

CIRA Update on Admissions Figures for the Academic Year 2021/2022



2020/2021
Term 1

2021/2022
Term 1

K-12 Students

K-12 Students
27.9 thousand
90% Utilization

K-12 Students
30.5 thousand
89% Utilization

Higher-Education Students

Higher-Education Students
12.8 thousand
64% Utilization

Higher-Education Students
14.1 thousand
61% Utilization

Number of Faculties

Number of Faculties
13 Faculties

Number of Faculties
16 Faculties

Number of Schools

Number of Schools
21 Schools

Number of Schools
24 Schools

Geographical Reach

Geographical Reach
7 Egyptian Governorates
1/21 Universities/Schools

Geographical Reach
8 Egyptian Governorates
1/24 Universities/Schools

Note from the CEO

"I want to start by apologizing for the delayed release of the admission figures. As per common knowledge, the Ministry of Education ("MoE") postponed the start of the academic year, which pushed the admission period deadline to the end of October. Nonetheless, I am proud to announce that we ended the 2020/2021 academic year on a very solid note, once again we see a growing demand for CIRA's educational services as well as an increased brand equity awareness which is evident by the upsurge in the number of students and the positive stakeholder feedback.

We look forward to the 2021/2022 academic year, especially that this year will be the first in a while where we will be starting the academic year back in-person across all CIRA's platforms. Nonetheless, we are ready to go back to a hybrid model if requested by the regulators or management deems fit. However, given the current circumstances and the mass roll-out of the vaccine in the education sector, we don't foresee going back to a 100% online model. It is also worth mentioning that all our educational institutes, from Nurseries to Higher-Education, are working at total in-person capacity at the time of this report.

Now to shed some light on our K-12 growth. It is with pleasure that I share that we've exceeded our targets and had monumental growth to reach a total of 30.5k K-12 students across all brands. This immense growth has been supported by CIRA's expansion into the upper-middle segment, which is a testament to the company's growth trajectory. Despite launching both O-West schools and the school in Suhag, our K-12 segment utilization rate has only dropped by 1% to reach an 89% utilization rate. Hence, strengthening management's view of fast-tracking school expansion plans in the upcoming five years, which will in turn allow us to absorb more students into the CIRA eco-system. From now on, we are anticipating seeing growth in both the middle-middle and upper-middle segments.

This year was a tricky year for the higher-education segment. Historically Egypt has been running at a very high Thannaweya Amma grade point average, which wasn't acceptable as the norm. The MoE decided to implement an arduous system by changing the exams drastically, resulting in an average drop of somewhere from 15-20 points. Given the fact that this drop wasn't proportionally matched by the Ministry of Higher Education's ("MoHE") decrease in the minimum acceptance grades, this change has resulted in a significant decrease to the addressable number of students, even though the total number of students taking the Thannaweya Amma exam this year increased by roughly 70k students. Not all faculties were affected equally; In the case of STEAM faculties, we're seeing a halved addressable market this year. Thus, the target population for all public and private universities has shrunk tremendously. This year, we expect to see many private universities fall short of their targeted admissions figures. We understand this year is an exception stemming from the change in Thannaweya Amma Exam and the higher education systems' delay to absorb the sudden drop in grades. However, as per the official documents and the relevant meetings, this exam change will be amended next year, and admission requirements will match the outcome of the Thannaweya Amma exam, resulting in a better representation of the actual addressable population entering higher education. Aside from the change in the exam, the MoHE also introduced a new centralized enrollment system, which replaced the traditional direct enrollment system previously used. The new system made it extremely difficult for universities to capture the actual size of the higher education market, supply and demand dynamics and accuracy of data due to the lack of involvement in the process, given that the universities only received the final number of their allocated students. Again, several discussions were held with the MoHE highlighting how engaging the universities in the process could help reach a socially optimal outcome. We strongly believe that the ministry will take the necessary steps to prevent the situation's reoccurrence in the upcoming enrollment window. Notwithstanding the ministries' resolution, we will be prepared to accommodate and deliver year-on-year growth.

Nonetheless, our flagship university, BUC, has triggered one of the highest margins of achievement for admission targets across the country, ranking it in Egypt's top private universities. We're only a few 100s below our targeted number of students for term 1; however, with the launch of Assiut university in the 2nd term as well as the spring admissions at BUC, we expect that we reach our year end target.

This year also witnessed the addition of nurseries to CIRA's list of offerings; however, to ensure proper reporting, we will start sharing figures regarding admissions starting Q1, 2021/2022.

To a large extent, we look forward to another successful year. CIRA's plan of moving its business to a multi-platform of operations has demonstrated its strong resilience to unexpected changes by ensuring growth on multiple platforms, which helps the company achieve its targets despite any sudden occurrences. We remain very positive about growth going forward this year. Finally, we all witnessed how 2021 was a year in which we announced a lot of new platforms, new schools, and new initiatives. This year, we are very focused on materializing this pipeline by ensuring a successful launch of Assiut University in February 2022, as well as setting up all the preparations for Cairo Saxony University for Applied Science and Technology and our New Damietta University for their launch in 2023, in addition to continuing expanding our K-12 and nursery platforms."

Mohamed El Kalla, Chief Executive Officer