

Cairo for Investment and Real Estate Development Releases FY2018 Results

FY 17/18¹ Financial & Operational Highlights

| | | |
|--|--|---|
| Revenue EGP 517.5 million ▲48% y-o-y | ADJUSTED EBITDA EGP 219.5 million ▲63% y-o-y 42% Margin | Net Profit EGP 126.4 million ▲95% y-o-y 24% Margin |
| Cash Earnings EGP 172.0 million ▲67% y-o-y | K-12 Students 21.4 thousand 81% Utilization | Higher-ED Students 5.5 thousand 49% Utilization |
| Geographical Reach 6 Egyptian governorates 1/19 Universities/Schools | Number of Schools 19 schools > 1,700 Teachers | Number of Faculties 8 faculties > 400 Professors |

Cairo, 2 December 2018

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 full-year 2018 results, posting revenues of EGP 517.5 million, up 48% year-on-year. Adjusted EBITDA² grew by an exceptional 63% y-o-y to record EGP 219.5 million in FY2018 which represented an Adjusted EBITDA margin of 42%, up by three percentage points from 2017. Net profit for the year came in at EGP 126.4 million, up 95% y-o-y and recording a net profit margin of 24%

Summary Income Statement

| (EGP million) | FY2018 | FY2017 | % change |
|------------------------------------|--------------|--------------|------------|
| Revenues | 517.5 | 349.3 | 48% |
| Gross Profit | 313.7 | 207.6 | 51% |
| Gross Profit Margin | 61% | 59% | 2 pts |
| Adjusted EBITDA² | 219.5 | 134.8 | 63% |
| Adjusted EBITDA Margin | 42% | 39% | 3 pts |
| Net Profit | 126.4 | 64.8 | 95% |
| Net Profit Margin | 24% | 19% | 6 pts |

¹ FY 2018 or FY 17/18 refer to the fiscal year ended 31 August 2018

² CIRA's Adjusted EBITDA factors out one-off IPO-related expenses incurred in Q4 2018 of EGP 7.1 million



Note from the CEO

“At CIRA, we have made it our mission to offer high-quality and affordable education to Egypt’s growing mid-market segment. What started as one closely held and operated school in East Cairo in 1992 has since grown into the largest integrated education group in Egypt and one of the top regional platforms, proudly serving more than 31 thousand students across six governorates, up from 26 thousand students during the 2017/18 academic year, through a growing portfolio of 19 K-12 schools and a flagship university. Today, I am proud to report our first set of results as a publicly-traded company for a transformational year that served as a launchpad for CIRA’s ambitious growth strategy and culminated into a successful IPO on the Egyptian Exchange in October 2018. The success of CIRA’s IPO, which was 18.9 times oversubscribed, is a testament to our clear strategy, exciting growth path and unwavering commitment to offering quality education to Egypt’s growing middle class.

The academic year for 2017/18 was a banner year for the group in terms of both our financial and operational performance. Driven by higher enrollment in both its K-12 schools and Badr University, CIRA grew its revenues and adjusted EBITDA³ by 48% and 63% to EGP 517.5 million and EGP 219.5 million, respectively. We have also made progress in strengthening our financial position through the repayment of outstanding long-term loan amounts and by simplifying our group’s legal structure.

In line with the group’s strategy to continue introducing high-demand and underserved specialties, we successfully launched our faculty of Film, Theater, Performing and Visual Arts at Badr University, the first of its kind in Egypt. The faculty boasts state of the art studios and theater facilities and has garnered strong support from the Egyptian arts and media community. We are confident that this faculty will honor Egypt’s illustrious history as a hub for culture and arts.

Our forward-looking growth strategy will see us continue to expand our portfolio, leveraging CIRA’s modular plug-and-play business model and our commitment to innovation. CIRA will pursue both organic and inorganic growth avenues that will see it deploy approximately EGP 1.1 billion over the coming three to five years across projects in primary education, tertiary education, and healthcare. These projects include the establishment of four new K-12 schools, seven new faculties in CIRA’s flagship university with construction outlays to the tune of EGP 700 million, as well as EGP 300 million in expanding our tertiary education into new governorates, with a second branch of Badr University in Assiut slated to begin operations for the 2021/2022 academic year. Since our IPO, we have already secured land for our geographic expansion with the New Urban Communities Authority having allocated to CIRA valuable plots.

Meanwhile CIRA has invested in Egypt’s most ambitious new healthcare project: the development of a healthcare city as part of the government-supported New Capital city development taking place on a greenfield site east of present-day Cairo. This is a strategic investment for CIRA as the medical facilities will serve BUC’s School of Medicine.

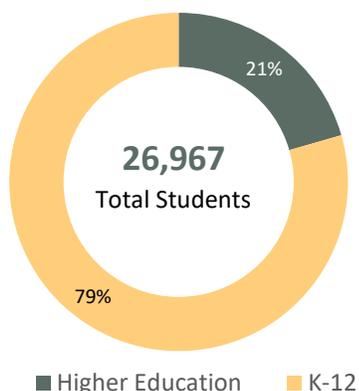
Our ambitious growth strategy will be funded through a combination of our IPO proceeds, bank financing and internally generated cash as well as proceeds from disposal of non-core real estate assets.

As we join the ranks of publicly-traded companies, we reiterate our commitment to good governance frameworks and stakeholder engagement and to maintain transparency as we seek to deliver value to all stakeholders, including our students, employees, investors and the communities where we do business. To this end, CIRA provided scholarships and financial aid to top performers and talents to the tune of EGP 26.0 million through both Badr University and its K-12 schools during the year. We are proud of our offering and of the partners we’ve gained through our local listing, and we are excited to cement our position as the educator of choice for Egypt’s aspiring mid-market segment.

Mohamed El Kalla, Chief Executive Officer

³ CIRA’s Adjusted EBITDA factors out one-off IPO-related expenses of EGP 7.1 million incurred in Q4 2018

Total Students by Segment (FY 17/18)



Operational Performance

Higher Education

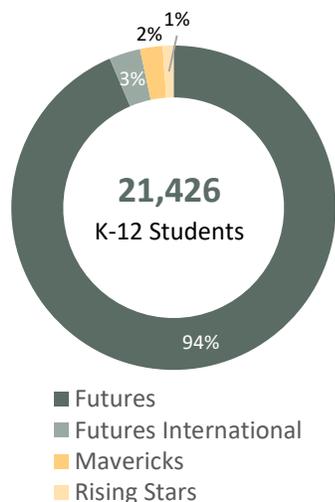
CIRA's higher education segment is comprised of the company's flagship Badr University (BUC) with its now nine faculties following the opening of its new faculty of Film, Theater, Performing and Visual Art in 2018.

BUC has a total capacity of 13,030 students, with CIRA actively working to increase its utilization rate, which climbed from 32% in 2017 to 49% or 5,541 students as of year-end 2018. Currently, 7,782 BUC students are enrolled for the 2018/19 academic year, representing 60% in capacity utilization.

Key Operational Highlights

| | FY 15/16 | FY 16/17 | FY 17/18 | % change | Current |
|----------------------------------|--------------|--------------|--------------|------------|--------------|
| Number of Faculties | 8 | 8 | 8 | n/a | 9 |
| Number of Professors | 211 | 305 | 437 | 42% | 610 |
| Capacity (No. Students) | 11,280 | 11,280 | 11,280 | n/a | 13,030 |
| Number of Students | 1,902 | 3,570 | 5,541 | 55% | 7,782 |
| <i>Pupil Teacher Ratio (PTR)</i> | 9.0 | 11.7 | 12.7 | 8% | 12.8 |
| <i>Utilization</i> | 17% | 32% | 49% | 17% | 60% |

K-12 Students by School Brand (FY 17/18)



K-12 Education

CIRA's K-12 segment is comprised of 19 schools across six governorates with four distinct brands, including Futures, Futures International, Mavericks and Rising Stars.

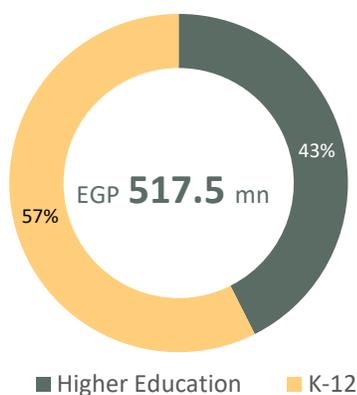
Total capacity remained stable at 26,400 students during FY2018, however, utilization increased from 72% in FY2017 to 81% in FY2018 or 21,426 enrolled students, in line with the company's strategy to increase utilization rates. Currently, 24,087 K-12 students are enrolled for the 2018/19 academic year, with capacity utilization up by 10 percentage points 91%.

As of year-end 2018, CIRA had 1,703 teachers across its facilities, up from 1,685 in the previous year.

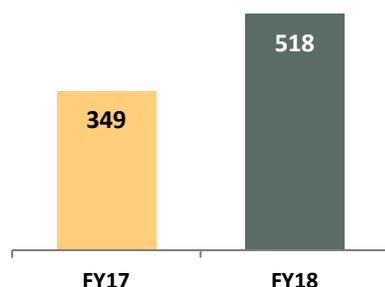
Key Operational Highlights

| | FY 15/16 | FY 16/17 | FY 17/18 | % change | Current |
|----------------------------------|-------------|-------------|-------------|------------|-------------|
| Number of Schools | 18 | 19 | 19 | - | 19 |
| Number of Teachers | 1,492 | 1,685 | 1,703 | 1% | 1,971 |
| Capacity (000 Students) | 24.8 | 26.4 | 26.4 | - | 26.4 |
| Number of Students (000) | 18.5 | 18.9 | 21.4 | 13% | 24.1 |
| <i>Pupil Teacher Ratio (PTR)</i> | 12.4 | 11.2 | 12.6 | 12% | 12.2 |
| <i>Utilization</i> | 75% | 72% | 81% | 9 pts | 91% |

Revenue by Segment (FY 18)



Revenue Progression (EGP mn)



Financial Performance

Key Financial Highlights

| (EGP million) | Higher Education | | | K-12 Education | | | Total | | |
|----------------------|------------------|--------------|-------------|----------------|--------------|------------|--------------|--------------|------------|
| | FY17 | FY18 | Chg. | FY17 | FY18 | Chg. | FY17 | FY18 | Chg. |
| Tuition Revenue | 144.5 | 237.9 | 65% | 176.2 | 231.2 | 31% | 320.6 | 469.0 | 46% |
| % of Revenue | 96% | 93% | | 89% | 88% | | 92% | 91% | |
| Other Revenue | 6.7 | 17.9 | 169% | 22.0 | 30.6 | 39% | 28.7 | 48.5 | 69% |
| % of Revenue | 4% | 7% | | 11% | 12% | | 8% | 9% | |
| Total Revenue | 151.1 | 255.8 | 69% | 198.2 | 261.7 | 32% | 349.3 | 517.5 | 48% |
| EBITDA ⁴ | 73.8 | 141.3 | 92% | 61 | 78.1 | 28% | 134.8 | 219.5 | 63% |
| EBITDA Margin | 49% | 55% | | 31% | 30% | | 39% | 42% | |
| Net Profit | 42.7 | 93.0 | 118% | 22.1 | 33.4 | 51% | 64.8 | 126.4 | 95% |
| Net Profit Margin | 28% | 36% | | 11% | 13% | | 19% | 24% | |

Revenues

Group revenues recorded EGP 517.5 million in FY2018, up 48% year-on-year on the back of growth at both the higher education and K-12 segments. CIRA's revenue composition includes tuition fees as well as other revenue – such as bus fees, admission fees, dorms and petrol service revenue – across both segments.

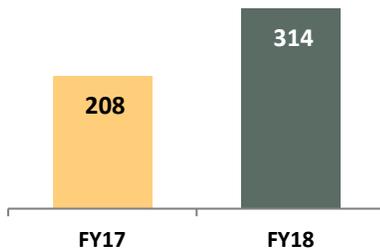
Tuition fees from the higher education segment was up 65% year-on-year to EGP 237.9 million in FY2018, and was the largest contributor to the Group's consolidated revenue growth in absolute terms at 56%. Meanwhile, other revenues from the segment came in at EGP 17.9 million in FY2018, up 169% year-on-year. Total revenues from the segment recorded EGP 255.8 million, up 69% year-on-year and constituting 57% of CIRA's total consolidated revenues in FY2018.

Meanwhile, CIRA's K-12 segment generated tuition fees of EGP 231.2 million in FY2018, up 31% year-on-year on the back of a 13% increase in number of enrolled students as well as higher tuition prices. Tuition fees from the K-12 segment delivered 33% of CIRA's consolidated revenue growth in absolute terms during the year. Other revenues from the segment recorded EGP 30.6 million in FY2018, up 39% year-on-year. Total K-12 revenues were EGP 261.7 million in FY2018, up 32% year-on-year and constituting 43% of Group revenues.

⁴ CIRA's EBITDA is its Adjusted EBITDA, normalized for one-off IPO expenses

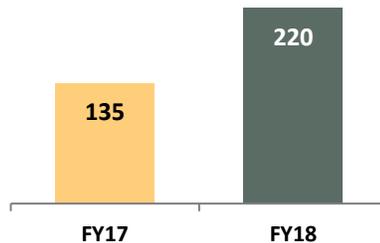
Gross Profit Progression

(EGP mn, % margin)



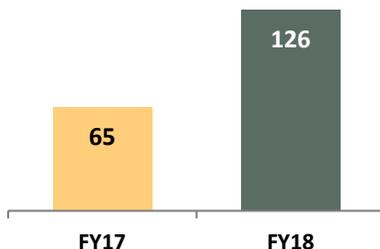
Adj. EBITDA Progression

(EGP mn, % margin)



Net Profit Progression

(EGP mn, % margin)



Gross Profit

CIRA's gross profit in FY2018 recorded EGP 313.7 million, up 51% year-on-year or at a rate faster than revenue growth. Consequently, gross profit margin expanded two percentage points to close FY2018 at an impressive 61%.

SG&A

CIRA recorded selling, general and administrative expenses of EGP 92.3 million in FY2018, up 29% year-on-year. SG&A as a percentage of sales was 18% in FY2018 down from 20% the previous year thanks to improved operating leverage. It is worth noting that SG&A in FY2018 included non-recurring expenses of EGP 7.1 million related to the CIRA's IPO concluded in October 2018.

EBITDA

At the EBITDA level, CIRA recorded EGP 219.5 million in FY2018, up 63% year-on-year and yielding an EBITDA margin of 42% compared to 39% in the previous year.

Adjusting for the one-time IPO expenses of EGP 7.1 million, CIRA's adjusted EBITDA would stand at EGP 226.6 million in FY2018, up 68% year-on-year and yielding a five percentage-point expansion in adjusted EBITDA margin to 44%.

Net Profit

Top-line growth along with margin expansion down the income statement saw CIRA record an impressive 95% year-on-year increase in net profit to EGP 126.4 million in FY2018. Net profit growth was also supported by lower interest expenses as the company settled outstanding debt. Net profit margin for the FY2018 was 24%, a six percentage-point expansion compared to the 19% recorded in the previous year.

Balance Sheet

CIRA's total assets stood at EGP 973.3 million as of the fiscal year ended 31 August 2018, up from EGP 839.7 million recorded at the close of the previous year. Total assets included projects under construction of EGP 31.1 million. The company remained liquid with total cash balances of EGP 91.5 million as of 31 August 2018 or 9% of total assets compared to 6% in the previous year.

Total equity stood at EGP 443.2 million as of 31 August 2018 compared to EGP 379.7 million in the previous year, which doesn't reflect proceeds raised from the IPO concluded in October 2018.

CIRA's net debt decreased to EGP 23.4 million as of 31 August 2018 down from EGP 65.4 million in the previous year.

Recent Corporate Developments

Successful Completion of IPO

CIRA completed its successful Initial Public Offering with its shares starting to trade on the EGX30 on 1 October 2018. The share price gained more than 33% since its listing price of EGP 6.0 pounds per share, valuing the company at EGP 4.3 billion as of reporting date.

Settlement of Outstanding Debt

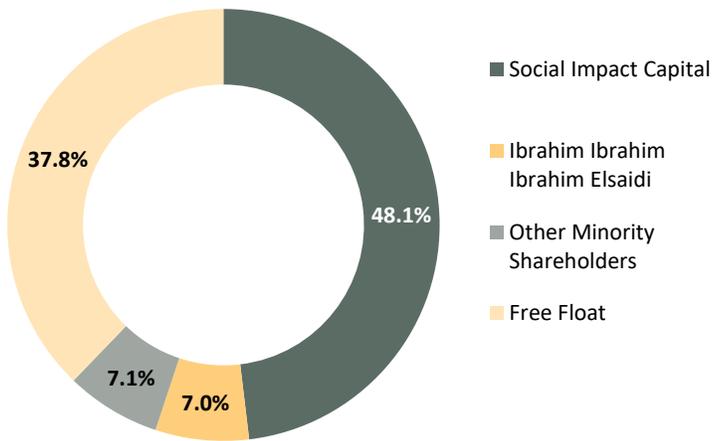
CIRA has strengthened its balance sheet through the repayment of outstanding loan amounts under an EGP 100 million loan facility from QNB Al Ahli.

Land Awards

CIRA obtained approval from the New Urban Committees Authority for the allocation of two blocks of land - one in Al Alamain (North Coast) and one in New Mansoura City (Delta region) - to be developed into new educational facilities, in line with the company's post-IPO growth strategy.

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 31 Aug 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.

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.

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 52.5%

Income Statement

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

Consolidated statement of profit or loss - For the year ended 31 August 2018

| (All amounts in Egyptian Pounds) | 2018 | 2017 | YoY % |
|--------------------------------------|--------------------|--------------------|--------------|
| Operating revenue | 517,492,002 | 349,335,847 | 48.1% |
| Operating costs | (248,604,187) | (179,450,887) | 38.5% |
| Gross profit | 268,887,815 | 169,884,960 | 58.3% |
| General and administrative expenses | (92,273,085) | (71,276,256) | |
| Provisions | (2,752,426) | (2,080,000) | |
| Other income | 7,209,489 | 11,462,828 | |
| Operating profits | 181,071,793 | 107,991,532 | 67.7% |
| Finance costs – net | (15,507,558) | (21,203,850) | |
| Profit before tax | 165,564,235 | 86,787,682 | 90.8% |
| Current tax | (37,982,716) | (22,188,645) | |
| Deferred tax | (1,209,836) | 216,712 | |
| Profit for the period | 126,371,683 | 64,815,749 | 95.0% |
| Profits attributable to | | | |
| Owners of the Parent Company | 119,732,287 | 60,248,357 | 98.7% |
| Non-controlling interests | 6,639,396 | 4,567,392 | 45.4% |
| Profit for the period | 126,371,683 | 64,815,749 | 95.0% |
| Earnings per share | | | |
| Basic and diluted earnings per share | 1 | 0 | |

Balance Sheet

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

Consolidated statement of financial position as at 31 August 2018

| (All amounts in Egyptian Pounds) | 31-Aug-18 | 31-Aug-17 |
|---|--------------------|--------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 743,344,427 | 619,218,237 |
| Projects under construction | 7,044,657 | 14,778,452 |
| Work in progress | 24,097,785 | 24,089,936 |
| Investment in associates | 32,041,070 | 21,553,835 |
| Held to maturity investments | 1,000,000 | 1,000,000 |
| Goodwill | 5,936,481 | 5,936,481 |
| Total non-current assets | 813,464,420 | 686,576,941 |
| Current assets | | |
| Inventories | 2,527,821 | 890,855 |
| Debtors and other debit balances | 65,820,411 | 97,586,050 |
| Cash on hand and at banks | 91,503,367 | 54,631,302 |
| Total current assets | 159,851,599 | 153,108,207 |
| Total assets | 973,316,019 | 839,685,148 |
| 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 |
| Reserves | 32,003,019 | 17,009,363 |
| Retained earnings | 192,088,678 | 143,527,345 |
| Total shareholders' equity attributable to owners of the Parent Company | 443,207,827 | 379,652,838 |
| Non-controlling interest | 61,170,738 | 40,590,078 |
| Total shareholder's equity | 504,378,565 | 420,242,916 |
| Liabilities | | |
| Non-current liabilities | | |
| Non-current portion of borrowings and credit facilities | 24,991,787 | 80,369,521 |
| Deferred tax liabilities | 3,592,063 | 2,403,629 |
| Total non-current liabilities | 28,583,850 | 82,773,150 |
| Current liabilities | | |
| Provisions | 27,505,492 | 26,011,625 |
| Creditors and other credit balances | 96,672,075 | 120,737,773 |
| Deferred revenue | 185,203,224 | 126,895,036 |
| Current income tax liabilities | 41,075,377 | 23,421,486 |
| Current portion of borrowings and credit facilities | 89,897,436 | 39,603,162 |
| Total current liabilities | 440,353,604 | 336,669,082 |
| Total liabilities | 468,937,454 | 419,442,232 |
| Total liabilities and shareholders' equity | 973,316,019 | 839,685,148 |