%
Number of Professors	437	610	40%
Capacity (No. Students)	11,280	13,030	16%
Number of Students	5,541	7,850	42%
<i>Pupil Teacher Ratio (PTR)</i>	<i>12.7</i>	<i>13</i>	<i>1%</i>
<i>Utilization</i>	<i>49%</i>	<i>60%</i>	<i>22%</i>

K-12 Students by School Brand (1Q2019)



K-12 Education

CIRA's K-12 segment is made up of 19 schools located across six separate governorates. The schools operate under four distinct brands, including Futures, Futures International, Mavericks and Rising Stars.

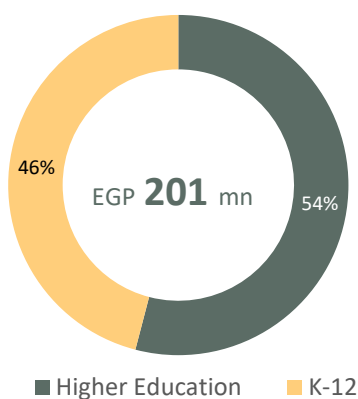
While total capacity remained unchanged between 1Q18 and 1Q19, at 26,400 students, utilization grew from 81% to 92% during the period. The number of students enrolled at CIRA's K-12 programs stood at 24,233 as of the first quarter of the academic year, representing 13% growth year-on-year.

Key Operational Highlights

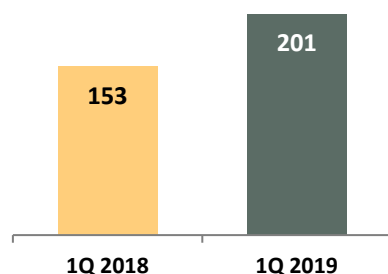
	1Q2018	1Q2019	% change
Number of Schools	19	19	0%
Number of Teachers	1,703	1,971	16%
Capacity (No. Students)	26,400	26,400	0%
Number of Students	21,400	24,233	13%
<i>Pupil Teacher Ratio (PTR)</i>	<i>13</i>	<i>12</i>	<i>-2%</i>
<i>Utilization</i>	<i>81%</i>	<i>92%</i>	<i>14%</i>

*

Revenue by Segment (1Q 2019)



Revenue Progression (EGP mn)



Financial Performance

Key Financial Highlights

(EGP million)	Higher Education			K-12 Education			Total		
	1Q18	1Q19	Chg.	1Q18	1Q19	Chg.	1Q18	1Q19	Chg.
Tuition Revenue	73	96.7	32%	65.7	82.2	25%	138.8	178.9	29%
% of Revenue	93%	92%		88%	86%		91%	89%	
Other Revenue	5.4	8.8	63%	8.7	13.2	51%	14.1	22	56%
% of Revenue	7%	8%		12%	14%		9%	11%	
Total Revenue	78.5	105.6	35%	74.4	95.4	28%	152.9	200.9	31%
EBITDA ³	50.1	69.8	39%	31.7	35.9	13%	81.8	105.7	29%
EBITDA Margin	64%	66%		43%	38%		54%	53%	
Net Profit	34.9	48.3	38%	18.4	25.9	41%	53.4	74.3	39%
Net Profit Margin	45%	46%		25%	27%		35%	37%	

Revenues

CIRA booked revenues of EGP 200.9 million for 1Q19, up by more than one-third from EGP 153.2 million during the same quarter last year. Tuition revenues from higher and K-12 education services grew at healthy, roughly similar rates, with combined tuition revenue growth at 29% year-on-year to EGP 179.0 million (and constituting 89% of total revenue) in 1Q19. Revenues from other services, including bus fees, admission fees, and dormitories, expanded at a significantly faster rate across both segments with its combined revenue climbing 69% year-on-year to EGP 22.0 million (and constituting 11% of revenue) during the same period.

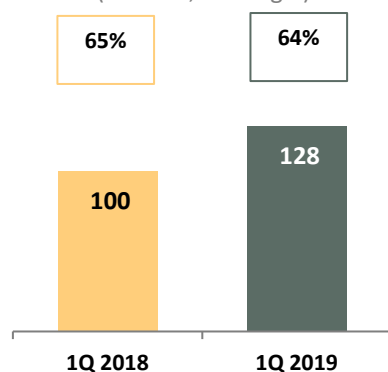
Revenues from higher education tuition fees climbed 32% year-on-year, recording EGP 96.8 million for 1Q19. Such receipts accounted for half of CIRA's consolidated revenue growth in absolute terms – the single largest contribution from any revenue source. Other revenues from the higher education segment grew by 63% year-on-year to reach EGP 8.8 million in 1Q19. The Group's total revenues from higher education services climbed 35% year-on-year to EGP 105.6 million in 1Q19, constituting 54% of total consolidated revenues for the period.

CIRA's K-12 segment contributed tuition revenues of EGP 82.2 million in 1Q19, up by one-quarter from the same period last year. This comes as CIRA has readjusted tuition price points at its K-12 institutions and was buoyed by a 13% year-on-year growth in the number of students enrolled during the period. Other revenues from the K-12 segment grew by 45% year-on-year to reach EGP

³ CIRA's EBITDA is its Adjusted EBITDA, normalized for one-off IPO expenses

Gross Profit Progression

(EGP mn, % margin)



13.2 million. Total revenues from the K-12 segment stood at EGP 95.4 million in 1Q19, climbing 28% year-on-year and contributing 46% of total consolidated revenues for the period.

Gross Profit

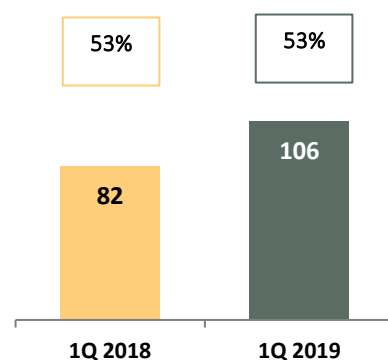
Gross profit grew by 28% year-on-year to record EGP 128.5 million for 1Q19, almost in line with revenue growth during the period. The Group's gross profit margin remained steady at 64% in 1Q19 against 65% in 1Q18.

SG&A⁴

CIRA recorded selling, general and administrative expenses of EGP 22.8 million in 1Q19, up 22% year-on-year. SG&A as a percentage of sales was 17% in 1Q19, up from 12% in 1Q18 thanks to improved operating leverage.

EBITDA Progression

(EGP mn, % margin)



EBITDA

CIRA's EBITDA stood at EGP 105.7 million for the 1Q19, representing a year-on-year of 29% from 1Q18 which, like the gross profit growth during the period, is also almost exactly in line with revenue growth.

It is worth noting that the adjusted EBITDA has been normalized to exclude the one-time IPO expense incurred by CIRA during the period of EGP 11.4 million associated with its October 2018 listing.

Net Profit

The rapid expansion in CIRA's revenues has filtered down efficiently to its bottom line. CIRA's net profit reached EGP 74.3 million for 1Q19, an increase of 39% on its level during the same quarter last year. This comes as CIRA has profitably boosted capacity utilization rates at both Badr University and its K-12 institutions. The Group's net profit margin for the period stood at 37% in 1Q19, up two percentage-points from 35% during 1Q18, which was supported by lower interest expenses thanks to the Group's settling of its outstanding debt.

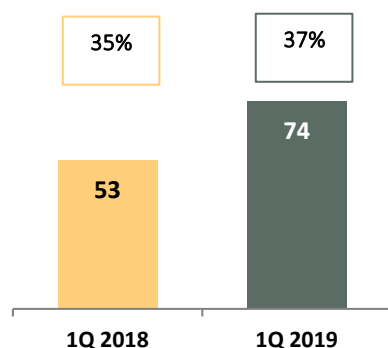
Net Profit Progression

(EGP mn, % margin)

Balance Sheet

CIRA's total assets came to EGP 1,241 million as of 30 November 2018, up from EGP 973.3 million on 31 August 2018. CIRA had projects under construction worth EGP 16.6 million as of 30 November 2018. At EGP 305.7 million, CIRA's total cash balances represented 25% of total assets as of 30 November 2018, up from 9% of total assets on August 31 2018.

⁴ CIRA's sales, general and administrative expenses for 1Q 2019 have been adjusted for one-off IPO-related expenses of EGP 11.4 million.



Total equity stood at EGP 765.7 million as of 30 November 2018, up from EGP 504.4 million on 31 August, 2018. CIRA’s net debt fell to EGP 44.4 million as of 30 November 2018 from EGP 114.9 million on 31 August 2018.

Recent Corporate Developments

Expansion of Existing Badr University

In line with CIRA’s growth plans and following its success to date in the higher education segment, 4 new faculties are currently under construction to add to the 9 existing faculties in the university. The new faculties include: School of Medicine, School of Applied Medicine, School of Animal Health Nutrition and Food Safety and School of Law. While CIRA has already obtained the approvals from the Ministry of Higher Education and Scientific Research, the Group is currently in the process of receiving the remainder of the approvals required prior to the start of students' admissions period for the academic year beginning in September 2019.

Increase of Issued Capital

After obtaining the necessary approvals, CIRA increased its issued capital from EGP 219,116,130 to EGP 233,116,130. The capital increase was paid in cash at the value of EGP 6.0/share, the same share price approved for CIRA’s IPO in October 2018.

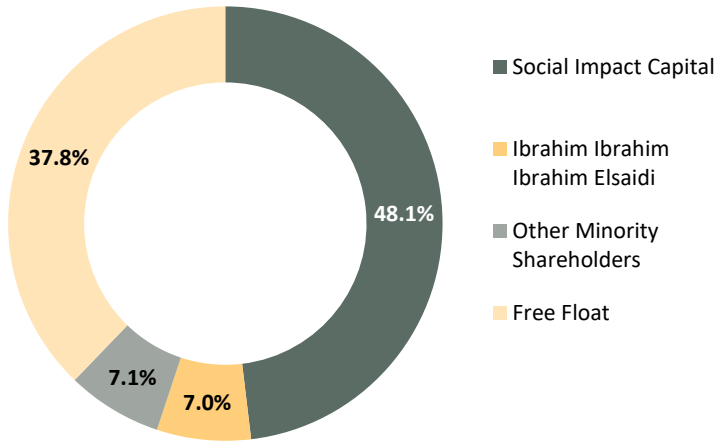
Land Awards

CIRA obtained approval from the New Urban Committees Authority (“NUCA”) for the allocation of 81 feddans at Nasser City in the west of Assiut Governorate. CIRA intends to establish a private university on the property which will be completed over three phases at a total estimated cost of EGP 2.5 billion. The university is a landmark project for the governorate and Upper Egypt and CIRA intends to leverage its longstanding expertise to build the new university according to the highest standards. The approval is subject to the approval of feasibility studies associated with the completed university application file which will consist of economic and financial studies for approval for the planned facility and its faculties.

About Cairo for Investment and Real Estate Development

Founded in 1992, CIRA is the single largest private sector investor working in the education sector in Egypt. The company’s vision emerged from the intent and desire to improve the quality of education in Egypt for the middle class in particular. With more than 31,000 students in 19 schools across 6 governorates and Badr University in Cairo, CIRA continues to offer high quality education at affordable prices for the Egyptian mid-market segment. CIRA’s K-12 schools offer multiple

education tracks, including British, American, French, German and National curricula, and its students consistently place highly in national and district rankings; a testament to the quality of education our schools have to offer. We pride ourselves in owning all our schools and managing our operations and support services through the company’s subsidiaries. These services include: educational management, educational materials, technological solutions, construction, maintenance, and transportation. BUC currently has 9 colleges in a 45 acre campus and has more than 7,800 enrolled students as of Academic Year 2018/2019.

<p>Contacts</p> <p>Tel: +(202) 2274-1667 Email: IR@cairoinvest.com.eg</p> <p>Share Information</p> <table border="1"> <tr> <td>Listing Date</td> <td>1 Oct 2018</td> </tr> <tr> <td>EGX Ticker</td> <td>CIRA.CA</td> </tr> <tr> <td>Shares Outstanding</td> <td>547,790,325</td> </tr> <tr> <td>Par Value / Share</td> <td>EGP 0.40</td> </tr> <tr> <td>Paid-up Capital</td> <td>EGP 219.1 million</td> </tr> </table>	Listing Date	1 Oct 2018	EGX Ticker	CIRA.CA	Shares Outstanding	547,790,325	Par Value / Share	EGP 0.40	Paid-up Capital	EGP 219.1 million	<p>Shareholder Structure (as of 30 November 2018)⁵</p>  <ul style="list-style-type: none"> ■ Social Impact Capital ■ Ibrahim Ibrahim Ibrahim Elsaidi ■ Other Minority Shareholders ■ Free Float
Listing Date	1 Oct 2018										
EGX Ticker	CIRA.CA										
Shares Outstanding	547,790,325										
Par Value / Share	EGP 0.40										
Paid-up Capital	EGP 219.1 million										

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.

⁵ The shareholding structure does not take into account the upcoming EGP 210 million capital increase in which Social Impact Capital Ltd. will subscribe to at the IPO price. Post-capital increase, SIC’s shareholding structure will increase to 51.22%

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 prices, costs, ability to retain the services of certain key employees, 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.

Income Statement

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Consolidated statement of profit or loss for the quarter ended 30 November 2018

(All amounts in Egyptian Pounds)	1Q 2019	1Q 2018	YoY %
Operating revenue	200,915,581	152,858,246	31.44%
Operating costs	(85,724,352)	(64,139,899)	33.65%
Gross profit	115,191,229	88,718,347	29.84%
General and administrative expenses	(34,741,956)	(17,283,167)	101.02%
Provisions		(688,107)	
Other income	267,532	1,300,930	
Operating profits	80,716,805	72,048,003	12.03%
Finance costs – net	2,776,704	(3,074,521)	
Profit before tax	83,493,509	68,973,482	21.05%
Current tax	(21,065,823)	(15,756,741)	
Deferred tax	446,146	145,254	
Profit for the period	62,873,832	53,361,995	17.83%
Profits attributable to			
Owners of the Parent Company	61,456,578	50,942,201	20.64%
Non-controlling interests	1,417,254	2,419,794	-41.43%
Profit for the period	62,873,832	53,361,995	17.83%
Earnings per share			
Basic and diluted earnings per share	0.11	0.09	

Balance Sheet

CAIRO FOR INVESTMENT AND REAL ESTATE DEVELOPMENT "S.A.E." AND ITS SUBSIDIARIES

Consolidated statement of financial position as at 30 November 2018

(All amounts in Egyptian Pounds)	31-Nov-18	31-Aug-18
Assets		
Non-current assets		
Property, plant and equipment	740,265,542	743,344,427
Projects under construction	16,643,056	7,044,657
Work in progress	24,097,785	24,097,785
Investment in associates	25,791,070	25,791,070
Held to maturity investments	0	1,000,000
Goodwill	5,936,481	5,936,481
Total non-current assets	812,733,934	807,214,420
Current assets		
Inventories	904,416	2,527,821
Held to maturity investments	1,000,000	0
Debtors and other debit balances	120,791,396	72,070,411
Cash on hand and at banks	305,703,434	91,503,367
Total current assets	428,399,246	166,101,599
Total assets	1,241,133,180	973,316,019
Liabilities and shareholder's equity		
Shareholder's equity		
Shareholder's equity attributable to owners of the Parent Company		
Issued and paid up capital	219,116,130	219,116,130
Undercall Paidup Capital & Premium Issues	210,000,000	0
Reserves	26,572,687	32,003,019
Retained earnings	253,429,661	192,088,678
Total shareholders' equity attributable to owners of the Parent Company	709,118,478	443,207,827
Non-controlling interest	56,611,579	61,170,738
Total shareholder's equity	765,730,057	504,378,565
Liabilities		
Non-current liabilities		
Non-current portion of borrowings and credit facilities	23,374,401	24,991,787
Deferred tax liabilities	3,114,352	3,592,063
Total non-current liabilities	26,488,753	28,583,850
Current liabilities		
Provisions	27,174,101	27,505,492
Creditors and other credit balances	123,037,632	96,672,075
Deferred revenue	216,177,454	185,203,224
Current income tax liabilities	61,474,027	41,075,377
Current portion of borrowings and credit facilities	21,051,156	89,897,436
Total current liabilities	448,914,370	440,353,604
Total liabilities	475,403,123	468,937,454
Total liabilities and shareholders' equity	1,241,133,180	973,316,019