



CURRO

ANNUAL
INTEGRATED
REPORT **2021**



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GLOSSARY

CORPORATE INFORMATION

70 408

Number of learners



76

Number of campuses



178

Number of schools



772 251

Building size (m2)



549

Land size (ha)



Figures as at 18 February 2022



Curro Durbanville High School

ABOUT THIS REPORT





Introduction

This is the 2021 annual integrated report ('the report') of Curro Holdings Limited ('Curro'), which is published for the year ended 31 December 2021 and presents an overview of the strategy, activities, practices, progress, financial and salient non-financial information of the company.

The report covers relevant aspects of all the operations of Curro. There has been no significant change in the scope and boundary of this report relative to previous years. Each year a wide range of information is provided in order to give shareholders and stakeholders a better understanding of Curro.

There has been no material restatement of information provided in earlier reports.

The information in this report has been selected to cater for the interests of stakeholders who require a broad overview of the present and future direction and prospects of Curro. Stakeholders include shareholders, funders, regulators, current and prospective employees, parents, guardians, suppliers and community members. Stakeholders requiring more in-depth information are invited to contact Curro directly or to visit its website, www.curro.co.za, for further details.

The report forms part of, and should be read in conjunction with other reports available online on the Curro website.

Frameworks and assurance

The reporting principles that have been applied in this report were guided by International Financial Reporting Standards ('IFRS'), the requirements of the King IV Report on Corporate Governance™ for South Africa, 2016 ('King IV'), guidelines

of the International Framework for Integrated Reporting, and aspects of the Global Reporting Initiative's sustainability reporting guidelines. The report also conforms to the statutory and reporting requirements of the South African Companies Act, Act No. 71 of 2008, as amended ('Companies Act'), and the Listings Requirements of the JSE Limited.

The board of directors is responsible for this report and they have apprised themselves of the materiality, accuracy and balance of disclosures in this report. In addition external assurance for aspects of the reporting process was sought from a variety of sources. For more information, please contact Cobus Loubser, Chief Financial Officer ('CFO'), on +27 21 979 1204.

Approval of the 2021 annual integrated report

The Curro board of directors acknowledges its responsibility to ensure the integrity of this report, believes it addresses the material aspects of the business, and is a fair representation of the integrated performance of the group. The board has therefore approved the 2021 annual integrated report for publication.

On behalf of the board

SL Botha
Chairperson of the board

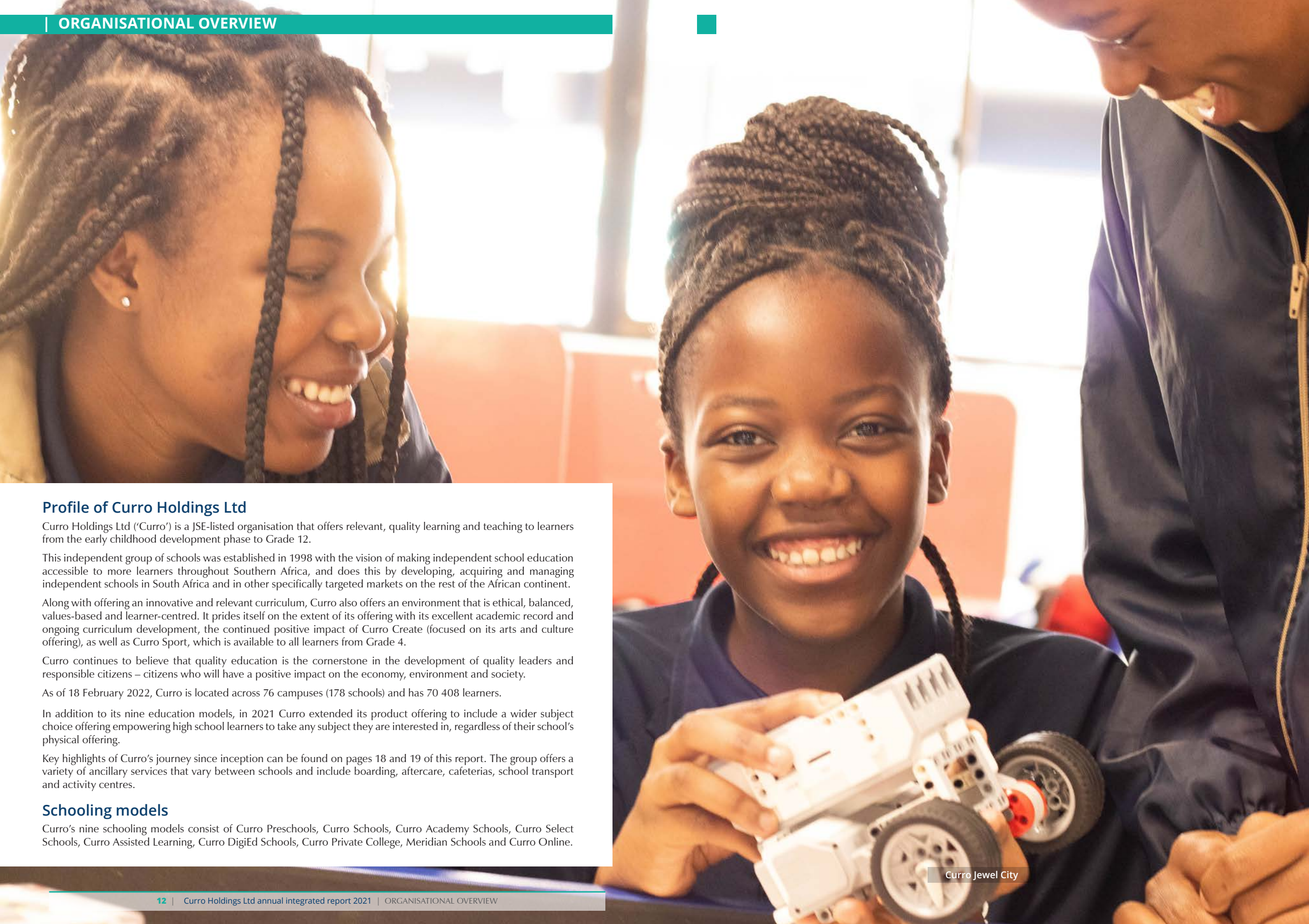
AJF Greyling
Chief Executive Officer

'Alone we can do so little;
together we can do so much.'

- Helen Keller

ORGANISATIONAL OVERVIEW





Profile of Curro Holdings Ltd

Curro Holdings Ltd ('Curro') is a JSE-listed organisation that offers relevant, quality learning and teaching to learners from the early childhood development phase to Grade 12.

This independent group of schools was established in 1998 with the vision of making independent school education accessible to more learners throughout Southern Africa, and does this by developing, acquiring and managing independent schools in South Africa and in other specifically targeted markets on the rest of the African continent.

Along with offering an innovative and relevant curriculum, Curro also offers an environment that is ethical, balanced, values-based and learner-centred. It prides itself on the extent of its offering with its excellent academic record and ongoing curriculum development, the continued positive impact of Curro Create (focused on its arts and culture offering), as well as Curro Sport, which is available to all learners from Grade 4.

Curro continues to believe that quality education is the cornerstone in the development of quality leaders and responsible citizens – citizens who will have a positive impact on the economy, environment and society.

As of 18 February 2022, Curro is located across 76 campuses (178 schools) and has 70 408 learners.

In addition to its nine education models, in 2021 Curro extended its product offering to include a wider subject choice offering empowering high school learners to take any subject they are interested in, regardless of their school's physical offering.

Key highlights of Curro's journey since inception can be found on pages 18 and 19 of this report. The group offers a variety of ancillary services that vary between schools and include boarding, aftercare, cafeterias, school transport and activity centres.

Schooling models

Curro's nine schooling models consist of Curro Preschools, Curro Schools, Curro Academy Schools, Curro Select Schools, Curro Assisted Learning, Curro DigiEd Schools, Curro Private College, Meridian Schools and Curro Online.

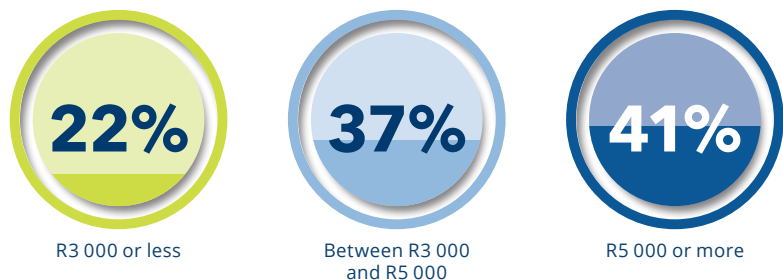
Curro Jewel City

Schooling model	Maximum class size	Average monthly school fees	Product offering
Curro Preschools	Class size is dependent on the age groups of the children, however a maximum of 25 children per class is prescribed	R5 896	<p>Curro Preschools are nursery schools that offer preschool children a Curro-specific, carefully designed and unique curriculum with the Early Learning and Development Areas ('ELDAs') in mind.</p> <p>Our free-standing preschool (Curro Rosen Castle) accommodates children from age three years (Group 3) to Grade R, and preschools that form part of a full campus accommodate children from three years (Group 3) to five years old (Group 5). Some of these preschools have facilities that can accommodate up to 300 children.</p>
Curro Schools	25 learners	R5 397	<p>Curro Schools accommodate learners from age three years (Group 3) to Grade 12. They are co-ed and some schools are parallel medium (Afrikaans and English) from Group 4 to Grade 9, and dual medium from Grade 10 to Grade 12. At the end of Grade 12 the Independent Examinations Board (IEB) examination is written.</p> <p>Curro Schools offer an enriched curriculum for academic excellence, which includes an online wider subject choice offering to enable FET phase learners to elect subjects that are not offered at their specific school.</p>
Curro Academy Schools	35 learners	R2 837 to R4 452	<p>Curro Academy Schools accommodate learners from age five years (Grade RR) to Grade 12, and some Academy Schools also include a preschool for nursery school children.</p> <p>Academy Schools are co-ed and single medium (English), and write the National Senior Certificate ('NSC') examination at the end of Grade 12.</p> <p>This cost-sensitive model ensures the lowest possible school fees without compromising academic standards and the Curro curriculum. Curro Academy Schools' curriculum includes an online wider subject choice offering which enables FET phase learners to elect subjects that are not offered at their specific school.</p> <p>Focused sports and cultural activities are offered.</p>
Curro Select Schools	25 learners	R3 448 to R7 140	<p>Curro Select Schools are schools that have been acquired by Curro Holdings and offer superior facilities and a rich heritage.</p> <p>Although owned by Curro Holdings, these schools retain their original well-established identities and ethos. Select Schools accommodate learners from age three months to Grade 12, at the end of which the IEB or Cambridge examination is written. Curro Select Schools' curriculum includes an online wider subject choice offering which enables FET phase learners to elect subjects that are not offered at their specific school. The medium of instruction and learning is English. These schools pride themselves on sound academic and extramural results.</p>

Schooling model	Maximum class size	Average monthly school fees	Product offering
Curro Assisted Learning	Small, focused classes	R6 316	<p>Curro's Assisted Learning schools provide high-quality academic intervention to learners from Grade 1 to Grade 12, at the end of which the NSC examination is written.</p> <p>The CAPS-aligned curriculum follows the same syllabus used in mainstream schools. Teaching styles and classes are structured and adapted to suit the individual needs of learners, assisting them to develop and grow holistically. The schools focus on the specialised education of every learner and strives to prepare them for a successful academic outcome, while encouraging every individual to attain their personal goals.</p>
Curro DigiEd Schools	Mostly class-independent	R2 067 to R2 733	<p>Curro's DigiEd Schools provide a progressive, technologically advanced and innovative education to learners from Grades 8 to 11 (higher grades phasing in annually). Making use of the modern and technology-rich learning environment, learners will write their NSC examination at the end of Grade 12.</p> <p>With the aid of leading international e-learning tools, the curriculum is enhanced with a project-based deep-learning programme that has an emphasis on Science, Mathematics and Technology.</p>
Curro Private College	Class-dependent	R5 655	<p>Curro Private College offers extended opportunities to learners from Grade 10, who will proceed to write the National Certificate Vocational ('NCV') examination at the end of Grade 12. The NCV is a high-standard, skills-focused qualification with learners completing an NCV Level 2, 3 and 4. This qualification allows learners with a Grade 9 pass to focus their studies in the areas of Process Instrumentation, Finance, Economics and Accounting, Engineering and Related Design, Information Technology and Computer Sciences and Electrical Infrastructure Construction (school-dependent).</p> <p>The NCV is a valuable qualification that not only equips learners with the knowledge required in their area of specialisation, but also provides them with valuable skills and workplace experience.</p>
Meridian Schools	35 learners	R2 472 to R3 384	<p>Meridian Schools accommodate learners from age five years (Grade RR) to Grade 12, and one Meridian school also includes a preschool for preschool children. Meridian Schools are co-ed and single medium (English), and write the NSC examination at the end of Grade 12.</p> <p>This cost-sensitive model ensures the lowest possible school fees without compromising academic standards and the Curro curriculum. The Meridian Schools' curriculum includes an online wider subject choice offering which enables FET phase learners to elect subjects that are not offered at their specific school.</p> <p>Focused sports and cultural activities are offered. Meridian Schools are managed by Curro Holdings as part of a joint venture with Old Mutual and the Public Investment Corporation.</p>
Curro Online	25 learners	R4 201	<p>Curro Online is an easy-to-follow online learning programme presented by dedicated teachers. It accommodates learners from Grade 4 to Grade 11 (higher grades phasing in annually) with teacher-guided education from home using online mediums while still getting the best possible quality online education.</p> <p>All live lessons and support materials are included in the school fees, along with all required software licences.</p> <p>Curro's modern online approach and small class sizes provide learners with an inherent sense of independence and responsibility, while preparing them for the workplace of the future.</p>

Segmentation of monthly fees paid

In support of its vision to provide affordable, quality, independent education to as many learners as possible, and being cognisant of the economic challenges that face the population, Curro's proportion of learners per school-fee bracket (average monthly school fees) is as follows:



Curro's ethos and values

Four key principles inform Curro's value system.

They are:

- Child-friendliness
- Positive discipline
- Christian values (ethics and morals)
- Creative thinking

Through these principles Curro creates a balanced educational space in which a learner can learn and grow, as encompassed in the name of the group, 'Curro', which in Latin means 'I run'. It can be interpreted as follows: 'I learn at my own learning pace and according to my own aptitude, attitude and talents'.

These principles form the foundation of Curro's ethical standards, which are included in the group's code of ethics, codes of conduct, good citizenship and related policies.

Curriculum approach

Curro schools apply an innovative teaching and learning methodology in their classrooms, including active involvement of technology that is continuously evaluated for enhancement. Curro considers the written curriculum to be the mainstay of its offering, with successful learning taking place when the taught curriculum aligns with the intentions of the written curriculum.

Curriculum strategy continues to be an important topic at the Curro strategy board meetings, and it is at these meetings that enhancements to Curro's academic offering are regularly reviewed and progress on strategic initiatives is monitored.

The preschools follow Curro's preschool curriculum, which was developed inhouse. This assists in developing a child's physical, social and emotional well-being, while also providing a practical framework for both adult-facilitated and self-directed learning, laying the foundation before the child goes to primary school.

Academic performance

Curro endeavours to create an environment that supports the development of learners into well-rounded young adults to serve on all levels of society. They should be able to serve companies, institutions and industries with relevant skill sets, acquired at school level, and subsequently at tertiary-education institutions or the like. Curro also accommodates learners with different learning challenges, as it acknowledges that individuals self-actualise at different phases of their lives.

Curro is extremely proud of the matric results of the Class of 2021. The disruptive conditions that our learners and staff have had to endure since the start of the COVID-19 pandemic made 2021 another difficult year, but they pulled through with the utmost dedication and creativity.


In 2021, a total of 3 075 (2020: 2 716) learners wrote the Grade 12 examinations (IEB, NSC or Cambridge, as relevant).

For the 2021 academic year, Curro's IEB schools had an overall pass rate of 98.6% for its Grade 12 learners. The results showed that 83.7% of learners achieved university exemption and 10.8% an A average. The number of candidates with an average of C or above was pleasing at 69.5%.

The Grade 12 pass rate for all Curro's NSC schools in 2021 was 93.0% and 82.3% of candidates achieved university or diploma exemptions.


Refer to the following tables for more details on academic performance in 2021, including statistics on university and diploma exemptions and the percentage of learners who achieved distinctions and an average of more than 60.0%.

Academic results



IEB	Number of learners	Pass rate	University exemption	Learners with an A average	Average > 60%
2021	1 774	98.6%	83.7%	10.8%	69.5%
2020	1 525	99.5%	85.8%	10.7%	70.5%
2019	1 358	99.5%	85.3%	9.8%	70.0%


IEB: Independent Examinations Board



NSC*	Number of learners	Pass rate	University or diploma exemption	Learners with an A average	Average > 60%
2021	1 218	93.0%	82.3%	2.6%	37.9%
2020	1 058	95.0%	85.9%	2.5%	38.9%
2019	932	92.4%	78.6%	1.6%	33.2%

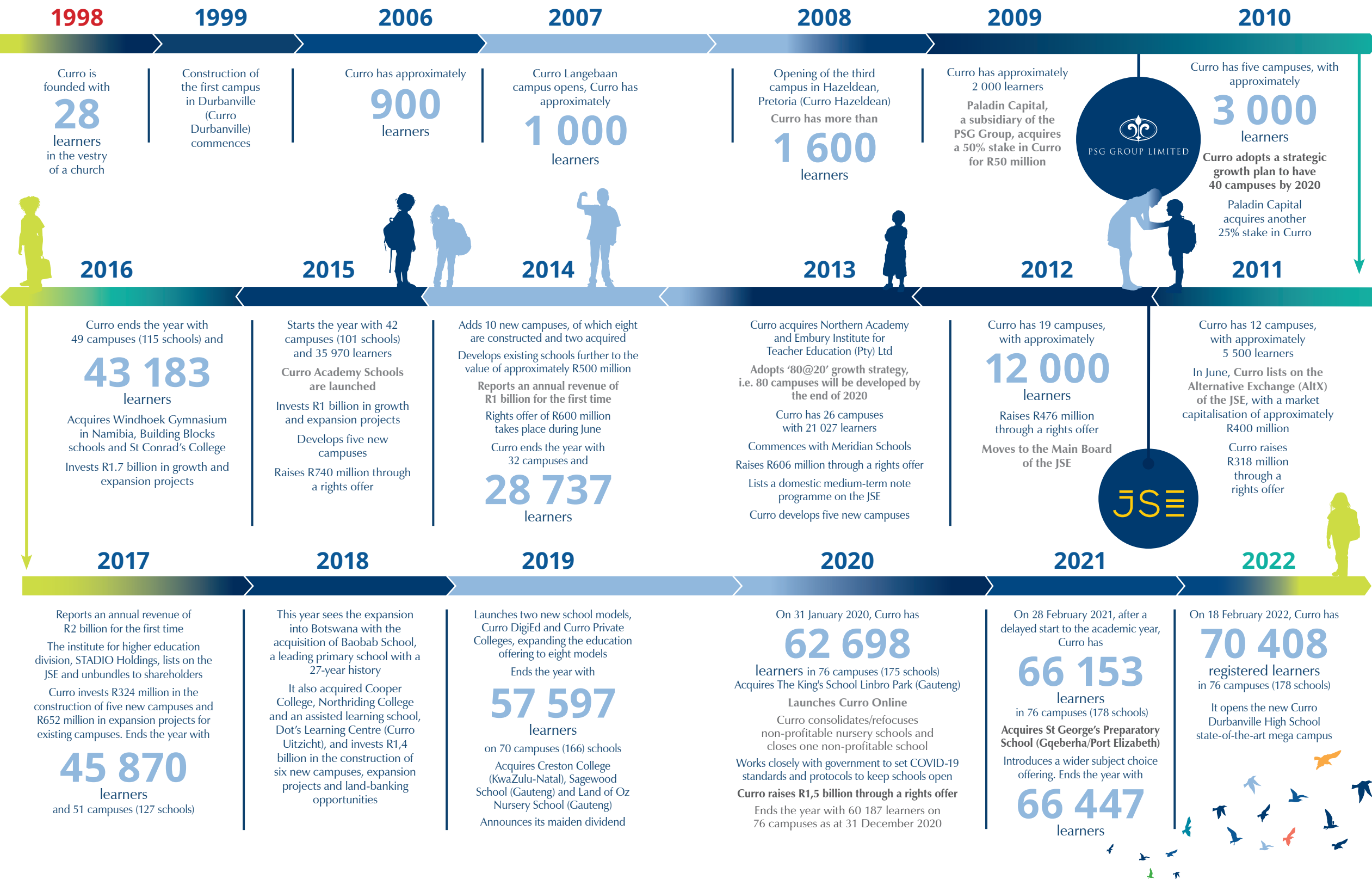
*Meridian and Curro Academy schools

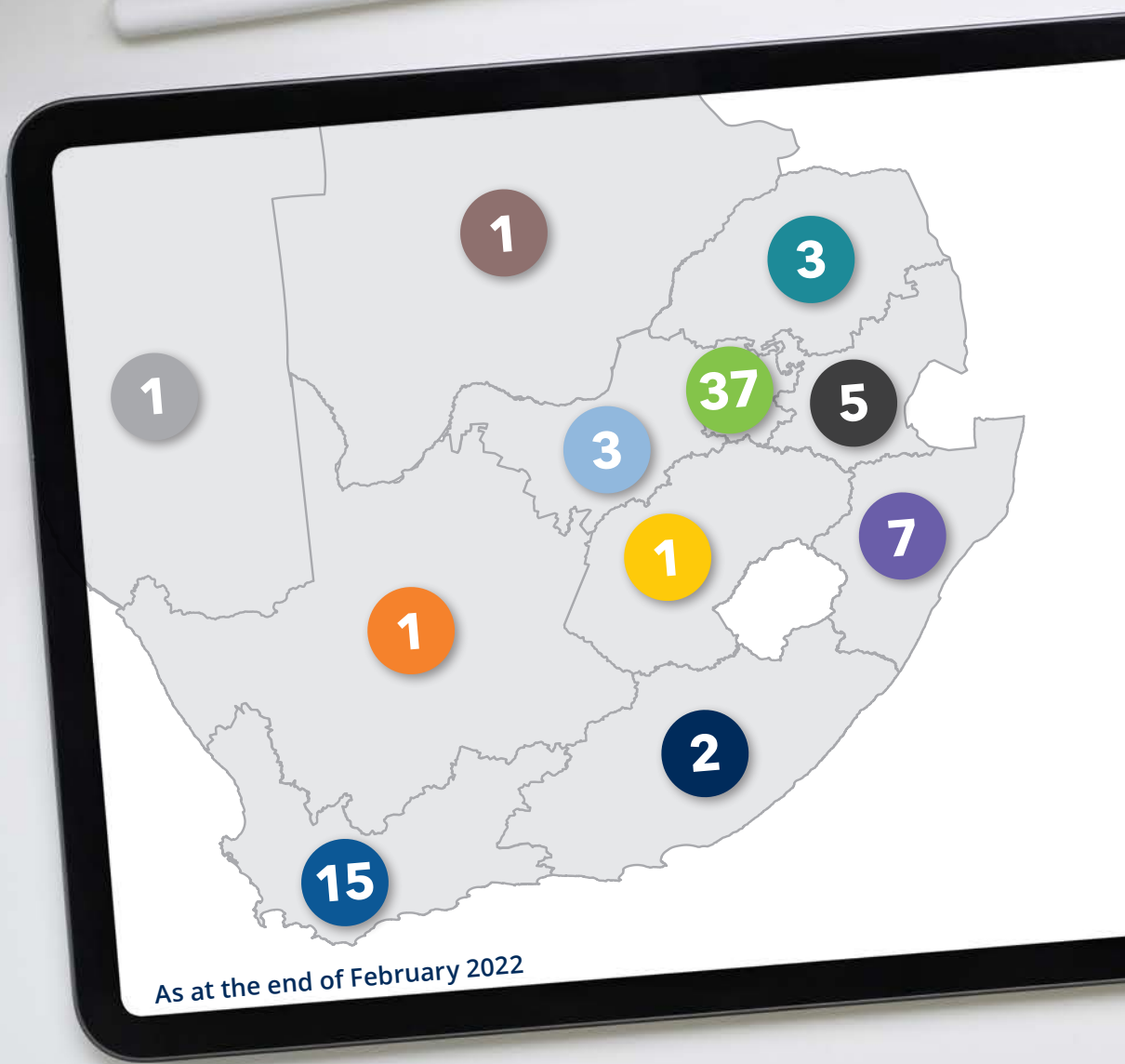
NSC: National Senior Certificate



Cambridge**	Number of learners	Pass rate	University exemption	Learners with an A average	Average > 60%
2021	83	96.4%	57.8%	21.7%	61.1%
2020	133	99.3%	60.2%	15.8%	43.6%
2019	133	99.2%	45.9%	19.6%	86.3%

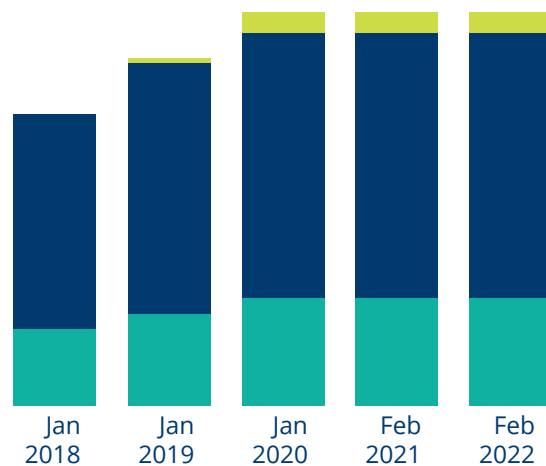
** Windhoek Gymnasium





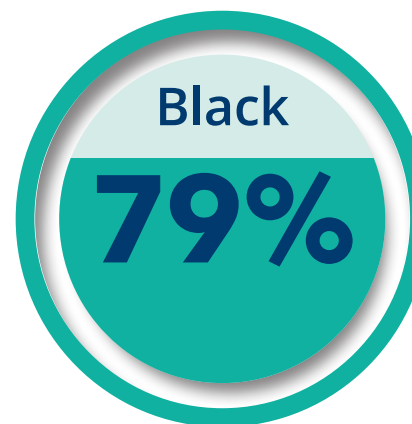
Botswana	Baobab School	1	Gauteng	37
Eastern Cape	Curro Westbrook St George's Preparatory School	2	Cooper College (Johannesburg North)	
Free State	Curro Bloemfontein	1	Curro Academy Clayville	
KwaZulu-Natal	Creston College (Port Shepstone) Curro Heritage House (Durban) Curro Hillcrest Curro Salt Rock (Ballito) Grantleigh (Empangeni) Meridian Newcastle St Dominics Newcastle	7	Curro Academy Mamelodi	
Limpopo	Curro Heuwelkruin (Polokwane) Northern Academy I (Polokwane) Northern Academy II (Polokwane)	3	Curro Academy Parkdene (Boksburg)	
Mpumalanga	Curro Bankenveld (Emalaheni) Curro Nelspruit Curro Secunda Meridian Karino (Nelspruit) Curro Academy Mbombela	5	Curro Academy Pretoria	
North West	Curro Academy Mahikeng Curro Klerksdorp Meridian Rustenburg	3	Curro Academy Protea Glen	
Northern Cape	Curro Kathu	1	Curro Academy Riverside	
Western Cape	Curro Academy Sandown (Table View) Curro Brackenfell Curro Burgundy Curro Century City (Cape Town) Curro Delft Curro Durbanville Curro Foreshore (Cape Town CBD) Curro George Curro Hermanus Curro Langebaan Curro Mossel Bay Curro Rosen Castle (Tyger Valley) Curro Somerset West Curro Uitzicht (Durbanville) Meridian Pinehurst (Kraaifontein)	15	Curro Academy Savanna City	
Namibia	Windhoek Gymnasium	1	Curro Academy Soshanguve	
			Curro Academy The Blyde	
			Curro Academy Wilgeheuwel	
			Curro Aurora (Randburg)	
			Curro Bryanston	
			Curro Chartwell	
			Curro Douglasdale	
			Curro Edenvale	
			Curro Fourways	
			Curro Hazeldean (Pretoria)	
			Curro College Hazeldean (Pretoria East)	
			Curro Helderwyk (Brakpan)	
			Curro Jewel City	
			Curro Krugersdorp	
			Curro Midrand Halfway Gardens	
			Curro Midrand Sagewood	
			Curro New Road	
			Curro Oakdene	
			Curro Rivonia	
			Curro Roodeplaat	
			Curro Serengeti (Kempton Park)	
			Curro Thatchfield (Centurion)	
			Curro Vanderbijlpark	
			Curro Waterfall	
			Meridian Cosmo City	
			Northriding College (Roodepoort)	
			The King's School Linbro Park	
			Waterstone College (Johannesburg South)	
			Woodhill College (Pretoria)	

Number of campuses

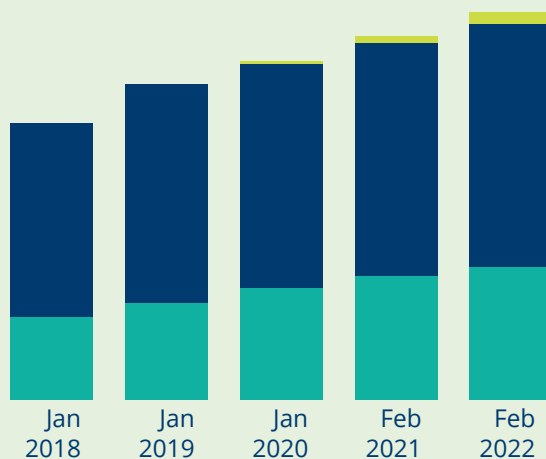


Category	Jan 2018	Jan 2019	Jan 2020	Feb 2021	Feb 2022
Meridian and Curro Academy Schools	15	18	20	20	20
Curro, Curro Preschools, Curro Select Schools and other	42	49	52	52	52
DigiEd Schools	-	1	4	4	4
Total	57	68	76	76	76

Learner demographics – 2021

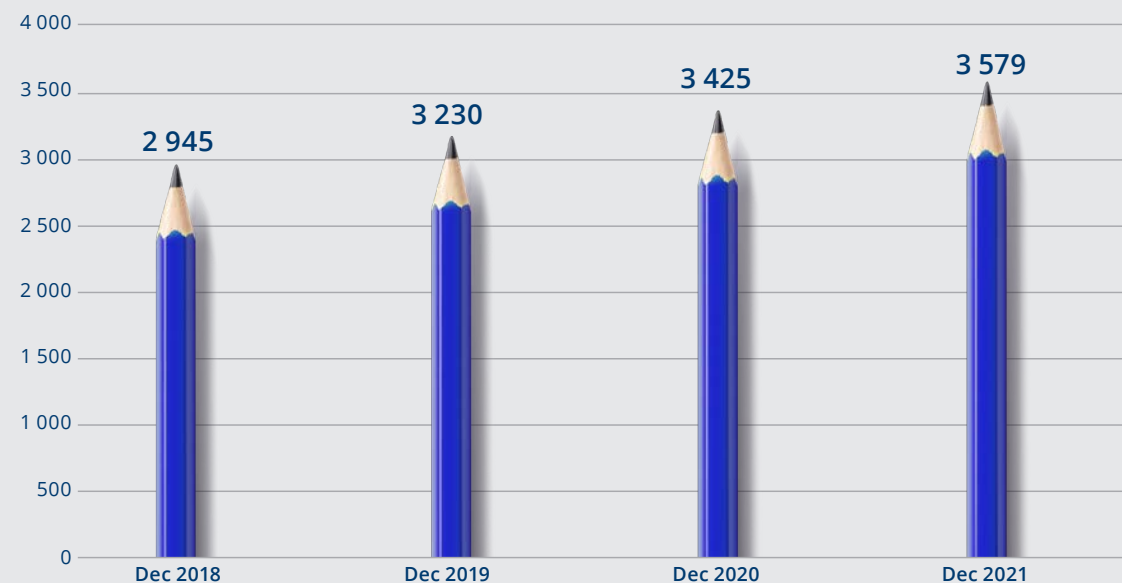


Number of learners



Category	Jan 2018	Jan 2019	Jan 2020	Feb 2021	Feb 2022
Meridian and Curro Academy Schools	14 975	17 512	20 379	22 405	24 027
Curro, Curro Preschools, Curro Select Schools and other	35 258	39 721	41 792	42 337	44 145
DigiEd Schools	-	43	527	1 411	2 236
Total	50 233	57 276	62 698	66 153	70 408

Number of teachers



Key performance indicators for the years ended 31 December

	2015	2016	2017	2018	2019	2020	YOY growth	2021	CAGR
Profitability									
Revenue (R million)	1 384	1 714	2 098	2 496	2 944	3 094	15%	3 543	17%
Employee costs (R million)	738	936	1 107	1 290	1 569	1 567	17%	1 830	16%
EBITDA (R million)	292	377	472	627	693	686	15%	789	18%
Recurring profit attributable to ordinary shareholders (R million)	98	172	209	248	212	179	37%	245	16%
Recurring headline earnings per share (cents)	28.3	43.9	48.1	60.1	50.0*	38.0	8%	40.9	6%
EBITDA margin	21%	22%	23%	25%	24%	22%		22%	
Statement of financial position									
Total assets (R million)	5 079	7 321	8 085	9 165	10 485	11 114	4%	11 552	15%
Interest-bearing liabilities (R million)	1 583	1 624	2 342	2 853	3 680	2 953	(4%)	2 840	10%
Equity (R million)	3 081	4 964	4 996	5 272	5 416	6 766	5%	7 100	15%
Net asset value per share (cents)	865	1 222	1 213	1 277	1 312	1 132	5%	1 189	5%
Capital investment (R million)									
Current campuses	626	571	652	590	910	635		677	
New campuses	369	649	472	534	209	12		251	
Acquisitions	15	266	12	369	127	3		1	
STADIO Holdings	20	214	56	(120)	-	-		-	
Total capital investment	1 030	1 700	1 192	1 373	1 246**	650		929	

* Adjusted for the bonus element contained in the rights issue.

** Figure adjusted from R1 285 million previously reported to exclude the other investing activities, which represent the net flows into money market funds during the year.

VALUE ADDED

Curro continues to provide value to stakeholders, balancing its strategies with respect to social responsibility, sustainability and responsible citizenship, as can be seen in the value distribution statistics below.

Value distribution (R million)

2021

2020



67%
1 801*

70%
1 539*



9%
242

15%
321



3%
90

9%
189

Value distribution (R million)

2021

2020



6%
151

6%
142



4%
98

5%
102



11%
303

(5%)
(108)

* Excludes Skills Development Levy ('SDL') and Unemployment Insurance Fund ('UIF') contributions that are included in figures relating to 'Distributed to government'.

'Nothing is impossible, the word itself says 'I'm possible'
- Audrey Hepburn

Curriculum

- Despite the disruptions due to the COVID-19 pandemic, Curro continued teaching and learning due to an ongoing investment in IT integration and training. The group delivered the full curriculum, per grade, throughout 2021.
- Curro's IEB matric learners recorded an exceptional 99% pass rate for the 2021 academic year. Academy and Meridian schools combined achieved an average pass rate of 93% in the NSC examinations. Meridian Cosmo City and Meridian Karino, achieved 100% pass rates and exceeded their respective tertiary exemption targets.
- One of the first Ruta Sechaba learners, Rohan Cloete of Curro Somerset West, with an aspiration to work at NASA in America, has been accepted to study astrophysics at the University of Cape Town (UCT). He received 7 distinctions and an A aggregate and is well on his way of making his dreams come true.
- Several initiatives were introduced to strengthen the group's specific subject offerings. These initiatives include:
 - the introduction of a Mathematics Olympiad in all schools;
 - an annual writing competition with a focus on essay writing;
 - inter-Curro spelling bee competitions, and
 - a continuation of our strategy to ensure the delivery of all South African languages in the classroom.
- The growth in the DigiEd schools continues unabated. The model runs a strong centralised approach with curriculum development and monitoring lead by a central team.
- Curro Holdings Ltd: Private College continues to have two focus areas; offering accredited learning programmes with a duration of one year or less and offering the National Certificate Vocational (NCV) as an alternative to the NSC.
- The group launched its efforts to ensure the a wider subject choice offering. Curro Choice is the collective name for the project to present all FET subjects remotely at all campuses. All schools (NSC and IEB schools) are now running a similar timetable to offer the wider subject choices as part of the normal curriculum programme. Benefits include cost savings and subject variety and specialisation.

Business operations

- Curro's weighted average number of learners for the year ended 31 December 2021 increased by 9.3% to 66 447 (2020: 60 777) and the group had 70 408 registered learners on 18 February 2022.
- The group's focus remains on cost management and the optimisation of specific efficiencies. In 2021 Curro reviewed its human resources processes and offering, along with a restructuring and strengthening of facilities management.
- Several IT initiatives were launched to not only improve the cyber resilience of the group, but to ensure that

- Curro sets a standard for cybersecurity measures and maintain its position at the forefront of technology service delivery within the industry. The group provides technical and training support on all aspects of technology in the classroom.
- Curro is now an accredited provider of learnerships in marketing and advertising. The aim of the marketing learnership is to equip students with workplace-ready skills within the marketing field and to acquire a relevant industry qualification. The marketing learnership has been designed to introduce generic marketing-related skills needed in the industry over a one-year training programme. On successful completion of the course, the MICT SETA will issue the student with a SAQA ID 50479 Further Education and Training Certificate: Advertising NQF4 Qualification.
- Staff and learner wellbeing continued to be a top priority and various strategies implemented in 2020 were amplified in 2021.
- Curro has committed itself to compliance with the Protection of Personal Information Act, No. 4 of 2013 (POPIA) and has implemented all the necessary processes and procedures to ensure organisational regulatory compliance.

Sport and culture

- Curro was recently tournament sponsor and host to two of the International Tennis Federation's (ITF) five in-country events. Working with Tennis South Africa (TSA), the two events provided an opportunity to the country's top junior players, including eight Curro learners, to play against some of the best in the world, including former world No. 1 tennis player, Bjorn Borg's son Leo, while also inviting international visitors to South Africa.
- Undoubtedly one of the country's top mountain biking events, the ABSA Cape Epic, once again invited riders to test their limits over six days from 17 to 24 October 2021. This year, Curro joined in the action by sponsoring two African special category riders while funding two full scholarships for the children of the winners of the Exxaro category.
- With its strong focus on archery development, Curro Academy Riverside hosted the National Archery in the Schools' Programme SA ('NASP') tournament in December 2021. The event brought together the top competing sports talent from across Africa, and the world.
- Curro implemented a Coaching the Coaches programme, focusing on the upskilling in terms of soccer, netball, rugby and cricket within the group.
- Chess has enjoyed a steep upward curve in participation, competition and league engagement. The offering took off in 2021 with the launch of an online platform (lichess.org) to host league and Curro Cup events.

- Occupying an equally attractive virtual space, Curro eSports rose to fame in 2021. The hosting of the Curro Cup eSports event (Minecraft and traditional eSports) for the second-year running has seen the offering benefit from continuity and consistency. The success of both the Minecraft duos and squad leagues led to an international competition for both staff and learners against a school from the USA – now to be an annual event.
- On the cultural front and, as an extension of our highly successful #HopeToHeal campaign, which was started in 2021 in response to the violence in KwaZulu-Natal, the focus of the campaign was to send a unifying message of hope to all South Africans. Learners from Grades 6 to 10 shared their stories of hope in an initiative in partnership with The Ithemba Foundation (raising awareness of depression as a biological illness, and raising funds for research). For any young, budding writer, being chosen by award-winning journalists Marianne Thamm, Rebecca Davis, Dana Snyman or Erns Grundling as one of the winners of the Curro and Ithemba Foundation's #HOPEtober essay competition, is no small feat. Learners each shared what hope means to them while also encouraging South Africans to keep hope alive as we continue to move through the pandemic.
- Curro Create Advanced Mentorship Programme (AMP), where 30 of our top achievers are afforded the opportunity to work with professional mentors over a period of three months, will continue and is now the only way in which any learner can obtain honorary colours for Curro Create upon successful completion of the programme.
- Curro Create has again shifted the boundaries of schools-based creativity by appointing Stian Bam as its first associate artist-mentor for acting; Stian will be involved in every acting platform within Curro Create – mentor-adjudicator for the CAS, the #Straight2Camera monologue festival, and the annual Curro Create National Youth Theatre Festival ('CCNYTF'). He will in future also present masterclasses at our national arts hubs, and help our Grade 12 actors to polish their final performance pieces for examination.



Curro Rivonia

Community outreach

Curro schools throughout the group make a point each year to extend a helping hand to those in need. Even with the continued restrictions of COVID-19, our parents, learners and staff were able to make contributions of their time, energy and resources to assist within their communities during 2021.

During the 2021 academic year, Curro schools participated in many community outreach projects. These included, but were not limited to:

- Celebrating Nelson Mandela Day by giving their time and donations at various events and fundraising initiatives.
- Collecting and distributing food, clothing and other essential items to various non-profit organisations and communities in need, from orphanages to children with learning challenges to care centres for the elderly.
- Special Christmas collections.
- Collecting and distributing supplies for animal welfare organisations.
- Environmental projects such as beach and river clean-ups.
- Celebrating and thanking local community services from neighbourhood watch teams to healthcare workers.

Curro is immensely proud of the time and effort that each of their schools puts into helping the community. Every kind deed of giving and charity gives our learners exposure to the challenges that others face, and teaches them to become individuals who are aware and care for those less fortunate.



Curro Durbanville
Care boxes with special contents packed and delivered to a local old-age home.



Northriding College
Collected and delivered donations to the Randburg SPCA and spent some time with some furry friends.



Curro Aurora
Collected and distributed feminine products in support of the #Keepgirlchildinschool initiative.



Curro Uitzicht
Collected and donated much needed baby supplies to a local halfway home for babies up to the age of 12 months.



Curro Salt Rock
Collected a variety of items needed by a local foundation for children and babies who need support.



Curro Brackenfell
Donated loaves of bread and packets of soup to a local primary school.



Curro Delft
A free coffee-on-the-go, a muffin and a branded buff were provided for various community neighbourhood watch team members.



Woodhill College
Appreciation gift bags packed and delivered to healthcare workers at Pretoria East Hospital.



The King's School Linbro Park
Grade 8 learners helped packed 15 600 food parcels in support of Rise Against Hunger Africa.



A chance to excel

The Ruta Sechaba Foundation, a public benefit organisation, provides scholarships, bursaries and awards to qualifying learners at Curro and Curro-managed schools. The PSG Group BEE Education Trust was the initial donor to the foundation, which was established in 2016.

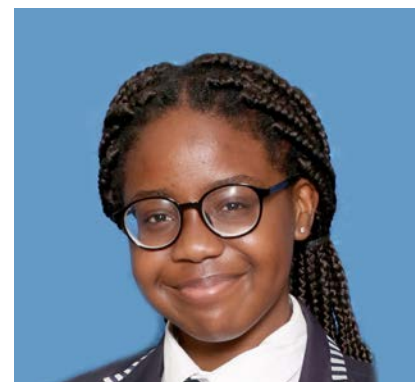
Various corporate partnerships were established over the years, with the Ruta Sechaba Foundation working closely with companies to provide opportunities to talented learners. As a result, this powerful and very successful programme grew to over 600 learners in the 2021 academic year and had 69 candidates who wrote the Grade 12 final year examination; the candidates achieved over 100 subject distinctions. The bachelor's degree (BD) pass rate (university entrance qualification) stands at 90% with only six candidates passing with a diploma.

Curro is proud to share some of the partnerships below:

- The Ruta Sechaba and **KFC** partnership formed in 2021, with their KFC Ikusasa Lethu scholarship programme continues for the 2022 academic year, adding KFC-identified learners year on year to give more opportunities to deserving learners.
- **Jones & Wagener** continues their commitment to adding four new learners to its list in 2022. The company also committed to funding up to R100 000 of the 2021 university fees for two beneficiaries currently completing their Grade 12 year at Meridian Newcastle and Northern Academy.
- **Capitec** has maintained its 2022 beneficiary list and has committed to increasing the list in the 2023 academic year.
- The **Alexandra Education Committee** and **Reatile** have both added more learners to their 2022 academic beneficiary list, giving more learners the opportunity to succeed.
- In addition, donors **PSG** and **ABSA** have pledged their support to the foundation for 2022.

Companies who share Curro's passion for education and would like to make a real difference in South African within an existing well established and successful programme can contact the Ruta Sechaba Foundation at www.curro.co.za.

Each year Curro follows the progress of their Ruta Sechaba candidates who continue to impress and inspire with their excellence. Curro is particularly proud of the Grade 12 candidates who achieved exceptional results in the 2021 academic year.



CHUKUDWERA CAMPBELL

of Curro Academy Wilgeheuwel received seven distinctions in the NSC examinations. She has also been awarded a bursary from the Gauteng City Region Academy Bursary to study Bachelor of Medicine and Surgery (MBChB) at the University of Pretoria. This prestigious bursary covers a potential and academically qualifying undergraduate for their entire years of study.



ROHAN CLOETE

from Curro Somerset West has long aspired to work for NASA, and now with his journey starting at UCT in 2022, where he will study astrophysics, he may well get there! To earn a place in the 4-year course, Rohan's exam results needed to be stellar, and that they were: he received seven distinctions in his final matric examinations.



NONJABULO MKHIZE

was one of Meridian Cosmo City's top academic learners of 2021 and passed the NSC examinations with six distinctions. As an aspiring doctor, she has been offered a bursary by the Gauteng City Region Academy Bursary to study Bachelor of Medicine and Surgery (MBChB) at the University of the Witwatersrand. This prestigious bursary covers a potential and academically qualifying undergraduate for their entire years of study.



TISO LENKOPANE

from Curro Academy Mahikeng matriculated with six distinctions. He is an aspiring CA(SA), and has been awarded a bursary by Ernst and Young to study Bachelor of Accounting at the University of Johannesburg.



Curro Durbanville

Why invest in Curro?

1. Profound impact on our future

Curro believes that the purpose of education is to empower all learners and staff to achieve their full potential as individuals and members of society. This is reflected in its brand promise, in which the company promises that it will provide 'Quality education for future leaders'. The business has grown significantly over the last decade in this noble quest.

2. Strong demand and potential for the product

The public sector in South Africa has a significant backlog in the provision of schooling. New government schools are required in rural and underdeveloped areas, where parents do not have the ability to pay school fees. As it is unlikely that the private sector will get involved in these areas, this is where the greatest need exists. Newly developed middle- and upper-income residential areas seldom receive a new government school. Consequently, this huge demand puts significant pressure on capacity at existing schools in the latter areas, with no learner being denied access unless numbers have reached the cap of 40 learners per class.

Curro believes the above-mentioned challenges provide positive dynamics for the independent-school sector to grow significantly.

Curro estimates that there is still potential for an additional 0.9 million learners to attend independent schools, implying that up to 600 new independent school campuses of 1 500 learners each may need to be established. This does not consider future population and economic growth.

3. Competitive advantages

Learners are usually loyal to the schools they attend, and Curro has developed significant competitive advantages, with the most notable being:

- The development of a trusted brand with a track record of academic excellence since 1998.
- Models for quality independent schooling at the different price levels.
- A robust and seamless digital tuition offering, with proven success during the recent lockdown regulations when schools were closed and/or contact teaching was limited.
- Efficient campus design, development and funding methodology.
- A maturing portfolio of schools, with the majority being cash generative. The start-up phase of a new school requires substantial financing given the high fixed cost component, and it may take up to five years to generate free cash flow.
- A holistic offering in terms of curriculum, culture and sport.

4. Strong predictability in the business model, a high proportion of annuity income and high cash generation

- A school is a very predictable business. Once enrolled, a large proportion of learners will attend the same school throughout their school career.
- Schools are very cash generative, with a predominance of annuity income. School fees are paid annually or monthly.
- Costs are mainly fixed and predictable for a year and for future years, with salaries and facility costs (municipal rates, electricity and water) comprising approximately 75% of expenses.
- Schools are operationally geared; therefore the majority of costs are fixed or semi-fixed, which means that with every additional learner a larger proportion of revenue will have an impact on profit. This positive operating leverage will be a key driver of future profitability as schools gradually trade closer to their capacity.

5. Curro is the market leader

As of 18 February 2022, Curro had 70 408 learners – almost double the number of school learners than the second biggest for-profit independent school group.

- Curro has 76 campuses with 178 schools.
- Globally, Curro is among the 10 largest for-profit school groups based on learner numbers.
- Curro has invested more than R9.4 billion in facilities over the past eight years.
- Curro's potential market increases as a result of its range of products across different price categories.
- Curro provides independent schooling for as low as R2 070 per month, which compares very favourably with former model C government schools.
- More than 59% of Curro's learners on average pay less than R5 000 per month for schooling, with 22% paying less than R3 000 per month.

6. Significant skills and experience

- Curro has a specialist and experienced management team with a proven track record of value creation.
- Curro's in-house design and project management team has, over the years, developed a standard costing approach that is meaningfully more cost-effective than that of comparable projects in the sector. This enables Curro to charge lower school fees to generate similar returns on investment than other players in the industry.
- Curro invests significant resources in developing 21st-century teaching methodologies that adapt to the way children learn in our society today.
- Development of curriculum support materials that are used in all its schools.

7. Disciplined capital allocation and geared for growth

- Curro's market share represents only approximately 3.7% of the total current market.
- Curro currently utilises 60% in J-Curve for 2021 of eventual capacity, implying a revenue growth potential of 50% (based on 90% of eventual capacity filled), with relatively lower (compared to historical) requirements for additional capital investment or increased operational expenses. This will accelerate margin and yield for the business.
- Curro has shareholders and funders who are supportive of its growth aspirations.
- The company will not develop new greenfield schools, unless the business case is compelling. Acquisitions will be considered only when they complement the current offering. Curro will focus on existing capacity in the foreseeable future and fill up the present schools.

Market information

Global indicators

UNESCO statistics for 2018 indicate that South Africa remains far behind in terms of global averages for enrolment in private institutions.

	Percentage of enrolment in pre-primary education in private institutions (%)	Percentage of enrolment in primary education in private institutions (%)	Percentage of enrolment in secondary education in private institutions (%)
South Africa	6	5	5
World	36	19	27
Lower middle-income countries	26	27	40
Middle-income countries	35	20	29

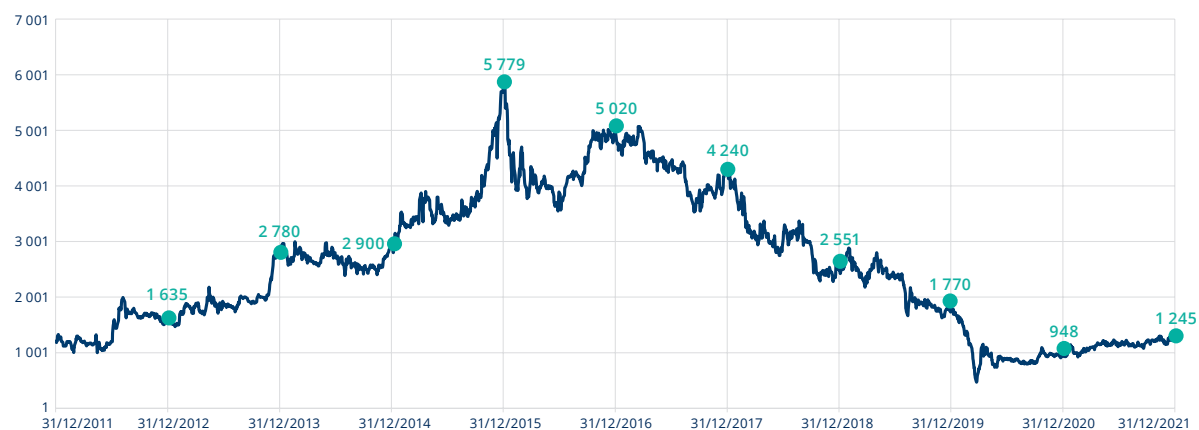
Localised market information

	Number of learners (million)	As % of total
Total number of learners in South Africa ¹	17.6	–
Total number of learners in school in South Africa (Grades R to 12) ²	13.0	
Assumed midpoint of number of learners who can afford some form of independent schooling	1.5 ³	10% – 14%
Number of learners in independent schools in South Africa	0.6 ²	5%
A possible additional market potential (midpoint)	0.9	7%

References

- ¹ Ages 3 to 18 UNESCO.
- ² "School Realities 2019" Department of Basic Education (www.education.gov.za)
- ³ Number of learners who can afford some form of independent schooling based on:
 - the number of taxpayers earning > R350 000 per annum (88% between ages 25 and 55 years) – 1.3 million (Ref: SARS) and
 - the number of medical aid beneficiaries aged 5 to 18 years – 1.8 million (Ref: JP Morgan)

Share price history
Curro Holdings Limited (COH)



Shareholder structure*



*As at 31 December 2021

Listing information

JSE share code	COH
Sector	Consumer services – retail
Subsector	General retailers

Stock exchange performance

For the years ended 31 December	2013	2014	2015	2016	2017	2018	2019	2020	2021
Market price – high (cents)	2 955	3 095	5 999	5 800	5 092	4 373	2 923	1 839	1 310
Market price – low (cents)	1 379	2 405	2 715	3 500	3 387	2 251	1 581	469	902
Market price – close (cents)	2 780	2 900	5 779	5 020	4 240	2 551	1 770	948	1 245
Market price – average (cents)	1 902	2 679	3 788	4 339	4 319	3 057	2 221	999	1 136
Volume of shares traded (million)	22	26	39	98	107	71	62	125	87
Value of shares traded (R million)	425	709	1 485	4 162	4 523	2 207	1 354	1 167	972
Volume/weighted average number of shares (%)	8	8	11	25	26	17	15	27	15
Market capitalisation (R million)	8 195	9 442	20 623	20 439	17 473	10 512	7 294	5 669	7 445
Price earnings ratio at year end	216	171	205	114	88	42	23	19	30




Northriding College

Curro has several key resources at its disposal with which it creates value for all its stakeholders.

	INPUTS	ACTIVITIES
 <p>Financial capital</p>	<p>Curro's financial inputs come from:</p> <ul style="list-style-type: none"> Equity financing Internally generated cash flows Debt funding 	<p>The group uses its financial capital to:</p> <ul style="list-style-type: none"> Maintain and improve existing campuses Develop new campuses Acquire schools Develop new and enhance existing curriculums Cover its operating costs Invest in the continuous training and development of its teachers and support staff <p>The group repaid a term loan with a high interest cost in June 2021 and introduced a more flexible revolving credit facility of R500 million during the year to fund its future expansion plans insofar as it may exceed operating cash flows generated.</p>
 <p>Productive/ manufactured capital</p>	<p>Curro's campuses, curriculum and teachers form the heartbeat of its productive capital. Growing its resources of productive capital requires the investment of financial capital.</p>	<p>In 2021 Curro invested:</p> <ul style="list-style-type: none"> R677 million in existing campuses R251 million in new campuses and landbanking R1 million in an acquisition <p>Investment in the development of the curriculum amounted to R14 million.</p>
 <p>Human capital</p>	<p>Human capital inputs are as follows:</p> <ul style="list-style-type: none"> Skilled and experienced teachers across the various Curro schooling models with the ability to engage their learners in all domains of learning Motivated and competent teaching, administrative and support staff Centralised head office staff to provide essential shared services to schools to enable them to focus on education 	<p>Curro invests financial capital to employ and develop human capital through:</p> <ul style="list-style-type: none"> Continuous professional development The provision of appropriate remuneration, incentives and an employee retention scheme Internship programmes for various occupations, including IT, marketing and teaching Continuous development of a culture of strength-based leadership in all Curro schools through ongoing development coaching initiatives Keeping its employees safe and healthy by ensuring that its facilities comply with the Occupational Health and Safety Act, No. 85 of 1993, as amended ('OHASA') and other regulations, inter alia COVID-19 requirements and restrictions

OUTPUTS	OUTCOMES	
<p>Curro has shareholders' equity of R7.1 billion with net debt of R2.6 billion.</p> <p>During the 2021 financial year the group generated cash flow from operations of R767 million.</p> <p>Net finance costs to providers of capital was R170 million.</p> <p>Curro paid a final dividend of 8.2 cents per share from income reserves for the year ended 31 December 2021.</p>	<p>Curro has 76 campuses (February 2021: 76 campuses) and 178 schools (February 2021: 178 schools).</p> <p>The group acquired one campus during the period.</p>	<p>Further information is available in the financial review on pages 64 to 73.</p>
<p>Curro has R11 billion of non-current assets, with replacement and market values which are estimated to be between R2.5 billion and R3 billion higher, respectively.</p> <p>Curro has 76 campuses across Southern Africa. These campuses are currently operating at 70% of built capacity and 60% of eventual capacity.</p>	<p>The quality and uniqueness of its campuses, continuous design and development of its curriculum and the holistic learner-centric offering (in terms of the balance between academics, sport and culture) are key differentiators for Curro's business. The group is focussed on the ongoing development thereof.</p>	<p>Further information is available in the financial review on pages 64 to 73.</p>
<p>As at 31 December 2021, Curro had 6 150 employees, which included 3 579 teachers. The number of employees increased by an average of 3% per year since 2017, mainly due to organic and acquisitive growth.</p> <p>The average learner-teacher ratio of 18 contributes to productive capital in the education of Curro's learners.</p> <p>During the 2021 financial year, Curro invested R1 830 million in the remuneration of its employees which includes the cost of a share incentive scheme to incentivise and retain key employees and management.</p> <p>Curro awarded bursaries to 50 staff members towards BEd degrees and Postgraduate Certificates in Education ('PGCE'). Curro also registered 10 interns in Educational Psychology in 2021.</p> <p>A total of 38 senior management staff attended the Short Learning Programme: Alpha Capacity Enhancement ('ACE') Programme presented by Milpark Business School in 2021.</p>	<p>Curro's teachers are the primary interface with its learners and parents, and their motivation and competence are key determinants of the group's future success and sustainability.</p> <p>The outcome of the efforts of Curro's human capital investment is seen in the local and international success of the growing alumni base and was particularly evident in the seamless implementation of a robust digital offering during the sudden national lockdown and subsequent restrictions in 2020 and 2021.</p> <p>The Curro Curriculum Management and Delivery ('CCMD') division ensures that Curro's teachers receive continuous training and development. Through STADIO Higher Education, teachers can continue their tertiary education, which is sponsored by Curro.</p> <p>The investment in human capital has a positive impact on Curro's productive capital and nurtures its intellectual capital.</p>	<p>The detailed demographics of Curro's employees is contained on page 57 of this report.</p> <p>The remuneration policy and implementation reports are contained on pages 88 to 102.</p>

	INPUTS	ACTIVITIES
 <p>Intellectual capital</p>	<p>Curro's intellectual capital includes its:</p> <ul style="list-style-type: none"> • brand and related reputation; • information and technology systems; • curriculum development and ongoing enhancement; • investment in governance structures to ensure that it maintains best-practice corporate governance, and • the ability to ensure that its campuses are all aligned with the group's strategic objectives and business model. 	<p>The ongoing development and maturity of IT governance processes have been evident in:</p> <ul style="list-style-type: none"> • the regular use of an IT governance framework; • the annual review of the IT strategy to align it with Curro's strategy; • the ongoing review and consideration of audits (conducted internally through Curro's outsourced internal audit, and externally through its external audit function); • the routine consideration of IT governance matters on the agendas for the audit and risk committee and related board meetings, and • the embedding of appropriate IT governance practices in day-to-day operations.
 <p>Social and relationship capital</p>	<p>Curro actively manages stakeholder relationships on which the business depends.</p> <p>These include:</p> <ul style="list-style-type: none"> • parents and learners; • employees; • communities; • business partners, and • government regulators. 	<p>Through its focus on responsible marketing practices in the group and aligned with its responsible marketing policy, every school has at least one upliftment project relevant to the community in which the school is located.</p> <p>These projects help to educate its learners and staff to be responsible corporate citizens. Projects typically involve the learners, parents, employees and, where relevant, the companies that sponsor projects. Curro also contributes financially to these projects.</p> <p>Parent representation is formalised through PACs at school level. The PAC enables and strengthens communication to the benefit of the school and its learners.</p>
 <p>Environment</p>	<p>Although the impact of Curro's operations on the environment is relatively low, the group continuously focuses on minimising negative effects on the environment.</p>	<p>Curro currently has a number of ongoing initiatives such as:</p> <ul style="list-style-type: none"> • The installation of water and electricity meters to measure consumption • The use of rain water storage solutions for irrigation purposes • The annual measurement of Curro's carbon footprint • Digitisation opportunities that reduce the need for paper consumption

OUTPUTS	OUTCOMES	
<p>Curro has an ongoing drive to improve its information and technology systems to support 21st-century teaching and learning and increase the capacity of its corporate systems.</p> <p>Curro has access to highly skilled architects and a business improvement team to ensure it is on par with the latest global design and development trends to contribute to the learning environment.</p>	<p>The skills of Curro's management team allows it to take advantage of growth opportunities. The executive management team collectively has more than 70 years' experience and a significant knowledge base in selecting, developing and managing schools.</p> <p>The company's commitment to best-practice corporate governance strengthens Curro's brand and reputation. The credibility of the Curro brand is invaluable and Curro relies on its employees to represent and protect the brand.</p> <p>Curro has demonstrated its entrepreneurial flair and intellectual capital in the rapid deployment of online and digital offerings over the last few years and especially in 2020 and 2021, to deliver high-quality education.</p>	
<p>Curro contributed R151 million to corporate social investment and bursaries for the year ended 31 December 2021.</p> <p>The group regularly engages with the members of executive councils ('MECs'), departments of education and Umalusi to discuss developments in education and suggest ways in which the independent sector can assist the government.</p>	<p>Measured and constructive contributions have been made to worthy projects in the society in which Curro operate its schools.</p> <p>Curro's marketing and communication activities reflect respect for the relationship between school, parent and child, with due care taken in terms of imaging and references to individual learners, their parents and other stakeholders in Curro's environment.</p> <p>Marketing elements are designed to be appropriate and consistent to appeal to parents and potential learners; they emphasise the benefits of Curro's offerings across all their pricing models, including the academic offer and local campus design, without exaggeration and false promises.</p> <p>The company places significant value on the goodwill created between itself and its involvement in the surrounding communities, as it aims to create longstanding relationships in these areas.</p>	
<p>Curro measures outcomes through the annual calculation of the Carbon Footprint as well as through reporting to the carbon disclosure project ('CDP'), where risks and opportunities have been identified and quantified.</p> <p>The company has established niche targets and KPIs linked to a Sustainability Linked Loan.</p> <p>The company also uses the TCFD framework to identify climate related risks and opportunities, quantify and report on key outcomes.</p>	<p>The measurement and benchmarking of electricity and water resources allow better insights into consumption and drive reduction initiatives and education interventions on campuses.</p>	<p>Details pertaining to sustainability and ESG can be found on pages 58 to 63 of this report.</p>

Curro's sustainability in the long term is significantly affected by the quality of its relationships with its stakeholders, and therefore the group focuses on active engagement, enabling them to understand concerns and consider input. It addresses these concerns and input as comprehensively as possible. The tables below provide an overview of the stakeholders with whom Curro engages, as well as input into Curro's responses to the most pertinent issues that arise.

Stakeholders

Clients (learners and parents)	Daily, weekly, monthly and termly engagement takes place between teachers and learners, who are regarded as the primary stakeholders in the group. This is done by utilising various teaching methods and communication programmes, all in line with 21st-century teaching and learning methodologies. During the COVID-19 pandemic Curro adjusted engagement programmes to align with stakeholder needs. A corporate communication programme exists for parents and learners, which includes updates that are localised and school-specific and directly related to the Curro curriculum, as well as its sports and culture activities. In addition, schools are encouraged to establish parent advisory committees ('PACs'). These committees ensure the maximum engagement between the group and its learners, parents and/or guardians (collectively referred to as Curro's clients).
Regulators	Engagement with regulators takes place in the formalised education management structure. Dedicated Curro staff communicate and engage with the regulators, including the Department of Basic Education, Umalusi (the council for quality assurance in education and training), the IEB, town councils and municipalities. At the end of 2021 Curro appointed Natasha Mkhize, previously brand manager at Curro, as executive stakeholder relations and successor to Phakamisa Ndzamela.
Investors and funders	The chief executive officer ('CEO') and chief financial officer ('CFO') engage continuously with investment communities and shareholders. Formal engagements take place annually and a programme exists in terms of which investors and funders are invited to visit schools on a prearranged basis.
Employees	Curro understands that employees are the most valuable part of what makes the business successful. More details are provided on how Curro engages with its employees on page 38.
Communities	Curro actively engages with and supports the communities in which it operates. This is evidenced by its contribution of R151 million to corporate social investment and bursaries for 2021. The Ruta Sechaba Foundation continues to grow from strength to strength. Refer to pages 32 and 33 for information on Ruta Sechaba.

Current issues and responses

Areas of interest	Stakeholder	Curro's response
What is Curro's expansion strategy?	Shareholders and analysts	Potential for expansion in South Africa remains given the demand for quality education and Curro's ability to provide this at value-for-money prices. Curro's primary focus continues to be on filling existing school capacity. Curro is focused on investing capital in the business (existing schools) for expansion, whilst acquisitions should be yield-enhancing and will therefore be centred on attractive entry multiples. Curro understands the fundamentals of South Africa well from business, economic and cultural perspectives, which enables it to make a success of new acquisitions.
Does Curro comply with the prerequisites of the Curriculum Assessment Policy Statements ('CAPS') on teacher-learner ratios and the criteria of sound school governance, leadership and management?	Umalusi	Curro has a close relationship with Umalusi, the body responsible for the quality assurance of assessment in the Grade 12 year and the concept of excellence in schools is non-negotiable. Curro strives to attain all its objectives, has its schools accredited with Umalusi, and reports to Umalusi on areas that still need to be developed in the group's newly built schools. Meridian Karino and Meridian Newcastle received accreditation during 2021. Curro Secunda, Curro Century City and Curro Salt Rock (previously Mount Richmore) received accreditation for Grades 1 to 7 and are awaiting accreditation results for Grades 8 to 12 which is expected during 2022. Curro Rivonia received their accreditation in 2022. Meridian Cosmo City and Curro Academy Clayville are currently in the process of obtaining the required percentage of SACE teacher registrations which will be met during 2022.
Is the general quality of Curro's infrastructure in line with industrial standards?	Municipalities	Curro's professional infrastructure development team meets regularly with the local municipalities to discuss the impact of its development of campuses on the local environment, and mutual planning takes place on a continuous basis. This attitude is reinforced by complying with local authorities' building requirements (including approved building plans) and ensuring that occupancy certificates are in place for all Curro buildings. Curro is committed to integrating climate-related issues with its business strategy. In response to the CDP, Curro intends to report on its carbon-emission forecast after installing smart utility meters at all campuses.
What is Curro's debt structure?	Shareholders and analysts	The primary objective for Curro remains increased capacity utilisation of its existing facilities. Expansions will be paid for by free cash flow and limited additional loan funding. With a predictable business model, learner numbers in January/February give a fairly accurate indication of cash flows for the year, so that capital investments can be carefully considered for that year. The business is capable of deferring replacement capex and delaying expansion capex relative to learner growth, which will allow it to use operational cash-flow generation to reduce debt.
What is Curro's policy regarding a suitable debt/equity ratio?	Funders	The current debt/equity ratio is 37% net debt to equity. The group's medium-term approach to debt is conservative in the current economic circumstances. Capital investment greater than the free cash generated from operations will be funded by debt in the foreseeable future as Curro expands capacity and pursues growth opportunities.

Areas of interest	Stakeholder	Curro's response
<p>Complying with key covenants:</p> <ul style="list-style-type: none"> Net debt to EBITDA ratio of not more than 4 times (excluding Meridian) Interest service coverage ratio of 2.5 times (excluding Meridian debt) Loan to value ratio of at least 1.3 times 	Funders	<p>Curro complied with its covenants for the 2021 year, and as at 31 December 2021:</p> <ul style="list-style-type: none"> Net debt was at 3.2 times EBITDA Curro's interest service coverage ratio stood at 5.5 times. The loan to value ratio was 2.6 times (gross debt) and 2.8 times (net debt).
Is my child receiving quality education?	Parents	<p>This area of interest is addressed through the written curriculum that is taught by qualified teachers (accredited with the South African Council for Educators) who are continuously developed through a combination of the STADIO School of Education and the CCMD division, which is under the strong leadership of experienced teachers. Curro has a system of standardised testing throughout its schools to ensure aligned quality in educational delivery and to provide it with the opportunity to ensure excellence for all learners under its care.</p> <p>Along with offering an innovative and relevant curriculum, it also offers the rapidly increasing impact of Curro Create (focused on its arts and culture offering) and the expansion of Curro Sport (including eSport), which is available to all learners from Grade 4.</p> <p>Various other measures, such as Curro's brand, its long-standing track record and its excellent matric results, also support confidence in its quality service offering.</p>
Are we receiving a written curriculum that is still relevant?	Learners	<p>Curro's CCMD division conducts ongoing research into curriculum innovation. Best practices are communicated to Curro employees regularly and they are trained to implement new written curricula.</p> <p>In 2020 the group launched Curro Online, its first online school that offers a flexible yet structured online education model. The Curro Online model is a natural progression of Curro's tech-focused DigiEd schooling model (launched in 2019) which incorporates a strong focus on Mathematics, Science, Coding and Robotics.</p> <p>Curro Online is not a home-schooling model, where parents need to take on the responsibility of teaching and continuous supervision. It is a learn-from-home online model that is aligned with Curro's enhanced CAPS curriculum. The model's online material is created and taught by Curro teachers. There is a structured timetable in place for the learner that needs structure, as well as the option to be flexible for those who work well at their own pace.</p> <p>Curro's focus on offering a relevant curriculum was further developed in 2021 with the launch of Curro's wider subject choice offering that empowers high school learners to take any subject that they are interested in, regardless of their school's physical offering.</p>

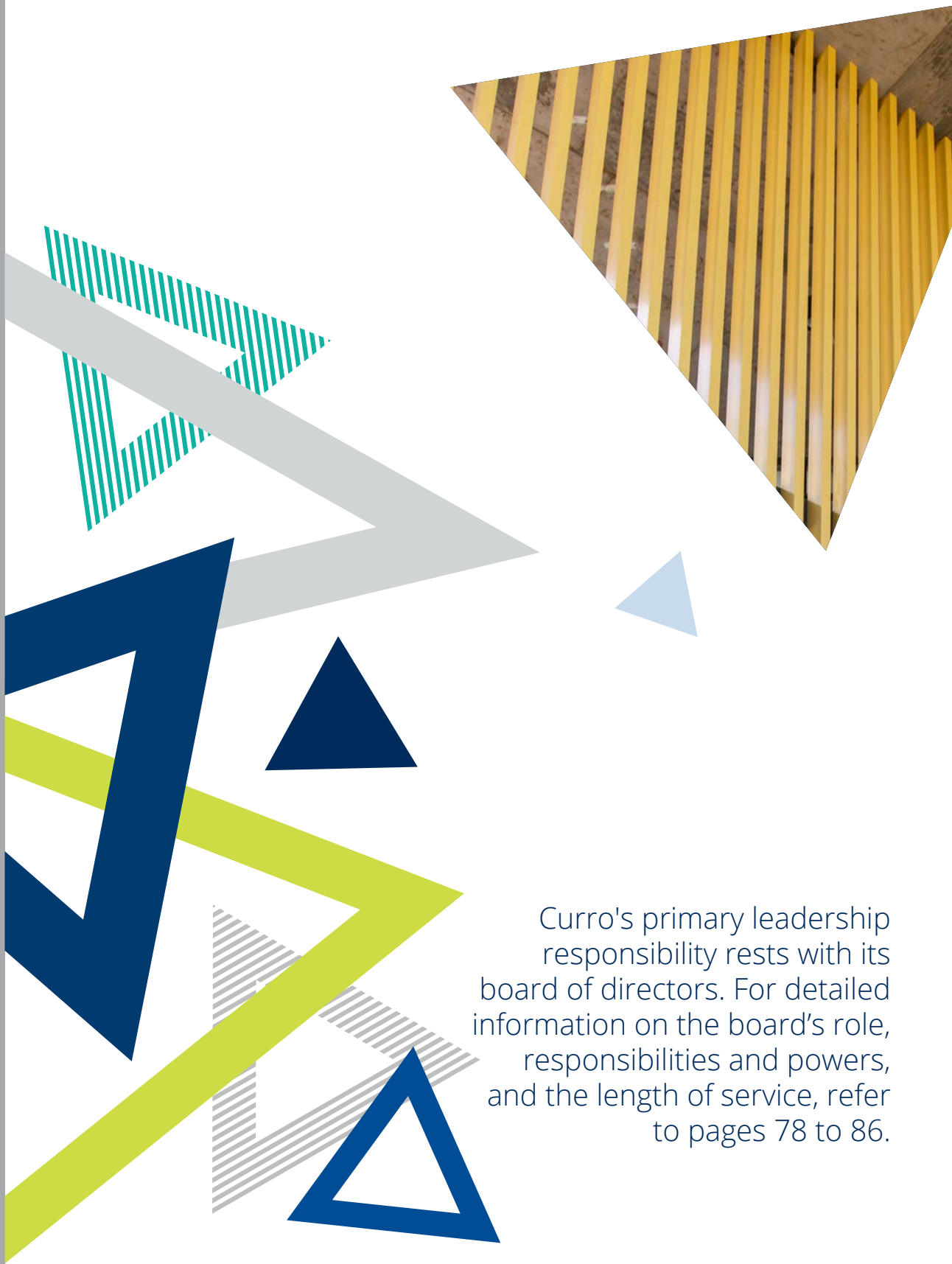
Areas of interest	Stakeholder	Curro's response
What can Curro do to ensure a safe and stable working environment?	Teachers	<p>Curro has various security protocols that endeavour to keep its campuses safe. The focus in 2020 and 2021 was on ensuring that COVID-19 protocols were in place and regularly adjusted as prescribed by the relevant government departments. An internal management structure continues to monitor and report relevant COVID-19 statistics as required and responds rapidly to it.</p> <p>In addition, Curro (after extensive consultation with parties such as the South African Human Rights Commission and other stakeholders) announced the implementation of a mandatory vaccination policy, whereby all staff are required to comply with vaccination against the coronavirus.</p> <p>The group protects its teachers' rights by means of service contracts, which are regulated by labour law. Curro believes in continuous professional development in order to enhance every employee's chances of getting promoted.</p>
Does Curro's supplier application process provide everyone with a fair chance?	Suppliers	<p>The group utilises a number of contractors to build its schools. Every supplier in South Africa and abroad is welcome to approach Curro to be considered for future contracts. A rigorous tender process is in place to ensure fairness in contract allocation.</p>
Do all Curro schools comply with the prerequisites of local government?	Departments of education	<p>Independent schools must be registered with the local departments of education. These departments have specific criteria and Curro adheres to these criteria. The process of registering an independent school takes time and in many cases the operator must first construct an appropriate building and appoint qualified teachers before the registration process can be concluded.</p>
Is the company committed to transformation?	Government	<p>Curro is committed to employing and developing a skills base that represents the demographic profile of its learner base, of which 79% was black and 21% was white for 2021. The company has an employment equity plan on which it reports annually. Refer to page 57 for employee statistics. The company has a social, ethics and transformation committee that oversees transformation in the organisation. The report from the social, ethics and transformation committee chairperson can be found on page 56 of this report.</p>
Is Curro JSE-compliant?	JSE Limited	<p>Curro's JSE Equity and Debt sponsor and corporate advisor, PSG Capital, monitors its compliance regularly in order to help ensure compliance with the JSE Limited Listings Requirements. In accordance with the JSE Limited Listings Requirements, the board submits its annual compliance certificate timeously.</p>
How does Curro protect its organisation from the communication of incorrect facts?	Media	<p>Where possible, Curro provides statements to the media so that any doubt regarding the accuracy of reporting is minimised. Curro has an open relationship with the media and provides updates whenever it communicates financial and academic results.</p> <p>All other media enquiries are handled efficiently through a centralised email address (engage@curro.co.za), to which all media enquiries can be channeled for response.</p>
How does Curro keep its stakeholders informed?	All stakeholder groups	<p>The company believes in the transparent, concise and timely dissemination of relevant information to all stakeholders. Internal and external communication programmes were ramped up in 2020 and 2021, to align with stakeholder needs for information during the pandemic.</p> <p>The regulatory requirements regarding the dissemination of information are observed. In addition, reputational risks relating to published information regarding the business are managed and continuously reduced to ensure that the Curro image and brand are protected.</p>

Areas of interest	Stakeholder	Curro's response
What are Curro's policy and principles regarding remuneration?	Shareholders	Curro has provided details regarding its remuneration policy and implementation report on pages 88 to 102.
What will the future development pace of Curro be?	Shareholders and analysts	In future, Curro will prioritise increasing capacity utilisation at existing schools. Judicious greenfields in high-growing areas and attractive acquisitions will still be considered albeit at a slower pace than in the past. There is no specific set target on the number of new campuses for the foreseeable future, but the business is focused on enhancing its yield to shareholders.
Why are Curro's clients coming to them?	Parents	Curro's clients are looking for quality, balanced education by a recognised brand in a safe and secure environment that is convenient overall at a value-for-money price.
How sustainable are school fee increases?	Shareholders, analysts and parents	Over the long term, school fees will trend towards inflation. Fees are, however, considered individually on a per model, per school and per grade basis, depending on the facilities and investments made, competition and absolute levels of current fees. Curro believes that on average a short- to medium-term margin of 2% between inflation and school-fee increases can be maintained.
Will Curro achieve an acceptable return on capital invested?	Shareholders and analysts	Curro has a long-cycle business, where it can take a school between five and ten years to reach a utilisation of more than 80%, and substantial capital investment is required in the early stages ahead of eventual cashflows generated at capacity. At maturity Curro makes an average IRR of between 20% and 25%, or a yield (EBIT on replacement value) of 15% to 20%. Curro expects its yield to improve as its capacity utilisation of existing assets accelerate.
What is the size of the land bank?	Shareholders and analysts	Curro has total land banked at a cost of R211 million for future use.
What is the status on Meridian?	Shareholders and analysts	With the implementation of various strategies – both financial and operational – Meridian's EBITDA increased by 18% in 2021 from the prior year and 7% from the 2019 financial year. This is encouraging for future growth and improved returns.
How does Curro address the risk of communicable diseases?	All employees and learners	Curro recognises the serious impact of any communicable disease. The company provides detailed communication to all stakeholders to inform and educate them on how to prevent anyone from contracting a disease (both internally and externally on relevant social media platforms). Contingency plans are in place to isolate and prevent further spread should a school be affected, and this would be done in collaboration with the South African Department of Health. Management review and implement best practice and regulated interventions and protocols.



Curro Bankenveld

ACCOUNTABILITY



Curro's primary leadership responsibility rests with its board of directors. For detailed information on the board's role, responsibilities and powers, and the length of service, refer to pages 78 to 86.



SL (Santie) Botha[◇] BEcon; BEcon (Hons)

Santie is the chairperson of Famous Brands Ltd and Capitec Bank Holdings Ltd. She has a wide range of knowledge and experience in different sectors, ranging from fast-moving consumer goods ('FMCG'), where she started her career in Unilever and worked in various roles in both Durban and London, UK (1987 to 1996), banking (executive director: ABSA Bank, 1996 to 2003) and telecommunications (executive director: MTN, 2003 to 2010). Santie was named Business Woman of the Year 2010. She was the chancellor of Nelson Mandela University from 2011 to 2017.



AJF (Andries) Greyling^A CA(SA)

Andries has been Curro's CEO since 1 July 2017. He started his career as audit manager at KPMG Inc. and subsequently held financial positions at several companies. In 2000, he joined the International Colleges Group of Media24 Ltd, which included brands such as INTEC and Damelin, as financial director, and was subsequently promoted to financial director of Educator (Pty) Ltd (Educator). In 2006, Educator bought a 26% stake in Curro. Andries, together with Curro founder Dr Chris van der Merwe, created the business plan upon which Curro's current growth strategy is based. In 2007, when Naspers Ltd disposed of Educator, including its interest in Curro, Andries acquired a shareholding in Curro and joined the company as financial director. In 2011, when Bernardt van der Linde was appointed as the financial director of Curro, Andries's role changed to that of chief operating officer.



TP (Themba) Baloyi^{*} Henley Executive MBA, ACIS, ND CMA

Themba was appointed as an independent non-executive director to the Board from 1 November 2020. He studied and completed Cost and Management Accounting, Corporate Governance through ICSA and has an Executive MBA from Henley Business School (UK). He completed business leadership studies through Gordon Institute of Business Science, University of Cape Town- Graduate School of Business and Duke University (US).

Themba is an innovative and entrepreneurial business leader who founded Discovery Insure Ltd ('Discovery Insure'), a short-term insurance company launched in 2011. The Discovery Insure work propelled him to win the 2018 CNBC Africa All Africa Business Leaders 'Entrepreneur of the Year Award'. He was honoured as a 2015 World Economic Forum Young Global Leader. Currently he serves as chairman on the board of Constantia Insurance Group Ltd and is a board member of CalgroM3 Holdings, and the Allan Gray Orbis Foundation, amongst others.



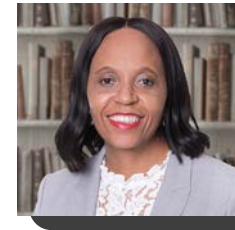
JP (Cobus) Loubser^A CA(SA)

Cobus was appointed as an executive director and the CFO of Curro on 1 January 2021. He started his career at KPMG Inc., served as the financial manager of Virgin Active SA for 4 years, and held the CFO position for 11 years at Holdsport Limited until it was acquired by Long4Life in 2017. He left his position as CEO of Long4Life's Sport and Recreation division at the end of 2020 to join Curro.



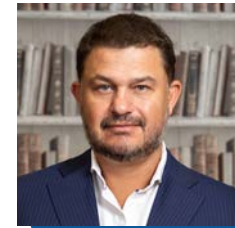
ZN (Nan) Mankai^{*} CA(SA); MBA

Nan was appointed as an independent non-executive director to the Curro board from 10 August 2018. She currently chairs the Curro audit and risk committee. Nan is at present a Senior Investment Manager at the Mineworkers Investment Company. Nan's experience has been in private equity and investment management, having worked for private equity funds and built on balance sheet portfolios for corporates. Her recent experience also includes involvement in project finance and infrastructure investment opportunities and overseeing the internal audit function. Nan has extensive experience in serving on boards and on audit and social and ethics committees.



TBL (Tsholofelo) Molefe^{*} CTA; CA(SA)

Tsholofelo was appointed as an independent non-executive director to the Curro board from 1 May 2019 and has resigned as a director and member of the audit and risk committee of Curro with effect from 19 November 2021. She served as the group chief financial officer of Telkom SA SOC Ltd, where she also served as deputy group CFO and group chief risk officer. Tsholofelo has been appointed as the group CFO of MTN with effect from 1 April 2021. Tsholofelo has a solid understanding of the corporate world and of financial strategy management, financial management practices, risk and controls, and reporting requirements pertaining to various industries. Tsholofelo Molefe resigned from the board of Curro Holdings Ltd at the end of 2021.



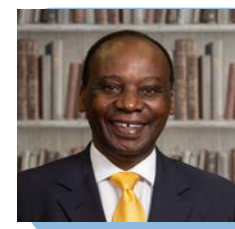
PJ (Piet) Mouton[§] BCom (Mathematics)

Piet is the CEO of PSG Group Ltd and serves as a non-executive director on the boards of various of its investee companies, including Capitec Bank Holdings Ltd, PSG Konsult Ltd and Zeder Investments Ltd. He has served in the investment and financial services industries since 1999.



Prof. SWF (Sibongile) Muthwa^{*} BA (SW) (Fort Hare); BA (SW) Hons (Wits); MSc (SPPDC); PhD (London)

Sibongile has international leadership and management experience in the non-government, development and public sectors, and also in academia. Currently she is the Vice-Chancellor of the Nelson Mandela University. Between 2004 and 2010, Sibongile served as the director general of the Eastern Cape Provincial Government. She is the current Chair of Universities South Africa (USAf), a membership organisation representing the 26 South African Public Universities. She also chairs the Ministerial Task Team on Sexual Harassment and Gender Based Violence and Harm in SA Universities; and is a member of the Human Resource Development Council of South Africa. Sibongile is also a board member of the Nelson Mandela Business Chamber and chairs its governance committee.



DM (Douglas) Ramaphosa^{*} MA (Social Sciences); Programme for Executive Development (Institute of Management Development)

Douglas has more than 35 years of business experience at an executive management and board level. He is currently chairman of IRCA (Pty) Ltd, serves on the Board of Curro, and is chairman and founder member of investment companies such as Mnotho Group and Chakula Wote Africa. Douglas served as a non-executive director for EnviroServ, Wildlife and Environment Society of South Africa ('WESSA'), STADIO and also served at a senior executive level for corporations including Altron, Transnet, ABSA and Anglo American. He was CEO of Bytes Healthcare Solutions, managing director of Bytes Specialised Solutions, and served on the boards of Anglo American (SA), Eskom Enterprises and was chairperson of Rotek Industries.



Dr CR (Chris) van der Merwe[§] B.Prim (Ed), US; B.Ed, UNISA; M.Ed (cum laude), US; D.Ed, US

Chris has extensive knowledge and experience in the independent school and tertiary sectors. He founded Curro in 1998 and in 2011, under his leadership, the company was listed on the JSE. Chris served as CEO until June 2017 when he stepped down, unbundled the Embury Institute for Higher Education, a teachers' college, from Curro and then listed STADIO, an independent provider of tertiary education on the JSE in October 2017. He served STADIO as CEO until the company delivered on the promises of its pre-listing statement and stepped down in March 2020. Dr Van der Merwe has subsequently served PSG and STADIO as a consultant, Education. He currently also serves on the boards of Curro and STADIO as a non-executive director.

Moving forward

I am compelled to review 2021 with some events feeling like distant memories; my natural tendency is to focus on a better future, which Curro has worked hard to make a reality. More than ever before, it is important to focus on what Curro stands for and where it makes an impact in the lives of children on the sub-continent. The events of this past year and the great strides our society has made towards a life we never imagined seeing again, have only further strengthened Curro's sense of responsibility to help where we can, focusing in Southern Africa to benefit as many people and learners from our educational, sporting and cultural offerings to produce citizens who will, in time, contribute to a more resilient economy.

In February, Curro had 70 408 learners enrolled for the 2022 academic year which is an increase of 6% on a like-for-like basis from 2021. The company has been encouraged by the level of new enrolments for the 2022 academic year, which opened uninterrupted and with much enthusiasm. Curro believes that its learners will experience a more balanced school year and can participate in and enjoy the wide range of extramural activities that complement its academic offering.

As part of its commitment to making quality education more accessible to learners in Southern Africa, Curro continues to offer powerful education technology and processes (EduTech), including Curro Online which provides remote teaching and learning to learners from Grade 4 to Grade 11. Curro's DigEd schools offer academic excellence with their digital tuition process at a low cost and the group's wider subject choice offering enables high school learners to take any subject of potential interest, regardless of their school's physical offering.

Curro's results have demonstrated the determination of the group's management, their agile response to market needs and encouraging learner growth to ensure that the group returns to a strong financial position. The decision to maintain the educational standards, to which its customer base is accustomed, has been vindicated by the financial and academic results and the business has managed to balance tight operational discipline in response to the negative impact of higher operating costs.

Increase of 49.2% in cash generated from operations

For the year under review, Curro generated R767 million of cash from its operating activities, 49.2% higher than the previous year. Revenue increased by 14.5% from R3 094 million in 2020 to R3 543 million in 2021. The schools' EBITDA (earnings before interest, taxation, depreciation, amortisation, and head office expenditure) increased by 14.3% to R1 013 million (R886 million in 2020), while EBITDA (after head office expenditure) increased by 15.0% to R789 million (R686 million in 2020).

Curro invested R929 million in the business in 2021, which included the construction of Curro Durbanville's new High School campus in Cape Town, which opened on 13 January 2022, with enrolments at the new High School having exceeded all expectations.

Curro's commitment to making a positive contribution to its communities is unwavering as it plans to invest up to R1.1 billion in the business in the 2022 financial year.

Curro has been pleased to announce the payment of a final dividend of 8.2 cents per share (2020: Nil) from income reserves for the year ended 31 December 2021, with a payment date of 22 March 2022.

At this time, I would also like to thank Tsholofelo Molefe who served on the board of Curro until the end of 2021 for her contribution and the expertise she brought to our deliberations.

I would like to thank Andries Greyling and his executive management team for their dedication, focus and commitment to all the stakeholders of Curro and for ensuring that the way forward will be a positive and well-considered one to ensure that the group continues to grow in the interest of all stakeholders.

A special word of thanks to Curro's employees, clients, parents, learners and business partners for their support and commitment to the continued success of the group as we continue the journey.



Santie Botha
Chairperson of the Board



An exciting year ahead

Curro has been fortunate, along with the rest of Southern Africa, to welcome its entire staff back in early 2022, to the smooth and uninterrupted opening of our schools and the promise of further relaxations of COVID-19 restrictions for our learners and the wider society. We have an exciting year ahead of us and we're pleased to have everyone in our environment participating in it.

Our corporate mission for the past year has been to focus on learner retention and enrolment, coupled with the improved management of some HR and financial aspects. There are many components that must work smoothly within our company to accomplish those goals and we believe that we are already doing many things right, which you will see highlighted in this report. Our successes have not come easily; with the positive attitude and perseverance of our staff, we've managed to overcome several challenges so far.

Curro's headline earnings for the year ended 31 December 2021 recovered to R245 million, 43% higher than the 2020 financial year. The recurring headline earnings of R245 million in 2021, increased by 37% from 2020 and 16% from the 2019 financial year.

Curro's educational offering continued throughout the year, despite the ongoing impact of the pandemic on our lives. The company's focus on protecting learners and staff is unwavering; we honour our teachers and staff for their passion, dedication, and creativity during another turbulent year.

The group's academic faculty is extremely proud of the results of the matric class of 2021, noting the disruptive conditions that they have had to work within since the start of the COVID-19 pandemic.

Our matric learners who wrote the IEB examinations in 2021 recorded an exceptional 99% pass rate for the 2021 academic year. The achievement is based on the performance of 1 774 learners across the group of 31 campuses nationwide.

Our matric learners who wrote the National Senior Certificate (NSC) produced a 93% pass rate for the 2021 academic year. The achievement is based on the performance of 1 218 learners across the group's Curro Academy, Meridian and Assisted Learning independent schools who wrote the NSC exams in 2021.

Personalised learning, efficient accountability systems and a strong focus on strategic interventions contributed to the success. Innovative strategies, together with the superb commitment of teachers, learners and parents strengthened the drive to triumph amidst difficult times. This year's matriculants, for example, were the first group that had to face two consecutive years of learning through the COVID-19 pandemic; these severe challenges were translated into opportunities to accomplish the extraordinary.

A highlight at the start of 2022 was the opening of our new mega-campus for Curro Durbanville High School. With the opening of the new campus, Curro entered an era of design aptly matching the principles of 21st century learning, with its open and flexible learning spaces, complemented by bold and attractive aesthetics. The new school has garnered considerable public attention within the Durbanville community and much further afield, heralding a trend to be emulated on other Curro campuses.

We have enjoyed the resumption of sporting and cultural activities across all schools, with strict adherence to COVID-19 rules, as this brings communities and learners together on our campuses and we anticipate that, as the year progresses, we will be able to resume most, if not all, of our major sporting and cultural activities with increased spectator activity. Learners who can work collaboratively, with strong communication skills, critical thinking, and creative innovation, will be highly valued going forward. As the world emerges from lockdowns, mission statements from around the globe continue to emphasise a "whole child" approach to education that will encourage the learning of a breadth of skills better aligning the education sector with global needs from business to sporting and the creative sectors. Curro leads the way with this approach in Southern Africa.

As we continue into 2022, Curro will be watching to see whether true educational transformation will take place within education systems or largely leave them the way they are. We will be monitoring local and international education trends to see whether certain changes are accepted with a view to a return to the pre-pandemic "normal," or grasp the opportunities given to us to replace more traditional educational approaches with significant structural improvement and leading the way where we can.



Andries Greyling
Chief Executive Officer



Curro operates in a market sector with substantial potential for growth and profitability, which at the same time presents significant barriers to entry. Taking advantage of the growth potential in the group's target market requires substantial investment and long-term planning. The business model is predictable and cash-generative, with a strong annuity income base. For more details regarding its competitive advantage and the market size and potential, refer to the Curro investment case section of this report on pages 34 and 35.

The risks relevant to the business range from reputational to curriculum, investment, financial, information technology, human resources, safety and local and international economic risks. The details on the likelihood of these risks occurring and actions taken to mitigate them are set out in the risk management review section of this report on pages 74 to 76.

Within this operating context, Curro has set a series of long-term strategic objectives and has attached key measurables to each of these objectives. The table below provides details of these objectives and of the initiatives in place to achieve them.

Theme	Priorities	Key performance indicators	Outcomes
Managing stakeholder value	<ul style="list-style-type: none"> Setting a firm business aim. Being a responsible corporate citizen. Creating a stable and inviting workplace. Communicating regularly with Curro's key clients and stakeholders. Generating attractive returns for shareholders 	<ul style="list-style-type: none"> Becoming a group of schools with 80 campuses. Offering as many bursaries to talented, less-privileged learners as Curro's business model can sustain and optimising the relationship with the Ruta Sechaba Foundation. Developing neat, inviting and cost-efficient school campuses. Releasing a variety of digital and other publications with messages relevant and suited to the needs of their key stakeholders. Establishing a PAC at every school. Increase in the share price and paying dividends. 	<ul style="list-style-type: none"> Curro started 2022 with 178 schools, across 76 campuses. In 2021, Curro offered school-level academic and sports bursaries to the value of R151 million. At the start of 2021, the Ruta Sechaba Foundation had just over 600 learners of which 69 completed Grade 12. The start of the 2022 academic year sees 515 learners receiving Ruta Sechaba scholarships. A significant investment was made in the further development and acquisition of existing campuses. Weekly, monthly and termly publications are distributed to stakeholders. Curro paid a final dividend of 8.2 cents per share from income reserves for the year ended 31 December 2021.
Developing and maintaining a unique client service	<ul style="list-style-type: none"> Adopting a customer-centric approach, with a specific focus on customer relationships. Enhancing networking among parents, learners and teachers. Analysing annual client surveys. Providing appropriate supporting infrastructure to manage schools through information and technology systems. Effectively marketing and communicating Curro's product to build brand awareness and a customer-centric positioning. 	<ul style="list-style-type: none"> Introducing open-door policies from executive heads and teachers to enhance accessibility. Holding regular conferences throughout the year. Conducting an annual survey among parents, learners and staff. Formulating an information and technology strategy based on the strategic direction of the group. Promoting prominent advertising actions relevant to each individual campus (includes online marketing and awareness and other forms of marketing and advertising). 	<ul style="list-style-type: none"> Client service remains a primary priority throughout the various touchpoints in the group. In addition to the identified key performance indicators mentioned, a centralised contact point (engage@curro.co.za) provides further client service support. Comprehensive staff training is conducted regularly to ensure excellence in customer service. The main information and technology focus area remains the proactive technological support of the Curro business case. Stakeholder service level agreements are aligned with the business objectives. Curro further developed its in-house school management system and improved its data warehouse.

Theme	Priorities	Key performance indicators	Outcomes
Driving sustainable growth	<ul style="list-style-type: none"> Basing Curro's model on the concept of affordable independent-school education. Securing enough school-zonederven for future developments. Setting realistic annual business targets. Conducting ongoing research regarding actionable acquisitions. Proactively securing sufficient financing. Attracting and retaining quality teachers and other key employees. 	<ul style="list-style-type: none"> Escalating school fees at 2% above consumer inflation, taking the country's annual inflation rate and the global and local economy into consideration. Using capital investment and an effective marketing strategy to expand existing schools to their maximum designed capacity. Maintaining and developing Curro's two-tier approach: Curro schools at R5 400 per month on average and Curro Academies at R3 400 per month on average. Considering attractive acquisition opportunities. With consideration of the balance sheet, ensuring an appropriate funding strategy to fund this strategic objective. Ensuring an appropriate recruitment and recognition and reward strategy is in place. 	<ul style="list-style-type: none"> Fees increased by 5.8% on average at the beginning of 2022 (2021: 3.4%), taking into account the effect of grade and brand mix. In 2021 Curro managed to ensure alignment with its business plan. Key performance indicators have been taken into consideration. Curro Online currently has more than 600 learners enrolled. Capacity utilisation increased to 60%. One acquisition was made in 2021 and one early in 2022. The group repaid a term loan with a high interest cost in June 2021 and introduced a more flexible revolving credit facility of R500 million during the year to fund its future expansion plans insofar as it may exceed operating cashflows generated. On 31 December 2021, R420 million of this facility was unutilised.
Transformation management	<ul style="list-style-type: none"> Ensuring that all Curro schools strive to become demographically representative. 	<ul style="list-style-type: none"> Being actively involved at school level to drive Curro's transformation agenda. Delivering on a B-BBEE strategy and plan. Delivering on the approved employment equity plan. Being closely aligned with the public sector. Employing mechanisms at schools to promote a culture of open feedback and performing regular climate studies among employees at schools. 	<ul style="list-style-type: none"> Curro understands that education plays an important role in empowering individuals and redressing the inequalities of the past. As part of this commitment, in 2016 Curro approved the appointment of a transformation committee that advises and provides the board with appropriate recommendations via the social, ethics and human resources committee. In 2019 the transformation committee was fully incorporated into the social and ethics committee, and the new committee is now called the social, ethics and transformation committee. Refer to page 84 for more information pertaining to the committee and to pages 56 and 57 for more on the group's transformation journey. Curro has established diversity and transformation committees to drive initiatives at school level. These committees meet on a termly basis. All committees are required to submit a transformation and diversity plan that outlines annual goals. These goals are assessed every year and solutions on how to remedy goals that may not have been achieved are put in place for the following year.
Curriculum innovation	<ul style="list-style-type: none"> Conducting ongoing research and development to pursue best practices and to keep Curro's service competitive. 	<ul style="list-style-type: none"> Ensuring that the CCMD division remains focused on literacy development, coding activities, tablet research, further development of Curro's IT curricula, systemic testing of systems, Mathematics teaching methodologies, Science and Technology education, Engineering, and Entrepreneurship as subjects. 	<ul style="list-style-type: none"> In 2021 the primary focus was to ensure that learning continues via various remote and hybrid learning strategies. The research and development work concluded by the CCMD and Curro's IT division over the years paid off and assisted in a seamless transition for the group, despite the challenges posed by COVID-19. Curro introduced a wider subject choice offering in 2021; this enables learners to choose from a wider range of subjects than those physically available at the school from its appointed teachers. Content for these subjects is delivered digitally and facilitated by subject specialists. All schools (NSC and IEB schools) are now running a similar timetable to offer wider subject choices as part of the normal curriculum programme.

Transformation journey

Curro remains committed to transformation as a critical business practice to ensure sustainability and to make a meaningful contribution to the country. We continue to make good progress in this regard through targeted programmes for staff and learners that continued throughout the financial year.

Our focus remains on the improvement of employment equity targets, with the group committed to diversity and the need for employees to be representative of South African demographics.

A B-BBEE audit was completed pursuant to section 13G(2) of the Broad-Based Black Economic Empowerment Act. Curro has achieved a level 8 compliance and its B-BBEE compliance certificate has been published and is available on the company's website at www.curro.co.za. An announcement has been released on the Stock Exchange News Service of the JSE (SENS) in accordance with the JSE Limited Listings Requirements.

For more information, visit www.curro.co.za.

Report of the social, ethics and transformation committee

The social, ethics and transformation committee is established in terms of section 72(2) of the Companies Act and addresses issues as outlined in regulation 43 of the Companies Regulations, 2011, and those highlighted in King IV. The committee acts under the requirements of the Act and a charter that is approved by the board.

The committee comprises two independent non-executive directors and the chief executive officer, and its meetings are attended by appropriate members of management by invitation. The committee is chaired by an independent non-executive director.

During the year under review the committee met on two occasions. During the course of the year, the committee considered and approved the company's human resources strategy and relevant reports, reviewed and considered the B-BBEE codes and the levels and targets of compliance, and addressed the company's talent and skills development initiatives. In the year under review the committee paid specific attention to the company's mandatory vaccination policy and supported its focus on ensuring the safety and security of those under its care.

The company's ongoing transformation strategy was again considered and approved. The board approved the transformation charter, which the committee had recommended to it for approval. The King IV disclosure register was considered and approved by the committee and published on Curro's website. The company's approach to corporate social responsibility issues, its community outreach projects and relevant communication strategies were considered. The work of the Ruta Sechaba Foundation was monitored, and appropriate improvements recommended. These issues are reported upon elsewhere in this integrated annual report.

An outline of the work performed by the committee will be provided to shareholders at the forthcoming AGM.

The social, ethics and transformation committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, and there were no instances of material non-compliance to disclose.



Prof. SWF Muthwa
Chairperson: Social, ethics and transformation committee



Employee statistics as at 31 December 2021

	Race						
	Black		White		Total		
	M	F	M	F	M	F	Total
Executive	2	1	5	1	7	2	9
Senior management	20	24	83	46	103	70	173
Middle management	37	72	90	322	127	394	521
Total management	59	97	178	369	237	466	703
Employee category %	8.4	13.8	25.3	52.5	33.7	66.3	100.0
Total management %	1.0	1.6	2.9	6.0	3.9	7.6	11.5
Skilled, technically and academically qualified employees	354	861	381	1 987	735	2 848	3 583
Semi-skilled and discretionary decision-making employees	146	724	34	253	180	977	1 157
Unskilled and defined decision-making employees	352	348	3	4	355	352	707
Total non-management	852	1 933	418	2 244	1 270	4 177	5 447
Employee category %	15.6	35.5	7.7	41.2	23.3	76.7	100.0
Total non-management %	13.9	31.4	6.8	36.5	20.7	67.9	88.6
Total employees	911	2 030	596	2 613	1 507	4 643	6 150
Total employees %	14.8	33.0	9.7	42.5	24.5	75.5	100.0

Employee statistics as at 31 December 2020

	Race						
	Black		White		Total		
	M	F	M	F	M	F	Total
Executive	2	1	5	1	7	2	9
Senior management	21	23	88	55	109	78	187
Middle management	33	69	82	283	115	352	467
Total management	56	93	175	339	231	432	663
Employee category %	8.4	14.0	26.4	51.1	34.8	65.2	100.0
Total management %	0.9	1.6	2.9	5.7	3.9	7.2	11.1
Skilled, technically and academically qualified employees	346	835	388	1 955	734	2 790	3 524
Semi-skilled and discretionary decision-making employees	149	674	35	251	184	925	1 109
Unskilled and defined decision-making employees	345	311	6	5	351	316	667
Total non-management	840	1 820	429	2 211	1 269	4 031	5 300
Employee category %	15.8	34.3	8.1	41.7	23.9	76.1	100
Total non-management %	93.8	95.1	71.0	86.7	84.6	90.3	88.9
Total employees	896	1 913	604	2 550	1 500	4 463	5 963
Total employees %	15.0	32.1	10.1	42.8	25.2	74.8	100.0

Notes:
M = Male
F = Female









Curro recognised the value of Environment, Social and Governance ('ESG') alignment and embarked on an environmental sustainability awareness journey during 2017 and 2018. Curro has submitted climate change data to the CDP since 2019. The CDP is a not-for-profit charity that runs the global disclosure system for investors, companies and regions to manage their environmental impacts. Due to the early stages of the program, Curro is aware that many lessons are to be learnt, experts to be consulted and sufficient program depth to be achieved.







Curro is committed to improving its environmental sustainability performance through:

- fostering a culture of sustainability and reducing Curro's ecological footprint;
- incorporating principles and the understanding of sustainability into teaching, student learning, research, consultancy and community engagement; and
- incorporating environmental sustainability key performance metrics alongside other key performance indicators of Curro.

Curro strives to achieve this by:

- promoting, developing and adopting environmentally sustainable practices;
- upholding the highest standard of governance;
- ensuring alignment with social practices in keeping Curro's employees and learners healthy and safe;
- being a responsible and inclusive employer and client;
- engaging with all Curro stakeholders on sustainability issues; and
- ensuring alignment of the organisational core values with the United Nations Sustainable Development Goals ('UN SDG's') indicated in the far right column in the table below, and support Curro's license to operate.

<p>Environment (E) Although Curro's operations is of low environmental impact in comparison with other sectors, it continues to focus on preventing or minimising negative effects on the environment.</p> <p>Curro's actions to consider and mitigate its environmental impact are summarised in the adjacent table.</p> <p>Significant activities and considerations in the group's transitioning journey are provided in the additional information section on pages 59 to 61.</p>	<p>Electricity</p> <ul style="list-style-type: none"> • Minimising and monitoring activities to continuously maintain and improve electricity efficiency • Electricity efficiency, reducing natural resource dependence and affect Greenhouse Gas ('GHG') emission reduction • Incorporating alternatives like renewable energy to replace electricity dependence and reduce emission impact • Replacing older technology lights with modern efficient solutions in and around the buildings as well as on the sports fields 	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 
	<p>Water</p> <ul style="list-style-type: none"> • General water dependence reduction throughout the organisation • Installing artificial turf and lawns where appropriate on grounds and sports fields • Maintaining water-saving and responsible water use awareness campaigns at the schools • Metering and monitoring activities to continuously maintain and improve water use efficiency • Implementing water re-use projects for sports fields, gardens, cleaning and flushing of toilets • Emphasising water issues in water-stressed areas 	<p>14 LIFE BELOW WATER</p>  <p>15 LIFE ON LAND</p> 
	<p>Carbon emissions</p> <ul style="list-style-type: none"> • Initiating the conversion of pool heating from electrical to gas systems, increasing energy and operational cost efficiency and reducing GHG emissions • Reduce reliance on artificial fertilisers • Reducing business travel through digitisation • Adopt evaporative cooling principles for air conditioning where appropriate • Promote and invest in low emission solutions where practical 	<p>15 LIFE ON LAND</p> 
	<p>Other</p> <ul style="list-style-type: none"> • General natural resource consumption reduction • Promoting collective action on shared challenges • Safely disposing of hazardous waste, e.g., fluorescent tubes • Optimise paper recycling and reduce the impact on the resource through digitisation • Recycling and reduction of e-waste • Training employees, learners and facility managers on waste management and reduction of water and electricity consumption • Endeavouring to ensure that suppliers in the Curro value chain are aligned with Curro's aspirations in environmental sustainability • Increase alignment with UN SDG's 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>3 GOOD HEALTH AND WELL-BEING</p>  <p>13 CLIMATE ACTION</p> 

<p>Social (S) Curro manages and sustains its social impact in the following ways:</p>	<ul style="list-style-type: none"> • Recognising diversity and promote equal opportunity • Eliminating discrimination and harassment • Actively engaging with and supporting the communities in which Curro operates • Practicing sustainable procurement through the engagement of suppliers supporting Curro's code of conduct and sharing commitments to human rights • Align with UN SDG's 	<p>10 REDUCED INEQUALITIES</p>  <p>5 GENDER EQUALITY</p>  <p>17 PARTNERSHIPS FOR THE GOALS</p> 
<p>Governance (G) Curro has adopted and implemented several policies to achieve sustainable governance, including:</p>	<ul style="list-style-type: none"> • Code of ethics and anti-corruption • Good business • Privacy and whistleblowing • Processing of personal information in line with the Protection of Personal Information Act • Data and information technology privacy and security <p>Detailed information on governance at Curro can be found on 78 to 86.</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>4 QUALITY EDUCATION</p> 

Additional notable information	Description
Sustainability-Linked Loan	<p>Curro received support for its environmental sustainability journey through a sustainability-linked loan in 2019 and pricing of the recent revolving credit facility.</p> <p>The following key performance indicators are monitored in terms of the loans:</p> <ul style="list-style-type: none"> • Learner diversity • Employee diversity • Attaining bachelor's degree pass rate targets • Installation and measurement of water and electricity consumption devices <p>It involved a baseline risk assessment through an independent agency and Curro's first climate change reporting to the CDP in the reporting year.</p>
Transparent sustainability and climate change reporting	<p>Curro's aim is to be accountable for its contribution to climate change and the climate-related risks and opportunities. These are reported to the CDP and in 2021 Curro achieved a rating of B, improving from a C in the previous year. This score is in line with the global average.</p> <p>Curro specifically managed to improve ratings in the categories of energy, governance, and climate-related risk and opportunity management and disclosure.</p>
Communication	<p>Curro identified in broad terms the following stakeholders:</p> <ul style="list-style-type: none"> • Management and local management committees • Parents and school advisory bodies • Teachers and supporting employees • Learners • Investors, funders and sponsors • Government • Business • Community • Supply chain <p>Curro promotes sustainability communication to all stakeholders by:</p> <ul style="list-style-type: none"> • Creating awareness and educating employees and learners on sustainability and the importance of preserving resources for the future; and • Promoting events and have awareness campaigns to get surrounding communities to participate and support the organisation's sustainability efforts.

Risk	Description	Financial impact*
Capital Expenditure	Climate-related risks and opportunities have influenced financial planning in terms of both capital expenditures and direct costs. Examples of indirect costs are insurance claims due to damage from floods, extreme weather conditions that have caused strong winds and rainfall. The following capital expenditures are relevant with impact on expenses estimated where possible:	
	• Capital for solar photovoltaic installations	Not calculated
	• Capital for lower carbon emission generating heating solutions for schools with indoor swimming pools	Potential additional capex of R0.4m – R3m
	• Capital for the installation of gas heating solutions at all schools with swimming pools	Intervention capex per school not viable at present relative to the saving in expenses. We continue to monitor solutions in this area.
	• Capital for water harvesting systems for both sport and sanitation facilities at schools in drought prevalent areas	Expense saving potential: Estimated as much as R24m per annum (based on a target number of installations at 25% of campuses by 2025). Intervention capex estimated to achieve this saving of cR100m.
	• Efficient lighting	Expense saving potential: cR5m - R10m per annum over medium term with capex ongoing as we refurbish and replace.
Products and services	• Upon realising the importance and significance of climate change, Curro embraced the opportunity to influence and equip the next generation through an appropriately adapted curriculum	Not quantified
Investment in research and development	• Curro invested in research and development and the ongoing installation of inline battery banks and electronically controlled supercapacitors ('ECSC') at schools, with further investigation into the possibility of installing solar PV and battery solutions at campuses across South Africa • Curro's DigiEd schools provide a progressive, technologically advanced, and innovative education for learners. The curriculum is enhanced with a project-based deep-learning approach that has an emphasis on Science, Mathematics, and Technology. Learners are equipped for future readiness with the necessary skills to ensure resilience in an uncertain future and a continuous transitioning economy	Not quantified
Operations	The following impacted on the operations:	
	• Cost of content creation (salaries and tools required to develop content) • Investment in digital platforms and digital education learning tools • Infrastructure (hardware and software requirements)	Intervention capex estimated of R10m Expense savings potential of R2m per annum based on printing savings potential if all schools transition to digital curriculum content.
	• Extreme weather events	Estimated operating loss of as much as R300m (based on a scenario if up to 25% of campuses are forced to close suddenly for up to six months, excluding potential insurance claims for damages and loss of income).

Risk	Description	Financial impact*
Operations (continued)	<ul style="list-style-type: none"> Water re-use needed to survive droughts Implementation of boreholes Synthetic turf installed in play areas and on sports fields Water harvesting systems and underground water storage systems 	Intervention capex of as much as R134m, based on the installation of water harvesting solutions at 25% of the most at-risk schools.
TCFD	• Curro aims to adopt scenario analysis principles to progressively align with TCFD reporting requirements over the next two years. This has the potential to change or add to the above list and will contribute to Curro's readiness for the transitioning environment to a low/zero carbon economy	Not quantified

*All financial impacts and relevant assumptions are stated in the 2021 CDP disclosure report which is available on: www.cdp.net

GHG emission data:

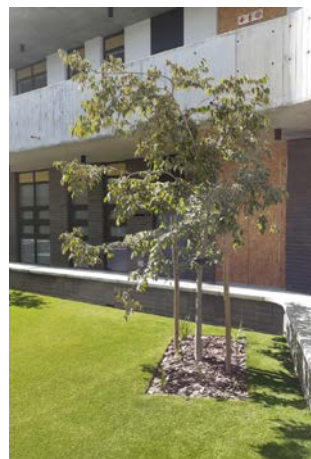
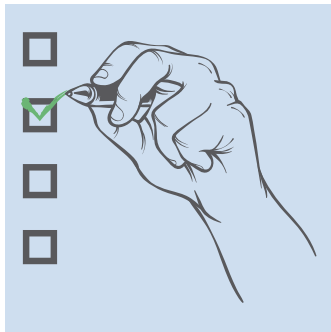
EMISSION SCOPE	2020	2019	2018
SCOPE 1 (TONNES OF CO2E)	923	1 713	1 458
SCOPE 2 (TONNES OF CO2E)	13 506	14 053	11 630
TOTAL SCOPE 1 & 2 (TONNES OF CO2E)	14 429	15 766	13 088
SCOPE 3 (TONNES OF CO2E)	7 015		
TOTAL SCOPE 1, 2 & 3 (TONNES OF CO2E)	21 444		



Sustainable building practices in the year under review

The design and development of the Curro Durbanville High School, which was completed in 2021, considered the following key elements:

- An extended life cycle
- Robust material
- Orientation
- Energy-efficient compliance (SANS XA)
- Water use
- Incorporating plans for more water-saving and energy harvesting practices in future



Sustainable thinking and design culminated in the following:

1. Project partners

- The design of the building was outsourced to BPAS architects, a South African firm who incorporates a holistic methodology and sustainability principles in their design processes.
- The school is situated in the Groot Phesantekraal Estate in Durbanville, currently in a development phase, after Curro, the Rabie Property Group, and Trinity Projects joined forces to acquire the land.
- Rabie is a Cape Town-based property developer committed to green building principles and practices and has developed six 5-Star Green Star rated buildings and seven 4-Star Green Star rated buildings in Cape Town to date.
- Trinity Projects is a Cape Town-based property development and management group who is committed to treating the environment and communities surrounding a development with respect, protecting existing green areas and incorporating greenbelts in its layouts.

2. Building site and design

- Constant environmental monitoring took place on the site due to its proximity to natural greenbelts.
- Throughout the design process, solar tests and analysis were done to ensure passive solar control elements were orientated correctly to ensure efficacy.
- Passive energy control is incorporated in the building as architectural features, e.g. sunscreens, extended slab edges, and stairwells, which add to natural ventilation flows, and the 'heat chimney' effect.

3. Construction material

- Clay brick was chosen as it is an inert and environmentally friendly material. It is made of clay and water and contains no complex components or chemicals.
- The clay brick was sourced from South African supplier Corobrik, whose newly developed and sound environmental manufacturing processes aim to lower the embodied energy in all materials produced. Six Corobrik factories are fired on natural gas with further conversions to natural gas under investigation.
- Robust elements and finishes with low maintenance requirements were considered to ensure the project life cycle has an overall lower embodied energy.
- The superstructure makes use of materials sourced from South African suppliers.

4. Features incorporated to improve eco-friendliness and sustainability

4.1 Water

- Borehole water is predominantly used for garden and sport field maintenance and is approved and licensed by DWS.
- Wastewater usage: Stormwater runoff from all hard areas is 'polished' before being discharged into the precinct's overall stormwater attenuation pond, where the natural aquifers are replenished effectively and environmentally sustainable.
- Minimal and sustainable solar geysers and solar collectors are used for water heating.
- Waterwise elements includes water conservating taps, fittings and fixtures used throughout the project.
- Waterwise gardens and artificial turf sport fields add to the overall water conservation strategies.
- Garden waste: sufficient maintenance areas are kept promoting garden composting and recycling.
- Futureproofing for rainwater harvesting systems is incorporated throughout the building.

4.2 Electricity consumption

- **Lighting:** Low-voltage systems and LED lighting is used throughout the building with occupancy and daylight sensors
- **Natural lighting:** Skylights and windows optimise natural lighting while allowing for sufficient solar control to avoid direct solar heat gain. Low-E glass were used in skylights to further add to the reduction of solar heat gain in the building. Skylights were carefully considered in placement for optimisation.
- **Water heating:** Minimal and sustainable solar geysers and solar collectors are used
- **Electricity generation:** Future-proofing locations and cable reticulation routes for PV panels and battery-banks are accommodated in the design
- **Temperature control:** Roof insulation was incorporated in all areas, as well as sound-insulation in large public areas. Temperature control through natural passive ventilation techniques is incorporated throughout the building.

4.3 Recycling and reuse

- Operational areas are designated for recycling and reusing initiatives.

Salient points

The salient points pertaining to the group's financial performance for 2021 are listed below:

- Strong growth in learner numbers: Average learners were 9.3% higher in 2021 than for 2020. Learners increased by a further 6.0% at the start of 2022 from the average for 2021.
- Revenue increased by 14.5% to R3.5 billion, buoyed by learner growth and a slight recovery in ancillary income.
- EBITDA of R789 million was 15.0% higher than 2020.
- Curro's headline earnings recovered to R245 million, being 43.3% higher than the 2020 financial year. Recurring headline earnings of R245 million in 2021 increased by 36.9% and 15.6% compared to the 2020 and 2019 financial years, respectively.
- Recurring headline earnings per share (RHEPS) of 40.9 cents was 7.6% higher than last year. Headline earnings per share (HEPS) of 40.9 cents was 12.4% higher than 2020. Earnings per share (EPS) was 43.3 cents for the current year compared to a loss of 6.5 cents in the previous year.
- Curro generated R767 million of cash from its operating activities, 49.2% higher than the previous year.

In evaluating these results, shareholders should take the following matters into account:

- The R1.5 billion rights issue concluded in September 2020 resulted in there being 27% more weighted average shares in issue in this year compared to last year.
- Curro recognised non-headline impairments of property, plant and equipment, intangibles and goodwill of R207 million (net of tax) relating to lower-yielding schools in the previous financial year. These impairment charges are included in the calculation of EPS but are added back for purposes of the calculation of HEPS, and accordingly accounts for the key difference between HEPS and EPS.
- HEPS for the previous year included a *non-recurring* acquisition cost of R8 million (net of tax) which accounted for the difference between RHEPS and HEPS.

Key statistics

	2017	2018	2019	2020	% change '20-'21	2021	CAGR
Revenue (R million)	2 099	2 496	2 944	3 094	15%	3 543	14%
Schools' EBITDA (R million)	594	772	873	886	14%	1 013	14%
EBITDA (R million)	472	627	693	686	15%	789	14%
EBITDA margin (%)	22.5	25.1	23.5	22.2		22.3	
Net interest expense (R million)	78	138	243	223	(24%)	170	22%
Recurring headline earnings (R million)#	201	248	212	179	37%	245	5%
Recurring HEPS (cents)#	49.0	60.1	50.0*	38.0	8%	40.9	(4%)
Capital investment (R million)	1 136	1 373	1 246**	650	43%	929	(5%)

* Adjusted for the bonus element contained in the rights issue

** Figure adjusted from R1 285 million previously reported to exclude the other investing activities

From continuing operations

Simplified income statement (recurring basis)

	2017	2018	2019	2020	% change '20-'21	2021	CAGR
Net adjusted Revenue*	2 080	2 474	2 891	2 931	15%	3 385	13%
Expenses	(1 449)	(1 702)	(2 018)	(2 031)	17%	(2 381)	13%
Schools EBITDAR	631	772	873	900	13%	1 018	13%
Head office expenses	(121)	(145)	(174)	(199)	13%	(224)	17%
EBITDAR	510	627	699	701	13%	794	12%
Depreciation	(131)	(154)	(189)	(231)	22%	(281)	21%
Adjusted net interest expenses and rental**	(78)	(140)	(223)	(211)	(27%)	(155)	19%
PBT	301	333	287	259	38%	358	4%
Tax	(75)	(91)	(76)	(71)	42%	(101)	8%
PAT	226	242	211	188	37%	257	3%
Minorities	11	6	1	(9)	33%	(12)	
Attributable earnings	237	248	212	179	37%	245	1%

* Revenue (being fees and ancillary income net of discounts) adjusted to deduct bad debt and collection costs

** Adjusted for Meridian Junior Debt

Key drivers for performance

Income	2017	2018	2019	2020	% change '20-'21	2021	CAGR
Gross average number of learners	45 870	51 305	57 597	60 777	9%	66 447	10%
Effective net number of learners*	42 172	47 467	51 490	50 524	14%	57 397	8%
Gross effective school fees (R million)	1 941	2 338	2 830	3 177	12%	3 561	16%
Discounts (R million)	(137)	(150)	(230)	(377)	(13%)	(328)	24%
Net school fees (R million)	1 804	2 188	2 600	2 800	15%	3 233	16%
Net bad debts and collection costs (R million)	(17)	(22)	(53)	(159)	(1%)	(157)	75%
Net school fees after bad debt (R million)	1 788	2 166	2 547	2 641	16%	3 076	15%
Other income (R million)	293	308	344	290	7%	309	1%
Net adjusted revenue	2 080	2 474	2 891	2 931	15%	3 385	13%

* After effect of discounts and bad debts

Key measures	2017	2018	2019	2020	% change '20-'21	2021	CAGR
Gross effective average school fees per learner**	42 373	46 104	49 670	50 185	2%	50 943	5%
YOY increase in gross average school fees	10.7%	8.8%	7.7%	1.0%		1.5%	
Net average school fees per learner	39 019	42 715	44 529	43 456	7%	46 293	4%
Net adjusted average revenue per learner	45 353	48 229	50 525	48 225	6%	50 943	3%
Discounts and bad debts as % of school fees	8.1%	7.5%	10.0%	16.9%		13.6%	
Bad debts and collection costs as % of net school fees	0.9%	1.0%	2.0%	5.7%		4.9%	

** Based on average learners for the year

Ancillary revenue (R million)	2017	2018	2019	2020	% change '20-'21	2021	CAGR
Other school services	159	180	211	205	(4%)	196	5%
Enrolment fees	45	45	49	49	(10%)	44	(1%)
Other income	89	83	83	55	25%	69	(6%)
Total	293	308	344	290	7%	309	1%

Average learner numbers

	2017	2018	2019	2020	% Var	2021	% Var	18 Feb 2022	CAGR
Curro, Curro Select and other	31 471	34 870	38 588	39 569	7%	42 481	5%	44 772	7%
Curro Castle and assisted learning	914	1 278	1 535	1 184	21%	1 429	13%	1 609	12%
Curro Academy	3 810	5 844	8 281	10 496	22%	12 790	11%	14 137	30%
Meridian	9 675	9 313	9 193	9 528	2%	9 747	1%	9 890	-
	45 870	51 305	57 597	60 777	9%	66 447	6%	70 408	9%

The growth in learner numbers is dominated by the growth in Academy learners. The Curro and Select schools experienced 7% of growth from 2020 to 2021 with a further 5% growth in 2022. The growth from 2021 to 2022 is organic growth and exclude the acquisition of HeronBridge, which will be added from 2022 once the transfer of the property is registered.

Fee increases

School fee increases are considered for each school on a grade-by-grade basis and depend, inter alia, on the current level of fees, the demand for the school and the facilities provided.

Average revenue per learner is determined mainly by school fee increases but is also affected by learner numbers on a per school per grade basis, as there are different school fees applicable to different grades. The higher proportionate growth in Curro Academy learners who pay lower fees influenced product mix and dampened the average overall growth in school fees.

For 2020 to 2021 the average school fee increase was 3.4%, while five schools implemented an average reduction in school fees. For 2021 to 2022, school fees increased by an average of 6.5% before the impact of grade and school mix, which resulted in an increase across the group of 5.8% at the beginning of 2022.

Bursaries and discounts (learner retention and relief)

Curro is dedicated to providing broader access to private education, which it does by offering various models at different price points. In addition, the group deploys various judicious discount strategies to enrol and retain learners. The total discount expense is mostly made up of merit bursaries granted to learners for excellence in academic work, sport and culture and discounts granted to Curro employees' children attending Curro schools. Short-term financial assistance is available, taking into consideration various factors. In addition, discounts comprise of corporate discounts, sibling discounts and Ruta Sechaba bursaries.

The group is focussed on retaining learners as far as possible, especially in non-entry grades. This resulted in an increase in discounts over the last few years, from 7.1% of gross fees in 2017 to 9.2% of gross fees in 2021. Discounts were unusually high in the previous year when Curro extended additional discounts and relief to distressed accounts of R81 million in response to the negative impact of the COVID-19 pandemic.

Discounts as a percentage of gross fees reduced from 2020 to 2021 and the ratio is expected to reduce further in 2022.

Bad debts

Gross trade receivables increased by 8% to R481 million, from R447 million at the end of 2020.

Trade receivables are split between Active accounts, where learners are still enrolled in our schools, and Inactive accounts for learners who have left Curro. The non-performing portion of the debtors book mainly relates to the Inactive book.

Historically, Curro tolerated higher levels of overdue accounts to retain learners as far as possible. Furthermore, the application of IFRS 9 – *Financial Instruments* has the effect that receivable balances and related provisions are retained longer on the balance sheet. Overdue debt was exacerbated by the impact of COVID-19 on our economy.

Overdue accounts are managed more stringently through sophisticated and enhanced debt collection processes. In general, Curro engage more effectively with overdue accounts to rehabilitate poor payers earlier and retain learners, or to terminate accounts where settlement remain outstanding. As a result of these strategies, the aging of the outstanding accounts for continuing enrolled learners (active accounts) improved meaningfully over the last year.

The non-performing portion of the debtors' book mainly relates to learners who have left Curro (inactive accounts) and concerted efforts are being made to recover the outstanding debt. The inactive book increased from R297 million at the end of 2020 to R336 million on 31 December 2021.

The credit loss provision methodology was revised in the previous year. In terms of the provisioning policy, the full outstanding balance of each account is allocated under its oldest aging category and is then provided for on a stepped basis. This prudently recognises the risk that the full balance may not be collected.

Expected credit losses of R131 million were provided for during the year under review (2020: R146 million) and the expected credit loss provision and gross receivables reduced after the oldest account balances totalling cR100m was written off against both balances. The expected credit loss provision is now at 51% of the gross receivables, up from 48% in 2020. Bad debts and collection costs as percentage of net fee revenue decreased from 5.7% in the previous year to 4.9% in 2021.

Accounts receivable (R million)	2017	2018	2019	2020	% change '20-'21	2021	CAGR
Gross balance*	75	121	249	447	8%	481	59%
Provision*	(16)	(32)	(69)	(215)	14%	(246)	99%
Net accounts receivable	59	89	180	232	1%	235	41%
Provision as % of gross balance	21%	26%	28%	48%		51%	

* Figures for 2017 had been adjusted to reflect the impact of IFRS 9 had it been implemented in those years

Ancillary revenue

Ancillary revenue consists of the non-tuition fee revenue lines, being boarding school fees, aftercare, rentals, bus services and other incomes. This was particularly affected by the closure of schools in the second quarter of 2020 and a general reduction in extra-mural and other activity at schools since then due to the national lockdown restrictions.

Ancillary revenue increased by 6.6% from 2020 and was more consistent during the year, albeit still well below normal pre-COVID levels and lagging the growth in learners. Curro's learners increased by 15.4% since 2019 but total ancillary revenue in 2021 was still 10.2% lower than the total ancillary revenue recorded in 2019.

Expenses

Curro has a relatively high fixed cost base with c75% of its expenses made up by salaries and property related facility costs.

Schools were fully operational in the second half of 2020 and in 2021 and as a result, the operating costs for 2021 increased by 16% on the previous year. If the estimated savings due to the lockdown related school closures in the 2020-base are considered, expenses increased by 10%. This compares favourably with the 15% increase in revenue. Operating margin was maintained for the year and Curro's operating leverage will be a powerful driver of future profitability, relative to capacity utilisation.

Employee costs

	2017	2018	2019	2020	YOY	2021	CAGR
Teacher salaries (R million)		851	1 022	1 097	19%	1 300	
Other employees (R million)		347	431	328	11%	365	
Total school employee cost (R million)	1 029	1 198	1 453	1 425	17%	1 665	13%
Head office (R million)	78	92	116	142	16%	165	21%
Total employee cost (R million)	1 107	1 290	1 569	1 567	17%	1 830	13%
Employee costs as % of revenue		52%	53%	51%		52%	
Employee costs as % of total expenses		69%	70%	65%		66%	
Number of teachers at end of period		2 945	3 230	3 425	4%	3 579	
Average cost/teacher (R'000)		289	331	331	10%	363	
Number of employees at end of period	5 369	5 628	6 076	5 963	3%	6 150	3%
Average cost/employee (R'000)	206	229	268	260	14%	298	10%

Salaries are the largest expense for the business, at 66% of total expenses excluding depreciation (2020: 65%). Quality teachers in the classroom remain the bedrock of Curro's product.

The staffing model and consequent salary costs for a year is largely determined by the number of learners enrolled at the beginning of the year. Teacher and support resources are constantly assessed to ensure that any underutilisation is limited as far as possible. In a uniquely challenging year, Curro did not compromise on the educational offering to learners nor on the implementation of critical safety standards and protocols.

Changes in the total and average salary cost were due to the following factors:

- Salaries increased by an average of 3% in October 2020 with no increases during the 2021 year other than for promotions (normally increases are effective in March annually);
- The Temporary Employment Relief Scheme ('TERS') receipts from the Unemployment Insurance Fund ('UIF') in the second quarter of 2020 due to the COVID-19 pandemic significantly reduced the 2020-base year for comparison;
- The appointment of more high school teachers at higher average salaries; and
- Activity normalised gradually in the second half of 2020 as more and more learners physically returned to schools, which increased staff and other costs accordingly.

Other expenses

R million	2017	2018	2019	2020	YOY	2021	CAGR
Non discretionary expenses	278	345	410	499	11%	552	19%
Facilities	150	179	210	289	7%	308	20%
IT expenses	26	32	38	47	27%	59	23%
Printing and stationery	26	28	31	25	26%	31	5%
Repairs and maintenance	13	17	21	27	21%	32	24%
Collection cost	2	2	13	17	53%	26	86%
Other non discretionary	60	87	97	95	-	95	12%
Discretionary expenses	93	99	124	102	9%	110	4%
Sport and culture	15	17	25	13	7%	14	(2%)
Curriculum	25	26	24	24	19%	28	3%
Marketing	21	21	29	36	(2%)	35	14%
Other discretionary	32	36	47	29	14%	33	1%
Total	371	444	534	600	10%	662	16%
Other services expenses	95	108	110	95	38%	131	8%
	466	552	645	695	14%	793	14%

Expenses have been broadly grouped into three categories:

Non discretionary expenses

- Expenses are mostly overheads that have to be incurred and where discretion is limited.
- Facility costs consist of water, electricity and municipal rates and increased by 7.4%. Curro engages actively with municipalities to resolve disputes and expect that this expense will continue to increase by more than normal inflation.
- IT expenses increased in line with the comprehensive rollout of online tuition during the national lockdown and subsequent restrictions on contact teaching.

Discretionary expenses

- These are variable expenses and although discretionary, these expenses enhance Curro's overall offering.

Other services expenses

- These are direct expenses relating to aftercare, boarding, bus and vehicle and recovered expenses.

Meridian business

Average learner numbers increased by 2.3% and revenue increased by 17.9% on the previous year due to lower ancillary income and higher discounts. Operating profit for the year under review was 18.6% higher than 2020.

In 2018 the gearing of the business was addressed by replacing expensive debt with mezzanine debt, and senior debt with junior debt (seen as equity). The reduction in debt resulted in the Meridian business being profitable since 2019.

	2017	2018	2019	2020	2021
Average Learner numbers	9 675	9 313	9 193	9 528	9 747
Revenue (R million)	271	274	289	289	341
EBITDA (R million)	43	46	56	51	60
Depreciation (R million)	(11)	(10)	(10)	(8)	(9)
EBIT (R million)	32	36	47	43	51
Net interest (R million)	(67)	(68)	(26)*	(16)*	(12)*
PBT (R million)	(35)	(32)	18	27	39
Tax (R million)	10	15	(5)	(8)	(11)
Headline earnings (R million)	(25)	(17)	13	19	28
Equity and junior loans (R million)	8	413	413	413	413
Debt funding (R million)	620	249	230	216	193
Senior (JIBAR + 4%)	497	249	230	216	193
Mezzanine (JIBAR + 8%)	123	-	-	-	-
EBITDA margin	16%	17%	19%	18%	18%

* This excludes the amortisation of junior funding

Investment returns

The yield is calculated by measuring earnings before interest and tax ('EBIT') over revalued fixed assets (at the beginning of the year). Fixed assets are revalued by increasing the net book value of the assets by building inflation (of 7%) since the inception of the school.

Campuses	2021			2019			2020			2021			Eventual capacity utilised
	EBITDAR (R million)	EBITDAR Margin	Yield	EBITDAR (R million)	EBITDAR Margin	Yield	EBITDAR (R million)	EBITDAR Margin	Yield	EBITDAR (R million)	EBITDAR Margin	Yield	
Curro and Curro Select	45	724	32.1%	8.8%	747	32.1%	7.5%	786	30.8%	7.0%	61%		
Developed	26	421	32.4%	7.9%	437	32.6%	7.0%	465	31.5%	6.4%	58%		
Acquired	19	303	31.7%	10.5%	310	31.5%	8.3%	321	29.9%	8.0%	68%		
Curro Academy	13	82	27.7%	4.8%	103	27.2%	4.9%	145	30.1%	6.7%	54%		
Curro Castle	7	18	29.1%	3.5%	7	12.1%	0.2%	16	20.3%	3.8%	60%		
Meridian	7	64	22.2%	6.6%	58	20.4%	5.9%	69	20.1%	6.8%	76%		
Other school models	4	(7)			(12)			7			46%		
	76	881	30.2%	7.7%	903	29.3%	6.5%	1 022	29.0%	6.7%	60%		

In general, EBITDAR margins decreased slightly due to stubbornly high levels of bad debts in 2020 and 2021. However, the increase in learners and concomitant revenue resulted in higher operating profit and a slightly higher yield despite significant additional capital investment in the year under review.

J-Curve table

The developed vintages of 2013 and 2016 to 2018, which are concentrated in Gauteng and Cape Town and are predominantly English-only schools, prove the potential of schools in selected urban locations as opposed to rural locations.

On a portfolio basis a 40% EBITDAR margin should be reached. While certain vintages may never reach this level, other vintages should outperform that target.

The built capacity is based on the current number of classrooms multiplied by the practical capacity for those classrooms (i.e. realistic occupation and not maximum occupation). For Curro Select and Curro traditional schools the practical capacity was based on 23 learners, and for Academy and Meridian schools on 28 learners.

The eventual capacity is based on the current plus additional possible classrooms on the campus. In certain instances the eventual capacity will probably not be met. Eventual capacities may therefore be reduced for these campuses in the future.



Curro Delft

J-CURVE (UNAUDITED)

The table below illustrates the J-curve effect from the newly established schools to more mature schools by age. All figures and amounts are as at 31 December.

	Campuses			Schools			Learner numbers			Growth			Schools' EBITDA (R'million)			Growth			EBITDA margin			Built capacity utilised			Eventual capacity utilised						
	2021	2020	2021	2019	2020	2021	19/20	20/21	2021	2019	2020	2021	19/20	20/21	2021	2019	2020	2021	19/20	20/21	2021	2019	2020	2021	19/20	20/21	2021	2019	2020	2021	
Developed schools	51	120	35 902	38 333	42 965	622	7%	12%	527	533	622	1%	17%	30%	28%	29%	65%	64%	67%	46%	45%	57%	74%	73%	71%	85%	85%	85%	85%	85%	
2009 & before*	4	9	4 143	4 116	4 230	86	3%	3%	73	84	86	15%	2%	31%	35%	32%	85%	85%	85%	74%	73%	71%	74%	73%	71%	85%	85%	85%	85%	85%	
2010	2	6	2 213	2 229	2 199	43	1%	1%	43	43	48	1%	10%	36%	34%	35%	75%	75%	61%	55%	56%	61%	55%	56%	61%	75%	75%	75%	75%	75%	
2011	5	15	4 440	4 218	4 247	71	5%	8%	71	79	72	10%	9%	31%	33%	29%	63%	60%	61%	53%	50%	57%	53%	50%	61%	63%	60%	61%	61%	61%	
2012	2	6	1 889	1 940	2 089	27	3%	8%	27	23	30	14%	31%	26%	22%	26%	72%	73%	78%	56%	58%	72%	56%	58%	72%	78%	73%	78%	78%	78%	
2013	4	12	6 341	6 262	6 295	126	1%	1%	126	130	137	4%	5%	39%	40%	40%	73%	72%	68%	63%	63%	66%	63%	63%	66%	68%	72%	72%	72%	72%	
2014	4	9	2 371	2 338	2 553	19	1%	9%	19	16	16	18%	2%	20%	16%	14%	57%	54%	71%	48%	47%	66%	48%	47%	66%	71%	54%	71%	71%	71%	
2015	7	17	6 517	6 645	6 992	65	2%	5%	65	50	64	23%	29%	26%	19%	22%	65%	67%	47%	49%	50%	66%	49%	50%	60%	66%	47%	66%	66%	66%	
2016	4	8	1 952	1 631	1 831	46	12%	9%	46	25	28	46%	11%	37%	22%	23%	50%	42%	47%	37%	31%	42%	37%	31%	42%	47%	37%	31%	42%	42%	
2017	3	8	3 143	3 600	3 917	54	15%	9%	54	65	68	20%	5%	38%	40%	36%	91%	79%	75%	51%	58%	64%	51%	58%	64%	75%	51%	58%	64%	64%	
2018	4	8	1 137	1 331	1 663	9	17%	25%	9	1	4	89%	35%	19%	2%	7%	34%	40%	48%	18%	21%	44%	18%	21%	44%	48%	40%	48%	48%	48%	
2019	7	13	1 756	3 347	4 629	6	91%	38%	6	33	61	87%	29%	11%	25%	32%	44%	74%	80%	17%	32%	43%	17%	32%	43%	80%	74%	80%	80%	80%	
2020	5	9	—	676	2 320	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
2021	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Acquired schools	25	58	21 695	22 444	23 482	354	3%	5%	151	137	400	5%	8%	30%	31%	30%	81%	77%	78%	67%	67%	70%	64%	66%	77%	82%	81%	77%	78%	70%	
2012 & before	7	17	7 261	7 491	8 017	137	3%	7%	151	137	171	9%	25%	36%	33%	37%	79%	77%	82%	64%	66%	77%	64%	66%	77%	79%	77%	77%	77%	77%	
2013	2	2	3 670	3 709	3 673	30	1%	1%	30	32	35	6%	8%	23%	27%	23%	74%	75%	79%	74%	75%	79%	74%	75%	79%	79%	75%	79%	79%	79%	
2014	2	6	2 756	2 597	2 404	71	6%	7%	71	66	53	6%	20%	35%	35%	28%	85%	80%	69%	80%	75%	69%	80%	75%	69%	69%	80%	75%	79%	79%	
2015 & 2016	5	14	4 940	5 128	5 091	56	4%	4%	56	77	76	36%	1%	21%	27%	25%	87%	80%	77%	65%	67%	71%	65%	67%	71%	77%	80%	77%	77%	77%	
2018	3	6	1 899	1 960	2 029	39	3%	4%	39	47	54	21%	16%	36%	40%	42%	83%	82%	84%	63%	65%	59%	63%	65%	59%	84%	83%	82%	82%	82%	
2019	4	8	1 169	1 181	1 356	7	1%	15%	7	13	16	86%	29%	16%	21%	22%	79%	69%	70%	68%	60%	52%	68%	60%	52%	79%	69%	69%	69%	69%	
2020	1	3	—	378	615	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
2021	—	—	—	—	297	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Non-recurring costs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Property rental, royalties and other**	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Developed & Acquired	76	178	57 597	60 777	66 447	873	6%	9%	873	886	1 013	1%	14%	30%	29%	29%	70%	69%	70%	52%	51%	60%	52%	51%	60%	70%	69%	70%	52%	51%	60%

Acquired schools indicate the year the school was incorporated into Curro. All acquired schools have been established for at least seven years.

* 2009 and before schools have a maximum of 20 learners per class, which has a direct impact on the EBITDA. Other schools have a maximum of 25 learners for Curro and Select or 35 for Meridian and Academy schools.

** No rental expense pursuant to the adoption of IFRS 16 with effect from 1 January 2019.

Cash flow

R million

	2017	2018	2019	2020	2021	YOY change
EBITDA	473	627	693	686	789	15%
Non-cash items	16	5	21	28	32	
Finance costs	(77)	(138)	(204)	(200)	(127)	
Taxation	(8)	(18)	(13)	(3)	(2)	
Working capital movements	(27)	(10)	(23)	3	75	
Cash from operating activities	377	466	474	514	767	49%
Replacement of movables	(40)	(30)	(44)	(33)	(100)	
Other movables	(168)	(126)	(197)	(167)	(128)	
Expansion at existing campuses	(444)	(434)	(669)*	(435)	(449)	
Total investment – existing campuses	(652)	(590)	(910)	(635)	(677)	7%
New school investments	(324)	(416)	(185)	–	(251)	
Land banking	(148)	(118)	(24)	(12)	–	
Acquisitions	(12)	(369)	(127)	(3)	(1)	
Other investing activities	(64)	(78)	(46)	(271)	240	
Investment activities relating to STADIO	(56)	120	–	–	–	
Cash to investing activities	(1 256)	(1 451)	(1 292)	(921)	(689)	(25%)
Cash generated from financing activities	744	506	741	491	(87)	
Net movement	(135)	(479)	(77)	84	(9)	
Opening balance	706	571	92	15	99	
Closing balance	571	92	15	99	90	

* Figure adjusted to exclude the other investing activities

Cash generated from operating activities increased by 49% to R767 million (2020: R514 million), which fully covered normal expansion capital expenditure at existing campuses.

The group continues to increase capacity utilisation at existing facilities. Curro invested R929 million in the business in 2021 (2020: R650 million), which included the construction of a state-of-the-art new Durbanville High School campus.

Replacement capex is relatively low and mainly comprises computer equipment and vehicles, as other movable items do not require regular replacement. As the facilities of the business ages, refurbishment capex will increase. Meaningful capital expenditure is still required over the medium term to accommodate learner growth and expand facilities, but this can to some extent be incurred or deferred on the basis of the expected cash generation for the year. This is typically established in January of a year when new learners are enrolled.

Investment in expansion projects for existing campuses will continue to be a significant item every year because campuses are built in phases. Additional classrooms and certain specialised sports facilities (swimming pools and synthetic turf sports fields) will only be built as the school learner numbers grow. Our objective is to increase capacity utilisation at our existing facilities.

Other investing activities represent the net movement of cash into and out of money-market funds during the year to optimise the return on cash balances.

Curro has a taxable loss of R293 million available for set-off against future taxable income, partly due to a 5% wear-and-tear allowance on its large building base. Accordingly, the actual cash tax paid is low and pertains to the group's smaller subsidiaries.

Curro plans to invest R1.1 billion in 2022, which includes payment for the acquisition of HeronBridge College.

Capital structure and debt

Debt measures

	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21
Net debt (Dec) (R billion)					
Excluding Meridian	1.2	2.8	3.5	2.2	2.3
Including Meridian	1.8	2.6	3.7	2.5	2.7
Average net debt (R billion)					
Excluding Meridian	0.8	1.8	3.0	2.8	2.3
Including Meridian	1.4	2.2	3.2	3.1	2.6
Net debt/equity					
Excluding Meridian	24%	50%	66%	30%	33%
Including Meridian	36%	53%	68%	36%	37%
ISCR					
Excluding Meridian	5.6	4.1	2.5	2.9	5.5
Including Meridian	4.9	3.3	2.3	2.6	4.0
Average net debt/EBITDA					
Excluding Meridian	1.4	3.1	4.6	4.4	3.1
Including Meridian	2.3	3.5	4.7	4.5	3.3

Debt

The Meridian debt is ring fenced from the Curro balance sheet and there is no recourse to Curro in case of default by Meridian. On a standalone basis Curro's gearing is low. This is the preferred position in the short term, as it will enable Curro to pursue attractive acquisition opportunities.

The minimum covenants to be met with regard to Curro's debt are a net debt to EBITDA ratio of not more than four times, an interest service cover ratio of at least 2.5 times, and a loan ratio to the property of 1.3 times.

Most of the debt is undertaken at the end of the year in order to pay for the increased capacity generated, which will lead to additional cash flow in the following year. See the table that follows for the history of EBITDA generation following the year of the debt incurred.

R million	2017	2018	2019	2020	% change '20-'21	2021	CAGR
Net Debt	1 822	2 795	3 692	2 520	6%	2 660	10%
EBITDA	473	627	693	686	15%	789	14%
Debt/EBITDA (trailing)	3.9	4.5	5.3	3.7		3.4	
Adjusted Debt/EBITDA (trailing)*	3.0	3.5	4.2	2.9		2.6	
EBITDA (following year)	627	693	686	789			
Debt/EBITDA (forward)	2.9	4.0	5.4	3.2			

* Adjusted EBITDA grosses up EBITDA with 28% for the fact that Curro has limited cash tax expenses currently

- During July 2021, GCR Ratings affirmed Curro's national scale issuer credit ratings of BBB+(ZA) and A2(ZA), for the long term and short term respectively, with a stable outlook.
- The group repaid a term loan with a high interest cost in June 2021 and introduced a more flexible revolving credit facility of R500 million during the year to fund its future expansion plans insofar as it may exceed operating cashflows generated. At 31 December 2021, R420 million of this facility was unutilised.
- Net finance cost in 2021 reduced by R53 million to R170 million (2020: R223 million) as a result of the reduction in debt following the rights issue.

Debt maturity profile

R million	2022	2023	2024	2025	2026
Meridian	24	26	28	30	32
Curro	218	536	1 656	6	-

Impairments

Under International Financial Reporting Standards, Curro must perform impairment tests on its cash generating units, being its schools. Accordingly, management predicts future cashflows per school, based on the business plans for each school. The future cashflows is then discounted back to a present value at Curro's weighted average cost of capital of 13.61% (2020: 13.74%).

If the present value is lower than the carrying value of the school, the book value of the school must be reduced, and an impairment expense is recognised in the income statement.

Impairment calculations were performed at school level (cash generating unit) and no impairments were identified in the current year.

Curro had a total non-cash and non-headline impairment expense of R265 million before tax in the previous year, relating to eight campuses and two plots of land. The impairment charges related to lower-yielding school assets, being schools which simply have lower expected yields over the medium-term than Curro's weighted cost of capital.

The Impairment charges were included in the calculation of earnings per share but were added back for purposes of the calculation of headline earnings per share and accordingly accounted for the key difference between HEPS and EPS in the previous year.

In aggregate, Curro recognised impairments in 2019 and 2020 of R369 million. The remaining carrying value of these assets was R598 million.

Dividends

The board resolved to pay a final dividend of 8.2 cents per share (2020: Nil) from income reserves for the year ended 31 December 2021. The dividend amount, net of South African dividend tax of 20%, is 6.56 cents per share.

It is the board's policy to pay 20% of recurring headline earnings as an annual dividend on the premise that growth in cash generation shall continue in the future. There were 597 961 595 ordinary shares in issue at the declaration date.

Key focus areas

The key focus areas pertaining to the finances of Curro are to:

- Achieve improvements in operating margin and return on funds employed (yield).
- Improve the debt-collection process in line with the overall intention to gain and retain learners.
- Refine the learner/teacher model, specifically pertaining to the high school.
- Improve the collection and integration of data in order to improve decision-making.

Outlook

The company's business model is resilient, underpinned by its robust offering and buoyant learner growth as a result of increasing demand for affordable high-quality education and strong financial position.

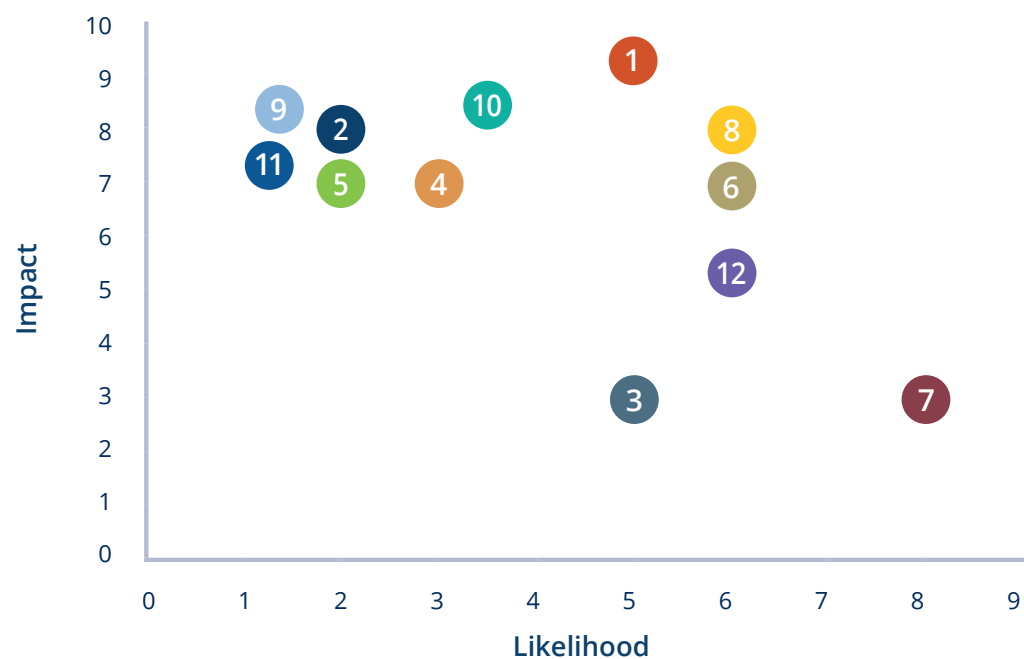
Curro has significant operating leverage, which will be a powerful driver of future profitability. The business achieved good enrollments at the beginning of 2022 and is financially in a strong position to expand its business by focusing on increasing capacity utilisation and improving efficiencies to enhance its operating margin.

Risk management in the group focuses on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviours are applied and managed within predetermined procedures and constraints.

The board is responsible for Curro's risk management and has delegated the oversight role in this regard to the audit and risk committee. The board biannually approves any changes to the risk appetite of the group. The main potential risks are brand reputation management and economic risk. The board is satisfied that these and other identified risks are appropriately monitored and mitigated.

The board is of the opinion that the risk management system, together with the internal control environment, is effective and commensurate with the size and nature of the business. Compliance risk is monitored in the risk reporting that is submitted to the audit and risk committee and the board to ensure that appropriate action is taken by management to mitigate these risks. The monitoring and management of compliance with legislation and the compliance management of schools reside under the dedicated operational business managers, the CCMD team for the primary and high schools (for compliance at school level), and the head of corporate development. For construction-related matters, the head of facilities reports on a regular basis to the chief operating officer, which is in charge of the monitoring and management process. The executive directors and senior managers are responsible for the compliance of the areas identified in the different departments of the business. There were no major non-compliance incidents resulting in significant fines or prosecution during the year ended 31 December 2021.

Risk matrix



The following table illustrates the group's top risks and how the group mitigates those risks (in no particular order):

Indicator	Risk	Responses
1	Reputational risk The most significant risk for Curro is damage to its reputation as a result of an event or a series of events.	Curro focuses on providing quality in all its domains. The main areas that may be affected by reputational risks are: <ul style="list-style-type: none"> • safety and security; • academic quality; • stakeholder communication, and • transformation Policies, procedures and the close monitoring of the results are a priority for the board and management of Curro. Active engagement to understand and address risks mitigates this risk further.
2	Curriculum risk Changes in the curriculum and the implementation thereof	Curro schools have the benefit of curriculum experts who guide teachers in curriculum planning to maintain an ideal balance between the written and the received curriculum. This ideal balance motivates teachers, because they can invest more time in teaching than in curriculum planning. Curro has also complemented the required government curriculum with additional learning areas that are considered relevant international best practice.
3	Investment risk <ul style="list-style-type: none"> • A campus is not placed in an appropriate location and therefore does not grow as anticipated. • Overpaying for an acquisition 	<ul style="list-style-type: none"> • As a result of the demand for education, the market still offers significant growth opportunities. • Proper qualitative and quantitative due diligence, encompassing inter alia, population trends, access routes and land assessments, ensures that the appropriate sites are selected. • Acquisitions are carefully considered to ensure that the area still offers growth opportunities, and that the ethos of the target market is aligned with that of Curro. • As the portfolio of schools expands, the impact of the incorrect location of a single school will decrease. • Curro recognised impairments of lower-yielding school assets.
4	Financial risk <ul style="list-style-type: none"> • Accurate historical and forecasted management information • Investment and expense management 	The expanding network of schools has necessitated ongoing investment in systems that are continually developing. A robust budgeting process is followed for capital and expense management, which is continually monitored. A ten-year forward-growth plan is also maintained for each school, and performance is monitored against this. Management is incentivised to outperform the set targets.
5	Cash flow and funding risk The availability of financial resources to meet operational requirements and expand the network of schools.	Curro is a profitable company that can comfortably meet its day-to-day financial requirements. For expansion, Curro has over the past couple of years diversified its sources of funding from a single commercial bank to a combination of multiple commercial banking relationships. As a listed company, Curro has the further option to raise capital from the equity markets.
6	Information technology risk Curro is continually becoming more dependent on connected technology, which has exponentially increased with the introduction of handheld electronic devices for a large number of its learners. High availability of infrastructure, which includes the basic supply of electricity, is therefore imperative.	Curro has built a nationwide area network with industry leaders in the field. Access is well-managed and controlled. Curro is implementing the best practice for the security risks of handheld electronic devices in order to further protect its information. Alternative forms of electricity are now a key priority in the design of new campuses and Curro has already addressed current sites that have experienced issues with power supply in the past.

Indicator	Risk	Responses
7	Human resources risk <ul style="list-style-type: none"> Recruiting the right skilled and experienced teachers Competitive employee remuneration Managing a growing workforce 	<p>Curro believes it has a good employee value proposition that includes a good working environment, market-related remuneration packages (including medical aid and company contributions to retirement funds) and school fee discounts.</p> <p>All executive heads are experienced leaders. They receive human resource management support from Curro's contracted service provider and its own human resources department.</p> <p>Curro places a lot of emphasis on the development of its teachers, who are developed through in-service training and through STADIO Higher Education. STADIO Higher Education also provides newly qualified teachers, whom Curro considers for appointment in its recruitment process.</p>
8	Economic risk Clients cannot afford to keep their children enrolled at the school.	<ul style="list-style-type: none"> In general, Curro's clients believe in the value of a good, quality education. Curro's experience is that parents' spend is reprioritised to ensure that their children receive a quality education. Curro aims to provide a value-for-money service, and market share is gained by parents looking to save money by trading down from premium brand schools. The Meridian, Academy and DigiEd schooling models offer school fees that are affordable in terms of independent schooling norms and can be compared to those of government schools. Curro expanded and sophisticated its debt collection processes in response to aging accounts. In addition, Curro revised its methodology to provide for expected credit losses quicker on aging accounts.
9	Safety risk Facilities and other factors in the environment that can be harmful to Curro's learners and employees.	<ul style="list-style-type: none"> Keeping safety in mind in the planning stages. Consulting with health and safety professionals and adhering to the authorities' building standards for public buildings, which will also include a fire certificate. Policies are in place requiring appropriate conduct, duty and care by employees. Schools are fenced off, with entrances controlled by security guards. Health and safety audits are conducted annually by independent service providers.
10	Water risk Water usage at schools and municipal water supply to schools that run dry	<ul style="list-style-type: none"> Water-saving/-usage awareness campaigns are run at schools. Schools have installed or are in the process of installing water measurement devices. The information will be used to carry out risk assessments to identify and quantify water usage and related risks. Water-harvesting and -storage facilities are installed or in the process of being installed at schools. This will be used for toilet flushing, fields/gardens and cleaning.
11	IT security and governance Increasing number of cyberattacks and continuous improvement of Curro's digital quotient	<ul style="list-style-type: none"> As data and technology are becoming increasingly relevant to the business, IT management, including IT risk management and monitoring, is overseen by the audit and risk committee. Annual cyber and security audits were conducted and the necessary mechanisms implemented. Continuous efforts are made to assess and improve data security and governance. A number of training initiatives were conducted at all schools to ensure users are equipped with the necessary skills across digital platforms and to ensure responsible use of data and sharing of information.
12	The impact of COVID-19 Prevent infections at our schools and the impact of the government lockdown and restrictions on the economy	<ul style="list-style-type: none"> Reviewed various regulations carefully and developed benchmark Standard Operating Procedures ('SOPs'), which is strictly followed by all schools. Regular monitoring of the implementation of SOPs and careful tracking of infection risks. Curro is well-equipped to switch seamlessly to remote teaching in the event of school closures or restrictions on contact vis-à-vis a national lockdown or personal circumstances.



Curro Century City

Curro and its board of directors are committed to maintaining the highest standards of corporate governance in all areas of the business. Curro believes that this creates sustainable shareholder value. Curro's practices and policies aim to adhere to these standards and are based on, inter alia, the Companies Act, the JSE Limited Listings Requirements and King IV.

Curro's register relating to adherence to the principles set out in King IV is available at www.curro.co.za. Other sections of this annual integrated report refer to Curro's approach towards corporate governance.

This section of the annual integrated report focuses on reporting on material matters relating to the board of directors' governance and related dynamics, on Curro's corporate governance framework (inter alia, the delegation of powers and responsibilities, board committees, the executive committee), and the company secretary.

This report also includes reporting on relevant matters that took place subsequent to year-end.

Board leadership

The board, under the leadership of an independent non-executive chairperson, is accountable and responsible for the governance, performance and affairs of the group. The board has and retains effective control of the company, monitors the operations of the company and aims to ensure that Curro conforms to the highest standards of corporate governance. It ensures that the internal controls – operational, financial, environmental and societal – are adequate and that the financial statements accurately and objectively reflect the group's business.

The board has an approved charter. The primary responsibilities of the board are to:

- Set the strategic intent and direction of Curro by approving Curro's strategy and that of the functional areas (inter alia, information and technology, marketing and communications, human resources, academic and the curriculum), and monitor performance against the achievement of the strategy.
- Review and approve annual and interim financial reports, budgets and business plans.
- Advise on corporate finance actions.
- Advise on stakeholder communication and governance issues, which include ethics management.
- Encourage equitable treatment of shareholders and strive to achieve the appropriate balance between its stakeholder groupings through a stakeholder-inclusive approach. In doing so, the board governs stakeholder management in a manner aimed at balancing the interests and legitimate needs and expectations of material stakeholders in the best interests of Curro.
- Make material investment, disinvestment and refinancing or restructuring decisions.
- Make recommendations to shareholders on non-executive directors' remuneration.
- Review and approve amendments to the share incentive scheme with the recommendation of the remuneration and nominations committee.

- Appoint new directors (executive and non-executive), taking diversity into account, and ensure the appropriate orientation and induction of new directors.
- Consider and approve the policy on the promotion of broader diversity at board level, including voluntary targets, and monitor progress against achieving the targets.
- Provide oversight on risk, information and technology, compliance, remuneration, assurance, quality and stakeholder relationships in a manner that supports the company in achieving its strategic objectives while considering its objective of being a responsible citizen.
- Define clear areas of responsibility at board and board committee level to ensure appropriately limited individual decision-making ability.
- Determine and approve the maximum borrowing limits and funding strategy from time to time.

The board believes it fulfilled its responsibilities during the 2021 financial year and aims to lead Curro to be seen as a responsible corporate citizen. Furthermore, the board is satisfied that the identified risks are appropriately monitored and mitigated (refer to pages 74 to 76), and that the risk management system, together with the internal control environment, is commensurate with the size and nature of the business.

Composition of board, appointment process and induction

Appointments to the board are made in terms of a clear policy with respect to the recommendations that are submitted by fellow board members, with the input of other significant stakeholders after consideration by the remuneration and nominations committee. Appointments are made on the basis of the needs of the company and the set of skills, experience, knowledge, independence and diversity that such an appointee can contribute. The board has adopted and approved a policy on broader diversity at board level which includes voluntary targets for race and gender diversity. These voluntary targets that were approved are:

- To ensure that 50% of non-executive directors are female by 2022. Up to the resignation of Tsholofelo Molefe, this was 50% (four out of eight non-executive directors), and 42.9% on 31 December 2021 (three out of seven non-executive directors).
- To ensure that 60% of non-executive directors are black by 2022. As at 31 December 2021 this was 57.1% (four out of seven non-executive directors).

All new appointments to the board are made in terms of a formal and transparent process and are considered to be a matter for the board as a whole. Nominations for the board are considered by the remuneration and nominations committee, which makes recommendations to the board.

Curro's board leads and controls the company. The board members collectively represent diverse skills and demographics, have a variety of qualifications and their knowledge and experience contributes to the leadership provided to the group. The independence of the independent non-executive directors and the guidance that they provide assist objective assessments of matters before the board.

The board comprises two executive and seven non-executive directors. The board includes three female non-executive directors, and two of the non-executive directors are not independent. No individual has unfettered power on the board.

Tsholofelo Molefe resigned as director effective 19 November 2021. Bernardt van der Linde resigned as director and Chief Financial Officer ('CFO') of Curro with effect from 31 December 2020 and was appointed as Chief Operating Officer ('COO') with effect from 1 January 2021. Cobus Loubser has succeeded Bernardt as director and CFO of Curro with effect from 1 January 2021.

One-third of the non-executive directors or those who have served for more than three years retire by rotation and offer themselves for re-election by shareholders at the annual general meeting, which is in accordance with the company's MOI. Directors appointed by the board must be confirmed by shareholders at the next annual general meeting of the company.

For executive directors, formal employment agreements exist that contain appropriate notice periods (no fixed-term contracts exist) and restraint-of-trade provisions.

The composition of the board and board committees ensures that no individual has unfettered powers of decision-making and authority. There is a clear balance of power and authority policy and consequently a clear division of responsibilities at board and board committee level.

The board is chaired by Santie Botha, an independent non-executive director. The chairperson of the board is responsible for, inter alia, ensuring the integrity and effectiveness of the board's governance processes. As Santie Botha is an independent non-executive chairperson, there is no need to appoint a lead independent non-executive director.

The roles of CEO and chairperson are held separately.

The two executive directors are the CEO and CFO.

Abbreviated curricula vitae of the individual directors on the board are contained on pages 50 and 51 of this report.

The board is satisfied that it has an appropriate mix of skills, experience and independence and that a balance of power exists on the board.

An induction programme for non-executive directors assists newly appointed directors with an accelerated onboarding process. The programme includes relevant information on the group, school visits and induction sessions, to the extent required, with the chairperson of the board, CEO, CFO, company secretary, sponsor and/or chairpersons of board committees and/or relevant members of management, depending on the board committees to which the individual is appointed.

Board performance

The board's performance is informed by the quality of the corporate governance of the company, including how the company progresses towards achieving the board-approved vision and strategy. Refer to pages 88 to 102 for details on how the performance of executive directors is measured.

The board has opted to meet quarterly, and has an annual strategy meeting in addition thereto. Further details on decision-making powers and limits are contained in the corporate governance framework section of this report. The chairpersons of the board and its committees approve the attendance of any invitees at board meetings. Additional meetings may be convened when it is necessary to do so.

Between formally scheduled meetings of the board, the board applies the appropriate decision-making process in terms of its MOI to ensure efficient decision-making from time to time. Furthermore, the directors have access to all company information, executive management, legal and other expertise, as and when required, at the expense of the company.

The board evaluates its performance and that of its committees through an annual self-evaluation process. The results are submitted to the chairperson of the board and, anonymously, to the board. The findings are discussed at the first board meeting after the process has been concluded and appropriate actions are agreed on to ensure the continued development and effectiveness and improvement of the board as a whole, of the chairperson, and of the board committees.



Curro Westbrook

The table below illustrates the directors' ages, classification and their tenures of service.

Name of director	Age ²	Classification: independent non-executive / non-executive / executive	Period since appointment
Santie Botha (appointed on 09/07/2012)	57	Independent non-executive	9 years
Andries Greyling (appointed on 01/02/2007)	52	Executive – CEO	15 years
Nan Mankai (appointed on 10/08/2018)	41	Independent non-executive	3 years
Piet Mouton ¹ (appointed on 01/07/2009)	45	Non-executive	12 years
Prof. Sibongile Muthwa ¹ (appointed on 01/05/2013)	59	Independent non-executive	9 years
Douglas Ramaphosa (appointed on 26/01/2018)	65	Independent non-executive	4 years
Dr Chris van der Merwe ¹ (appointed on 30/12/1998)	59	Non-executive	23 years (founder)
Themba Baloyi (appointed on 01/11/2020)	45	Independent non-executive	1 year and 6 months
Cobus Loubser (appointed on 01/01/2021)	45	Executive – CFO	1 year and 4 months

¹ Retirement by rotation: up for re-election, refer to the notice of AGM (only relevant for non-executive directors). Refer to pages 50 and 51 of this report for the abbreviated curricula vitae.
² As at the date of posting of this annual integrated report.

Attendance at board and committee meetings by members

Director	Board meetings	Strategic planning	Audit and risk committee meetings	Remuneration and nominations committee meetings	Social, ethics and transformation committee meetings
Santie Botha	4/4	2/2		2/2	
Andries Greyling	4/4	2/2			2/2
Nan Mankai	4/4	2/2	2/2		
Piet Mouton	4/4	2/2		2/2	
Prof. Sibongile Muthwa	4/4	1/2			2/2
Douglas Ramaphosa	4/4	2/2	1/1 ²		2/2
Dr Chris van der Merwe	4/4	2/2			
Tsholofelo Molefe ¹	3/4	2/2	1/2		
Themba Baloyi	4/4	2/2	2/2	2/2	
Cobus Loubser	4/4	2/2			

¹ Resigned as director and as member of the audit and risk committee with effect from 19/11/2021.
² Appointed to audit and risk committee with effect from 01/05/2021.

Conflicts of interest

The board has a formal process in place to manage conflicts of interest. In terms of this process, directors are individually obliged to disclose any conflict they may have with regard to a matter for discussion at the board meetings in terms of section 75(5) of the Companies Act. They must disclose the relevant information to the board prior to recusing themselves and leave the meeting so that the unconflicted directors can decide on the matter. In addition to the above, the directors annually disclose their interests in writing. This information is updated as and when the directors submit changes thereto to the company secretary. These written notices are available for inspection and are a standing item on the agenda of board meetings.

Ethics

Curro's code of ethics (and related policies), which sets out the values of the group, together with Curro's protocols on, for example, not tolerating child labour, discrimination, the respecting of human rights-related matters, and emphasising the importance of business integrity and ethics, is approved by the social, ethics and transformation committee, which is a board committee. Management is tasked with the implementation thereof, and Curro's internal control environment has measures in place to monitor these aspects for management to take action for ethics-related incidents. Curro requires all its employees to live the Curro values, and material suppliers are made aware of these responsibilities and are required to respect them. Further details on ethics management are included in the King IV disclosure register.

Governance framework and delegation of powers and responsibilities

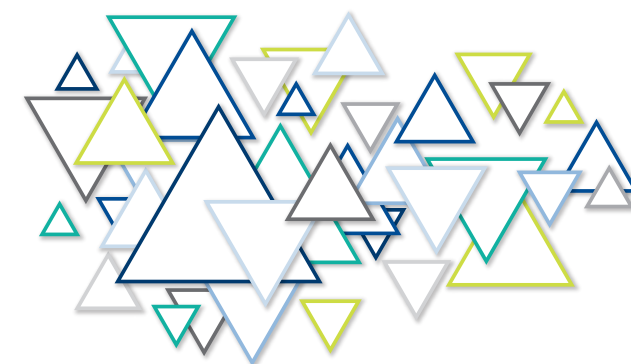
Corporate governance framework

Curro's group governance structure has been developed on the basis of the regulatory requirements (i.e. JSE Limited Listings Requirements, the Companies Act and King IV) and by considering the size and complexity of the business, and at the same time with a focus on how it adds value to the business. The board has appointed an audit and risk committee, a remuneration and nominations committee and a social, ethics and transformation committee to assist it with the performance of its duties. Transformation matters are discussed by the social, ethics and transformation committee.

The composition of the board committees has been determined by the board to ensure that the skills and experience of the directors are utilised for the functioning of the board committees. The chairpersons of the board and the committees determine which invitees are requested to attend meetings in order to provide additional insight and to assist discussions at these meetings. The board committees are required to meet in accordance with their mandates, which are reviewed annually. Conflicts of interest are generally dealt with by board committees in the same manner as that of the board (refer to details thereof indicated in the respective section above).

The Curro directors have confirmed that, to the best of their knowledge, Curro i) complied with the provisions of the Companies Act, and ii) operated in accordance with its memorandum of incorporation, during the year under review.

Refer to the following table for a summary of the composition of the board committees, the number of meetings, their roles and responsibilities, a statement on the achievement of objectives for 2021 and key focus areas for 2022.



Committee name (membership based on legislation)	Number of meetings (minimum requirement)	Committee members (and changes during the year/post-year-end)	Committee members attendance at meetings – 2021
<p>Audit and risk committee</p> <p>(consists of three independent non-executive directors)</p>	<p>Twice per annum</p>	<ul style="list-style-type: none"> Nan Mankai (chairperson) Tsholofelo Molefe (resigned effective 19 November 2021) Themba Baloyi Douglas Ramaphosa (appointed effective 1 May 2021) <p>Refer to pages 50 and 51 for member profiles.</p> <p>Invitees:</p> <ul style="list-style-type: none"> Remaining board members External auditors Internal auditors Holding company's financial director Head of IT (for IT item on agenda only) 	<p>Two meetings were held and all those who were members at the time of each meeting attended, except for Tsholofelo Molefe who tendered an apology for the meeting of 17 August 2021.</p>

Charter – summary of role and responsibilities	2021 performance and 2022 key focus areas
<p>Ensure that the appointment of the auditor is presented and included as a resolution at the AGM pursuant to section 61(8) of the Companies Act.</p> <p>Review and approve for recommendation to shareholders:</p> <ul style="list-style-type: none"> Appointment of external auditors, the audit strategy and audit fees. <p>Review and approve for recommendation to the board:</p> <ul style="list-style-type: none"> Audited financial results and statements and interim financial results. Changes to risk appetite. The arrangements for ensuring the integrity of information for internal decision-making, underpinned by the formal delegation-of-authority limits and framework. Curro's going-concern status. <p>Review and approve:</p> <ul style="list-style-type: none"> Use of the external auditors for non-audit services and fees in order to ensure their independence is retained. Annually, the appropriateness of the expertise and the experience of the CFO and finance function of Curro as contemplated in terms of paragraph 3.84(g)(i) of the JSE Limited Listings Requirements. Any material changes to the group's finance function. A process and system of risk management, and management's risk assessments (inter alia, strategic, financial, technology, health, safety, environment and compliance risks) that have been performed. Internal auditors appointed, their risk-based combined assurance plan and fees (outsourced providers are used), and progress to achieve the plan and outcome of audits completed. <p>Oversight of:</p> <ul style="list-style-type: none"> Assurance functions of the group, i.e. external auditor, internal auditors, finance function, information and technology governance, compliance governance and risk management. Ensuring that the appropriate financial reporting procedures exist and are operating. Risk management-related matters – refer to pages 74 to 76. IT governance – refer to pages 40 and 41 for more detail. <p>IT governance:</p> <ul style="list-style-type: none"> Review whether Curro's IT is aligned with the performance and sustainability objectives of Curro and whether the IT assets are managed effectively. Maintain oversight of IT risks and controls, business continuity, business resilience, data recovery, IT security and data privacy, and ethical use and management of information. In reviewing these, aim to ensure an integrated approach is followed with linkage to company-wide risk management and strategic alignment. Monitor and evaluate significant IT expenditure. <p>Compliance governance:</p> <ul style="list-style-type: none"> Compliance risk is monitored in the risk reporting and in internal audit reports that are submitted to the audit and risk committee and the board with the aim of ensuring that appropriate action is taken by management to mitigate these risks. Management is responsible for ensuring compliance with legislation. <p>Satisfy itself:</p> <ul style="list-style-type: none"> That the external auditor is independent of Curro, as set out in Section 94(8) of the Companies Act, and suitable for reappointment by considering, inter alia, the information stated in paragraph 22.15(h) of the JSE Limited Listings Requirements. 	<p>2021 performance:</p> <p>The committee believes it has fulfilled its role in accordance with its charter as summarised for the year ended 31 December 2021.</p> <p>Refer to pages 6 and 7 of the audited financial statements ('AFS') published at www.curro.co.za for the audit and risk committee report.</p> <p>The internal auditors include within their internal audit assessments a written statement on the effectiveness of the internal controls. For the year ended 31 December 2021 this was noted as 'satisfactory'.</p> <p>The external auditors have issued an unmodified audit opinion.</p> <p>Compliance governance:</p> <ul style="list-style-type: none"> A policy has been implemented for reporting to the committee and board on updates and changes to legislation, thereby enhancing the compliance governance of the company. <p>2022 key focus areas:</p> <ul style="list-style-type: none"> Continuing to aim to fulfil the committee's mandate.

Committee name (membership based on legislation)	Number of meetings (minimum requirement)	Committee members (and changes during the year/post-year-end)	Committee members attendance at meetings – 2021
<p>Social, ethics and transformation committee</p> <p>(consists of three members, two of whom are independent non-executive directors, and one executive director)</p>	<p>Once per annum</p>	<ul style="list-style-type: none"> Sibongile Muthwa (chairperson) Douglas Ramaphosa Andries Greyling <p>Refer to pages 50 and 51 for member profiles.</p> <p>Invitees</p> <ul style="list-style-type: none"> Cobus Loubser (Executive director: CFO) Nan Mankai (independent non-executive director) Mari Lategan (Executive: Corporate Services) Beverley Bennett (Executive: Human Resources) Phakamisa Ndzamela (Executive: strategic relations – resigned as employee with effect 31 December 2021) Natasha Mkhize (Executive: strategic relations – invitee since 14 February 2022) 	<p>Two meetings were held and all those who were members at the time of each meeting attended.</p>
<p>Remuneration and nominations committee</p> <p>(consists of three non-executive directors, two of whom are independent)</p>	<p>Twice per annum</p>	<ul style="list-style-type: none"> Themba Baloyi (chairperson) Santie Botha Piet Mouton <p>Refer to pages 50 and 51 for member profiles.</p> <p>Invitees:</p> <ul style="list-style-type: none"> Andries Greyling Cobus Loubser 	<p>Two meetings were held and all those who were members at the time of each meeting attended.</p>

Charter – summary of role and responsibilities	2021 performance and 2022 key focus areas
<p>Review and approve for recommendation to the board:</p> <ul style="list-style-type: none"> Curro’s B-BBEE strategy, plans and transformation targets. <p>Review and approve:</p> <ul style="list-style-type: none"> Policies relating to the social and ethics mandate (inter alia, codes of ethics, whistle-blowing, corporate citizenship policies, anti-bribery and corruption, environment, health and safety, transformation). King IV register for publication on Curro’s website. <p>Oversight of:</p> <ul style="list-style-type: none"> Curro’s performance in the context of legislative requirements that have a social and economic impact, for example the Broad-Based Black Economic Empowerment Act. Monitoring of consumer and stakeholder relationships. Monitoring of compliance with legislative requirements as they pertain to the environment, health, public safety, labour and ethical practices. Monitoring of Curro’s responsible citizenship and ethics management practices. Application of King IV. Compliance with the requirements of regulation 43 of the Companies Regulations (2011) in terms of the Companies Act. 	<p>2021 performance:</p> <ul style="list-style-type: none"> Progress made in terms of Curro’s transformation plan. Reviewing Curro’s application of King IV and approving the disclosure register. Improved social support for bursary recipients and provided guidance to them on tertiary-education opportunities. <p>2022 key focus areas:</p> <ul style="list-style-type: none"> Evaluating the B-BBEE compliance certificate and determining the way forward. Ensuring continued adherence to health and safety protocols.
<p>Review and approve:</p> <ul style="list-style-type: none"> The remuneration policy, remuneration implementation report and levels of authority. Executive directors and exco members’ remuneration and performance measures. Refer to pages 88 to 102 for the remuneration policy and implementation report. LTI share-scheme model, monitored share-option awards, loans of participants. <p>Review and approve for recommendation to the board and shareholders:</p> <ul style="list-style-type: none"> Recommendation of changes to the trust deed of the share incentive scheme. Non-executive directors’ fees and changes thereto. <p>Oversight of:</p> <ul style="list-style-type: none"> Succession plans at executive level. Organisational leadership organogram. Reviewing and approving for recommendation to the board, changes to the composition of the board and its committees. 	<p>2021 performance:</p> <ul style="list-style-type: none"> The remuneration and nominations committee believes it has fulfilled its stated objectives. <p>2022 key focus areas:</p> <ul style="list-style-type: none"> Refer to page 89 of the remuneration report.

The board's governance and management functions are linked through the CEO, Andries Greyling, who is tasked with running the business and implementing the policies and strategies adopted by the board. Furthermore, the board has empowered Curro's executive directors and management to perform the functions required to implement the strategic direction and plans set by the board, documented in the group's delegation of authority limits, the executive committee charter and the policies of the company. The Curro executive committee ('exco') assists the CEO. The executive directors and management remain responsible for the day-to-day running of the company, with due regard to fiduciary responsibility on the one hand and operational efficiency on the other.

The exco aims to meet at least monthly. Inter alia, this committee monitors business success, budget and business plans, strategic plans for submission to the board, capital management, corporate finance, treasury management and material developments and/ or high risks affecting the business performance and sustainability of the business and takes action to try manage same.

The corporate governance structure includes its subsidiaries. The subsidiaries of the group do not have separate board committees, as the relevant Curro board committees fulfil these roles for those subsidiaries. The exco members who are responsible for those areas report to the board on the subsidiaries, and via the CEO on material matters. Subsidiaries of the group are expected to adopt Curro's policies in so far as they are relevant to the subsidiary's business, and protocols are in place for the approval of policies that are different.

Company secretary

Mari Lategan is Curro's group company secretary. The board considered and is satisfied with the competence, qualification and experience of the company secretary.

The company secretary is not a director, nor related to any of the directors or senior leadership of Curro, and the board is satisfied that an arm's length relationship exists between the board and the company secretary. The company secretary has maintained a professional relationship with the directors and exco, providing independent advice relating to corporate governance as and when required.

The company secretary is primarily responsible for the administration of the board, Curro and Curro's shareholders in accordance with applicable legislation and procedures. The company secretary is also responsible for informing the board of any failure to comply with Curro's MOI, the Companies Act and other related corporate governance policies of Curro. Board members have unlimited access to the company secretary.

The company secretary is responsible for liaising with the Companies and Intellectual Property Commission and the JSE Limited through Curro's sponsor. The company secretary is responsible for the administration of the policy on board approved dealings in securities. The policy on dealings in securities is a formal policy that exists so that dealings in Curro securities by directors and specific employees (as identified by the CEO) are managed and monitored so as to ensure adherence to the JSE Limited Listings Requirements. The chairperson of the board and one of either the CEO or CFO are mandated to authorise clearance to directors to trade in Curro securities. A similar process is in place for certain employees of the group. No trading is allowed during closed periods, as contemplated in the JSE Limited Listings Requirements, or when specific information exists that may materially affect the share price and this information has not been disclosed to the public.

The certificate that the company secretary is required to issue in terms of section 88(2) (e) of the Companies Act is on page 5 of the 2021 audited financial statements of the company which is available for download on Curro's website at www.curro.co.za.



Curro Klerksdorp

Chairperson's letter

This is the remuneration report of Curro Holdings Limited, which includes the remuneration policy and the implementation report. The provisions of King IV (read with the JSE Limited Listings Requirements) require that these two documents be submitted for non-binding advisory votes at the annual general meeting ('AGM') of shareholders.

The remuneration and nominations committee of Curro Holdings Limited ('remcom') fulfils the role of governing remuneration-related matters, as delegated to it by the board of directors. The members of the remcom are Santie Botha (independent non-executive chairperson of the board), Piet Mouton (non-executive director) and Themba Baloyi (independent non-executive director).

The CEO, Andries Greyling, and the CFO, Cobus Loubser, attend meetings of the remcom by invitation, as and when required. The CEO and CFO recuse themselves from the meeting when a conflict of interest arises or when they are requested to do so. Curro's company secretary, Mari Lategan, is also the secretary of the committee.

The remcom is governed by its charter, which is reviewed annually by the committee and the board of directors. The committee has met twice for the financial year ending 31 December 2021, and has fulfilled its responsibilities as set out in its charter and as further described in the remuneration policy.

At the Curro AGM held on 22 June 2021, the remuneration policy received an 89.75% vote in favour thereof (with 10.25% against), and the implementation report received a 93.37% vote in favour thereof (with 6.63% against). As the non-binding advisory votes were passed by the requisite majorities, no further engagement with shareholders was required.

Curro believes that ensuring the alignment of Curro's remuneration philosophy with the interests of other stakeholders will ensure sustainable growth to the benefit of all parties. Curro aims to reward its employees fairly through competitive remuneration in order to ensure that it retains and attracts high-calibre employees. Some of the factors influencing the remuneration policy include:

- 1) The business strategy, including the short- and long-term goals and objectives of the company.
- 2) An aspiration to adequately reward value that has been created, contributions made and performance.
- 3) Appropriate remuneration benchmarks are applied by considering remuneration trends in both the public and private education sectors, as well as in other comparable industries with similar attributes.
- 4) The financial position and outlook for the company in the context of the broader economy.
- 5) Remaining cognisant of the level of school-fee increases in relation to salary increases.
- 6) The pay gap between executives and the rest of the employees of the company.

Shareholders have entrusted significant capital to management and it is key that the remcom ensures that the alignment between management and shareholders is optimally structured and served by effective LTI schemes that rewards management for performance and retains scarce skills and experience. A strong culture of accountable co-ownership drives long-term thinking with consistent high performance and is a retention mechanism for quality management.

Since listing ten years ago Curro has made significant progress in building the premier and largest 'for profit' private school business in South Africa. From a remcom perspective we know that management have largely been successful in executing their mandate to organically build the business of significant scale. However, the Long-term Incentive ('LTI') scheme has not successfully achieved the key principle that quality management should be rewarded and in time become co-owners in the business.

The remcom engaged with various stakeholders and took cognisance of the latest views on LTI schemes. As a result, the company proposed changes to the current LTI ('Old LTI') and the adoption of a new LTI ('New LTI').

The New LTI was approved by shareholders at the Curro AGM held on 22 June 2021 where it received a 94.04% vote in favour thereof (with 5.96% against). The New LTI will primarily be used for executives and key managers and differs from the Old LTI in the following key respects:

- I. whereas the Old LTI is a 'fully-priced options' scheme, the New LTI is a 'nil-priced option' scheme, this mitigates the risk that participants in the New LTI scheme are prejudiced by market volatility in the share price beyond their control;
- II. the New LTI provides for revised and new performance conditions;
- III. the New LTI implements a new basis of determining the number of options available to be allocated on an annual basis;
- IV. the New LTI significantly reduces the number of people who qualify for options under the New LTI;
- V. the New LTI requires that the vesting of a portion of future options be subject to participants retaining a minimum level of previously vested options; and
- VI. the New LTI includes malus and clawback provisions [to align the scheme with market-related practices].

Furthermore in accordance with its charter, the remcom made the following additional key decisions during 2021:

- a) Determined the key performance indicators of the short-term incentives ('STIs') for the 2022 financial year;
- b) Reviewed performance against the 2021 key performance areas and approved STIs for executive directors and exco members;
- c) Considered market benchmarking for executive pay. Reviewed and approved salary increases for the executive directors, exco members and the company secretary;
- d) Reviewed non-executive directors' fees for submission to the shareholders at the AGM;
- e) Reviewed the composition of the board and board committees and made recommendations for changes thereto to the board for approval;
- f) Reviewed the succession plan for executive management; and
- g) Reviewed the committee's charter.

Refer to the corporate governance report on pages 78 to 86 for more details on the committee's functioning.

The remcom has confidence that:

- It was objective and independent when it reviewed the remuneration policy;
- The policy approved in 2021 achieved its stated objectives;
- The committee remained objective and independent when it approved the remuneration of executives and the rest of the company as a whole; and
- The company's independent advisers were independent and objective in the services they rendered during the year under review.

The focus areas for 2022 include:

- Continuing to implement best-practice protocols in accordance with principles set out in this policy.
- Monitor the performance conditions determined to be appropriate for the LTI and STI schemes and Curro's business model.

The committee trusts that the Curro remuneration policy and implementation report supports the long-term business strategy of the company.



Themba Baloyi
Chairperson: Remuneration and Nominations Committee

Remuneration policy

1. Introduction

The purpose of this policy is to outline the principles according to which Curro remunerates its employees.

Curro wishes to increase access to independent-school education across Southern Africa. Staff are an instrumental component in achieving that goal, and accordingly, fair and equitable remuneration remains a key focus area for Curro. On 31 December 2021 there were 6 150 employees, of whom 228 employees related to head office. Total remuneration represented 52% (2020: 51%) of revenue generated and 66% (2020: 65%) of operating expenses respectively.

Curro acknowledges that its human capital is an important part of Curro's six integrated reporting capitals. As part of Curro's employee value proposition, Curro remunerates employees with appropriate total-cost-to-company ('TCTC') packages, as well as with STIs and LTIs (see explanation below). Curro also offers other benefits, such as a positive working environment and training and skills development programmes that also make a positive contribution towards the B-BBEE compliance requirements. Curro believes the aforementioned factors help it to develop, motivate and retain its skilled employees, which is essential in the education environment.

This policy has a positive impact on the sustainability of the Curro group and develops the company towards positioning itself as an employer of choice. In so doing, Curro's remuneration policy is aligned to the Curro group's long-term strategy and shareholder value creation.

Curro's remuneration policy consists of three components:

- i. A TCTC package, including benefits such as 13th cheques (guaranteed bonus portion – see below), maternity leave, provident fund contribution, death, disability and dreaded disease benefits, medical aid.
- ii. A short-term cash incentive scheme, linked to the annual performance of the company.
- iii. An LTI scheme (limited in participation) that assists with the retention of key skills in the management of the Curro group and in promoting long-term performance.

An internal policy exists to ensure that appropriate governance processes are in place for the approval of individual employees' remuneration and changes thereto. The remuneration of the executive directors, exco members and company secretary (collectively 'executives') is reviewed annually by the remcom, which seeks to ensure that balance is maintained between fixed (cost-to-company packages) and variable (STIs and LTIs) elements of remuneration, as well as between short-term, medium-term and long-term strategic performance objectives. The remcom aims to ensure that the remuneration of executives is fair and responsible to the company, its shareholders and other stakeholders and the executive.

Non-executive directors receive a fixed fee approved annually by shareholders. Further details are set out in section 8 of this policy.

Refer to the corporate governance report on pages 78 to 86 for details on the remcom's composition, purpose, role, mandate, meetings held and attendance thereat.



Curro Bryanston

2. Remuneration mix

The remcom ensures that the mix between remuneration components for executives is weighted towards variable pay in order to encourage the achievement of the short- and long-term financial and strategic goals of the organisation. For employees at other levels in the organisation the total remuneration mix is weighted towards guaranteed pay, as they do not manage the company's overall financial performance.

The table below provides an overview of the categories of Curro employees and their respective remuneration components:

Group	Focus	Strategic view	Remuneration
Executives	Formulate, drive and oversee implementation of strategy	Longest term	Cost-to-company package, *short-term incentive and share options
Head office: professionals and management levels	Operational	Short to long term	Cost-to-company package, **maximum 15th cheque as short-term incentive, share options
Schools: management levels	Operational	Short to long term	Cost-to-company package, **discretionary bonus and share options
Other staff (head office and schools, including teachers)	Support (administration)	Short term	Cost-to-company package and 13th cheque

* The remcom approves the STI scheme from time to time. The remcom approves the LTI scheme model (in accordance with the rules approved by shareholders) from time to time.
 ** The executive directors and executive committee have the discretion to formulate ad hoc incentive schemes that drive performance.

3. Fair and responsible remuneration

Executive remuneration should be fair and responsible in the context of overall employee remuneration. Curro is sensitive to socio-economic challenges and the need to address some of these challenges where possible.

The steps taken in this regard include:

- a) Enhancements in cost of and access to the provident fund and medical aid.
- b) Assistance with school fees provided for employees whose children attend Curro schools.
- c) Ensuring that the lowest-paid employees receive remuneration above the minimum wage level.
- d) Curro has embarked on a skills development and training drive to train and upskill staff across the Curro group.

4. Total-cost-to-company package ('TCTC')

The TCTC packages of employees are determined and reviewed annually, and normally changes thereto have been effective on 1 March of each year. These packages take into account individual performance, company performance, qualifications, the macroeconomic environment, industry standards, level of responsibility that the individual assumes, business complexity and external salary benchmarks where relevant. Competitive TCTC remuneration packages allow Curro to attract and retain skills that the group requires to implement its business strategy.

Curro makes use of the following external remuneration benchmarks:

School employees (about 97% of total employees)

- a) Teachers and specialised employees and management: competitors' salaries/state schools' salary statistics
- b) Other employees at schools: general market comparisons

Head office employees (about 3% of total employees)

- a) Administrative employees and non-management employees: general market comparisons
- b) Specialised functions/professionals: industry-specific comparisons
- c) Executives: publicly available information, together with external surveys on executive pay for listed companies per industry as and when available, and total remuneration components

Curro believes that these benchmarks provide reliable information to assist with remuneration decisions on a comprehensive and informed basis.

The remcom reviews the salary packages of executives. The average salary increases of these individuals are usually similar to the general employees' average salary increases, unless there are specific reasons to determine otherwise, for example when an individual is promoted or where industry benchmarking indicates that an executive's remuneration is below market.

The remcom reviews whether the total consolidated increases to the salary packages of employees of the company, together with the total STIs considered annually, are commensurate with the size and complexity of the business. The remcom approves the levels of authority with respect to who may approve increases to the packages of employees in the different areas and on the different levels in the company. The benefits available to employees include a guaranteed 13th cheque, maternity leave, provident fund contribution, death, disability and dreaded disease benefits, medical aid (including a medical aid scheme for lower-earning employees).

5. Short-term incentives (‘STIs’)

Curro believes in rewarding good performance that is dependent on the performance of the company. This reward is delivered in the form of a cash bonus. STIs are not guaranteed and are paid at the discretion of the remcom. The purpose of STIs is to encourage and promote the continued and consistent focus on the implementation of Curro’s group strategy and to appreciate and recognise achievements. They also assist in retaining the group’s top performers. STIs are usually paid to employees who fall in the management levels of the group.

The STIs are considered annually when the audited/reviewed results of Curro are available and are usually payable in February or March every year. The STIs for employees other than the executives are approved by the committees/individuals as set out in the remcom-approved levels of authority.

The STIs for the executive directors and exco members focus on the key drivers of the business.

The following targets and weighting will be applicable to STIs in 2022:

STI targets (equal weighting)*

- a) Achieve growth in recurring HEPS of at least 30% from the previous year
- b) Increase EBITDA margin (as percentage of turnover) by 2.0% from the previous year
- c) Achieve at least 7.0% growth in organic average net learner numbers from 2022 to 2023
- d) Personal KPIs

* Above subject to an increase in HEPS

Bonus weighting per executive

- CEO 100%
- CFO, business managers, academic head 80%
- Other exco members 60%

Considering the unprecedented uncertain environment that the COVID-19 pandemic has caused, the remcom reserves the right to review the performance measures and targets if required. In addition, the remcom sets a linear scale to determine incentives relative to targets, with a minimum level of achievement above 70% of targets required to qualify for a portion of incentives relating thereto.

Learner growth and retention have a significant operational gearing effect on the bottom line of the company. Management has to focus on service delivery for this.

For management to achieve the recurring HEPS target, in addition to reducing the leaver ratio for learners, it will have to focus on closely managing costs, the collection of school fees in order to reduce bad debts, and viable capital investments which yield sufficient returns to offset higher depreciation and interest expenses relative to earnings.

The remcom annually reviews and approves the key performance measures and bonus pools of the executives and compares the achievement with these measures when the total remuneration packages of the members are revised.



Curro Academy Soshanguve

6. Long-term incentives ('LTI')

Introduction

As stated in the chairperson of the remcom's letter, the company changed and improved the LTI scheme during 2021. Curro therefore has two schemes in place going forward. For ease of reference, we refer to the previous scheme as the *Old LTI* scheme and the recently implemented incentive scheme will be referred to as the *New LTI scheme*.

Curro knows that the retention of key skills in the group is important for the sustainability of the group and that LTIs are designed to do so. Furthermore, LTIs align the interests of participants with the medium- to long-term strategic objectives of the company. At the same time, they illustrate Curro's commitment and loyalty towards the participants.

Curro's LTIs consist of two share option schemes. A key feature of Curro's current share option scheme is that participants will only benefit if there is long-term share price appreciation, which should ultimately depend on sustained growth in headline earnings per share as a result of Curro's business and management activities.

All management who qualifies to partake in the New LTI scheme waived their unvested remaining rights in terms of the Old LTI scheme. However, there are employees who will not be eligible to receive options under the New LTI scheme and they will continue to hold options in terms of the Old LTI scheme and same would remain in place until the Old LTI scheme comes to an end in September 2024, whereafter the Old LTI scheme will be terminated.

6.1 The Old LTI scheme

6.1.1 Background

The Curro shareholders approved the share option scheme rules that govern a range of principles such as share option awards, eligibility criteria to be a participant, vesting rules, and, for example, how to deal with circumstances when an employee retires, is retrenched or in the case of their death. The shareholders approved certain changes to the rules of the share option scheme at the 2018 AGM that:

- a) Allow the board to determine and set performance measures that will apply to the vesting of options awarded in terms of the share incentive scheme.
- b) Allow the company to settle exercised options on a net equity basis, by way of cash payments, or through the issue and allotment of ordinary shares in the company.
- c) Grant the board the discretion to determine that options that have been awarded by the company will lapse, where the board determines, in its sole discretion, where the participant is guilty of misconduct or poor performance.
- d) Increase the required loan cover ratio applicable to loans made by the company to participants in the share incentive scheme from 130% to 200%. Going forward no new loan funding will be made available, and all options will be net equity settled, i.e. they will be settled after deducting the strike price and the employee income tax (PAYE).

Furthermore, shareholders approved the proposed resolution to reduce the number of shares available to be used in the Old LTI to 19 million shares.



Curro Aurora

6.1.2 Awards

Share options were awarded annually at the discretion of the remcom. The number of share options awarded was calculated on the basis of the respective employees' base salary and a multiple of between one time and seven times applied thereto, depending on the employee's seniority and level of responsibility assumed in the organisation, and subject to their individual performance. In determining the top-up calculations for the annual share option award, the value of unvested past share option awards was taken into account.

The total consolidated number of options awarded annually was decided and approved by the remcom. The remcom is responsible for approving the annual awards for specific participants (executive directors, exco, company secretary, executive heads, heads of departments and heads of primary and high schools). The approval of share option awards for other senior managers/middle managers/junior managers who qualify for participation in the share option scheme is delegated to the CEO, CFO and company secretary by the remcom. This approval occurs subject to these awards being within the factor ranges that the remcom has set and the remcom being notified once awards have been made.

No new awards were made under the Old LTI scheme in 2020 and 2021.

6.1.3 Vesting

Options vest in 25% tranches on the second, third, fourth and fifth anniversaries of the award date.

Awards made before 2019:

There are no vesting conditions for options issued before 2019.

Awards made in 2019:

Awards made in 2019 were subject to achieving a minimum EBIT margin as a vesting condition, as set out below:

Vesting date	Sep 2022	Sep 2023	Sep 2024	Sep 2025	
Financial year	2019	2021	2022	2023	2024
EBIT margin*	17.2%	20.5%	21.0%	21.5%	22.0%

* Significant acquisitions might be excluded from this measure.

In addition, shares awarded to employees up to 2019 were at the market options, so without share price appreciation, which will only coincide with long-term value creation, management will derive no benefit from the LTI.

6.1.4 Loan funding

Until 2017, Curro provided loans to assist management to pay the strike price and the applicable income tax on vesting dates, as permitted by the share incentive trust deed. Subsequently, no new loan funding was made available, and all options are to be net equity settled. At 31 December 2021 the remaining loan balance was R403 484 (2020: R533 577).

6.1.5 Forfeiture of unvested shares

The executive directors and other executives agreed to forfeit all of their remaining unvested share options awarded in terms of the Old LTI, subject to the New LTI being approved by shareholders and implemented, with new awards made in terms thereof.

6.2 The New LTI scheme

6.2.1 Introduction

The New LTI scheme was implemented in 2021 after it was approved by shareholders at the AGM and use nil-paid options, which means that there is no strike price, and the current market price has no impact on the number of nil-paid options allocated to key executive management.

6.2.2 Awards

Every year a fixed number of options will be made available to key executive management of Curro and selected other individuals who are regarded as potential successors to key executive management. The allocation of options will be a process agreed between the key executive management and the remcom.

The number of nil-paid options which were allocated in the first award on 30 June 2021 is 0.833% of the number of shares in issue, whilst the second award on 31 March 2022 consisted of 0.80% of shares in issue. The number of shares made available in each of the following years will be reduced gradually so that, over the long term and subject to the shares in issue, the figure reaches 0.5%, when it will be fixed.

It is the intention of the remcom and the board to repurchase such number of shares in the future for vested awards to ensure there is limited or no dilution for shareholders given the vesting of options. Market conditions will be taken into account in this regard.

6.2.3 Vesting

Options will vest in 25% tranches. The first award's first tranche vests on 31 March 2023 and the third, fourth and fifth tranches annually thereafter. The second award vests on the same basis from 31 March 2024 and the three anniversaries thereafter.

Award	Vesting dates				
	31 March 2023	31 March 2024	31 March 2025	31 March 2026	31 March 2027
First award: 30 June 2021	25%	25%	25%	25%	
Second award: 31 March 2022		25%	25%	25%	25%

The options are subject to the following performance conditions:

- Growth in recurring HEPS above aggregate of GDP growth % and CPI %;
- Ongoing improvement in Return on Capital Employed ('RoCE') over the vesting period; and
- Achievement of individual key performance criteria.

In order for participants to benefit, they have to meet their performance criteria and retain a meaningful portion of the vested shares over time. The performance conditions are weighted and will be measured as set out below:

Performance conditions for 2020 and 2021 awards	1) Growth in recurring HEPS	2) Annual increase in RoCE <small>Note 1</small>	3) Individual key performance criteria
Weighting:	60%	20%	20%
Minimum hurdle <u>before</u> any vesting:	GDP growth % + CPI % for preceding year	Prior year RoCE	To be determined by management and the remcom, depending on seniority.
Performance required for full vesting:	Proportionate (linear) vesting up to full vesting at 4% above minimum hurdle.	Proportionate (linear) vesting up to full vesting at absolute 0.3% above hurdle.	
Vesting subject to other conditions:		<ul style="list-style-type: none"> • Net Debt: EBITDA ratio to be maintained below 3.5x • RoCE in vesting year must be above RoCE in the base year when options were awarded, regardless of increase on immediately preceding year. 	Subject to achieving like- for-like learner growth and achievement of personal KPIs.

Note 1 – Calculation of RoCE:

The RoCE is calculated by dividing the normalised EBIT by the average capital employed for the year. The average capital employed for each year is calculated by taking the total assets for the year, less cash balances and less all non-interest bearing liabilities; with the average being the aggregate of opening and closing balances determined as above divided by two.



Curro Hazeldean

Illustrative example

The table below demonstrates different potential outcomes as examples relative to the performance conditions for a tranche of 10 000 options that are due to vest under the New LTI scheme. The option shares are weighted per performance condition and potential vesting scenarios are displayed, i.e. –

- Growth in recurring HEPS of 9%, being 3% above the example hurdle rate of 6% for that year, means that 4 500 of the 6 000 options will vest; and
- A RoCE of 5.8% in year 2, being an improvement of 0.2% per year on the base year, means that 1 333 of the 2 000 potential options will vest.

Growth in recurring HEPS			Improvement in Return on Capital Employed ('RoCE')			Personal KPIs	Total options
Maximum options that can vest in this tranche:	6 000		Maximum options that can vest in this tranche:	2 000		Maximum options that can vest in this tranche:	2 000
Example: GDP growth	2%		RoCE in 2020	5.4%			
CPI	4%						
Minimum hurdle for year	6%						
Growth scenarios	Above/ (below) hurdle	Total vesting	RoCE scenarios	Above/ (below) hurdle	Total vesting	Scenarios:	
5.0%	-1%	NIL	4.0%	-1.4%	NIL	Acceptable performance and learner growth	2 000
6.0%	0%	NIL	5.4%	0.0%	NIL		
7.0%	1%	1 500	5.5%	0.1%	667		
8.0%	2%	3 000	5.6%	0.2%	1 333	Weak performance and no learner growth	NIL
9.0%	3%	4 500	5.7%	0.3%	2 000		
10.0%	4%	6 000	5.8%	0.4%	2 000		
15.0%	9%	6 000	8.0%	2.6%	2 000		

6.2.4 Retention

As a further qualifying vesting condition, participants have to retain a minimum number of shares:

- For the second 25% of a specific tranche to vest an employee needs to have retained 80% of the shares received from the first vesting;
- For the third 25% of a specific tranche to vest an employee needs to have retained 70% of the shares received from the first and second vestings; and
- For the fourth 25% of a specific tranche to vest an employee needs to have retained 60% of the shares received from the first, second and third vestings.

In all instances a minimum of 60% of shares received from the scheme needs to be retained for any option vesting to qualify over and above the specific tranche requirements. Such shares may not be encumbered at a bank and may not form part of a collar or similar type of transaction.

Options will vest on the net equity basis and are exercisable within six months of the award dates, which is envisaged to be in March annually.

6.3 Limits

The limits of the number of shares that may be utilised for purposes of the share option scheme are fixed and determined by Curro shareholders from time to time, as required by the JSE Limited Listings Requirements.

Below is a summary of the shares already utilised and key limits:

	Number of shares	As % of shares in issue
For all participants		
Maximum approved limit of the Old LTI*	19 000 000	3.17%
Total maximum utilisation that might be required to New LTI until 2030	30 210 000	5.05%
Total potential utilisation for Old and New LTI	49 210 000	8.22%
Current invested		
Old LTI	4 863 100	0.81%
New LTI	4 733 978	0.79%
Per individual participant		
Cumulative utilised Old LTI	2 228 299	0.37%
Total maximum that might be required to New LTI until 2030**	12 084 000	2.02%
Total potential utilisation for Old and New LTI	14 312 299	2.39%

* The 2021 AGM approved changes to the Old LTI: the maximum approved limit was reduced to 19 million shares and the limit per participant was reduced to 3 million shares. The remaining headroom is therefore cancelled.

** Assumed to be 40% of total maximum that might be required under New LTI

6.4 Termination of service

In the case of resignation, dismissal or early retirement (before attaining the age of 65 years) of a participant (i.e. bad leaver), unvested share options are generally forfeited.

In the case of permanent disability, compulsory retirement (attaining the age of 65 years), death or retrenchment of a participant (i.e. good leaver), any share options capable of being exercised within a period of 12 months thereafter will generally continue to be exercisable, provided they are exercised during such 12 months. However, in the case of the termination of employment for any reason other than dismissal, the remcom may at its absolute discretion permit the exercising of any unvested share options upon such additional terms and conditions as it may determine (e.g. as part of non-compete provisions in the case of the early retirement of an executive).

This is consistent between the Old and New LTI schemes.

7. Executive contracts

Executives have a notice period of two months, with between one and three months for all other employees, depending on the role requirements, to ensure continuity of the operations and alignment with market practice. Executive directors have an unpaid restraint of trade for 24 months. Curro employees (including executives) are not entitled to any payments upon termination of their service, except for those provided for by law (e.g. accrued annual leave and retrenchment payments).

No retention-based payments are made to Curro employees, although the remcom has the discretion to make such payments when the need arises. LTI awards vest in line with the shareholder-approved rules.

Executive directors are permitted to serve as non-executive directors in other companies with the prior approval of the chairperson of the board. Any remuneration payable for these duties is considered when remuneration reviews take place. In certain instances, incoming appointees may be awarded LTIs as a sign-on award.

8. Non-executive directors' fees

Non-executive directors' fees are reviewed annually by the remcom, taking into account external public research information that is available on non-executive directors' fees, affordability, and the increases awarded to the average employee's salary. The remcom's recommendation is submitted to the board, which then considers it for recommendation to the shareholders for approval at the company's AGM.

The company's memorandum of incorporation as approved by the shareholders of the company allows for a disinterested quorum of the board to determine such additional amounts of fees/remuneration to be paid in the event a director provides services that fall outside the scope of the ordinary duties of a non-executive director. Non-executive directors do not receive share options.

Refer to page 10 of the Notice of AGM for details on the proposed fees for 2022, as set out below. Refer to the implementation report for the details on the non-executive directors' remuneration paid in the 2021 financial year.

Non-executive directors' fees have not increased materially over the last few years. After conducting a market benchmarking exercise and considering current fees in that context, the fees for non-executive directors are proposed to increase by between 5% and 15%, as follows:

Non-executive directors' fees (excluding value-added tax)	Annual fee 2022/2023
Board	
Chairperson of the board	R657 800
Board members	R299 000
Chairpersons of the board committees	
Audit and risk committee	R179 400
Remuneration and nominations committee	R109 200
Social, ethics and transformation committee	R109 200
Members of board committees	
Audit and risk committee	R95 680
Remuneration and nominations committee	R87 300
Social, ethics and transformation committee	R54 600

Notes:

1. Fees are paid for services rendered as non-executive directors and are not based on meetings attended.

2. Value-added tax (VAT) is payable thereon if the non-executive director is VAT registered.

9. Shareholder non-binding advisory votes

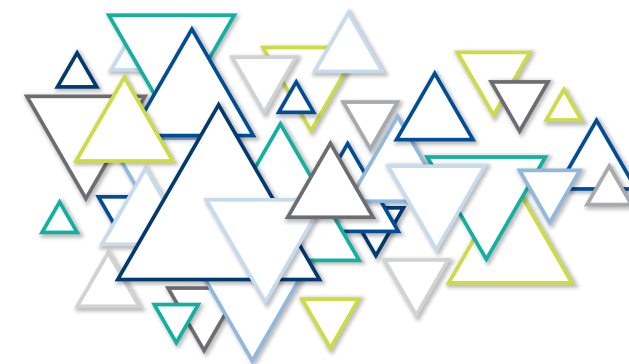
This remuneration policy is updated from time to time, and together with the implementation report, is presented to the shareholders of Curro annually at its AGM for two separate non-binding advisory votes.

In accordance with the JSE Limited Listings Requirements, in the event that 25% or more votes are exercised against the remuneration policy and/or the implementation report, Curro will:

- Include in a statement on its AGM voting results published via the Stock Exchange News Service ('SENS') an invitation to the dissenting shareholders to engage with Curro, together with the manner and timing of this engagement.
- Address legitimate concerns raised by taking these into account with the annual review of the remuneration policy and/or by clarifying or adjusting remuneration governance processes.

The methods of engagement may include face-to-face meetings, teleconferences, e-mails and other written correspondence.

In the circumstances described above, the results of the shareholder engagement will be disclosed in the introduction of the successive remuneration report.



Implementation report for the year ended 31 December 2021

Human capital is a critical component of Curro's business success, as their people are key to the quality of education that they provide through their schools. Curro had 6 150 employees in 2021, and approximately 66% of operating expenses consist of remuneration for employees.

The remcom has achieved its objectives set out in the remuneration policy for 2020 and 2021. There were no material deviations from the remuneration policy.

1. Summary

	2019	2020	2021
Total remuneration			
Total number of employees	6 076	5 963	6 150
Guaranteed pay and company contributions [#]	1 541	1 510	1 773
Short-term incentive	6	29	25
IFRS2 share-based payments expense	22	28	32
Total remuneration* (R million)	1 569	1 567	1 830
As percentage of revenue	53%	51%	52%

Remuneration of executive committee

Number of employees	11	9	9
Guaranteed pay (R million)	23	17	21
Short-term incentive (R million)	3	9	6
IFRS2 share-based payments expense (R million)	7	7	9
Total of guaranteed and short-term incentive (R million)	33	33	35
Short-term incentive as percentage of guaranteed pay	13%	53%	24%
Total of guaranteed pay as percentage of revenue	1.1%	1.1%	1.0%
Total of guaranteed pay as percentage of EBITDA	4.8%	4.8%	4.4%

Notes

[#] The total guaranteed remuneration for the 2020-year was a low base for comparison due to the deduction of Temporary Employment Relief Scheme (TERS) receipts from the salary cost for 2020.

* Total remuneration includes total STIs and the IFRS2 share-based payments expenses relating to the Share Incentive Trust.

2. Single total figure remuneration for executives

Executive	Basic salary	Expense allowance	Pension contributions paid	Bonuses ¹	Gains on exercising of options	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2021						
AJF Greyling	3 180	124	95	1 394	–	4 793
JP Loubser	3 100	72	93	–	–	3 265
	6 280	196	188	1 394	–	8 058

1. Based on performance for the 2020 financial year.

Executive	Basic salary	Expense allowances	Pension contributions paid	Bonuses ²	Gains on exercising of options	Total
	R'000	R'000	R'000	R'000	R'000	R'000
2020						
AJF Greyling	2 779	108	83	2 134	–	5 104
JP Loubser ³	517	12	15	–	–	544
B van der Linde ⁴	2 158	101	65	1 273	–	3 597
	5 454	221	163	3 407	–	9 245

2. Based on performance for the 2019 financial year.

3. Appointed as director and Chief Financial Officer from 1 January 2021, employed from 1 November 2020.

4. Resigned as director effective 31 December 2020 and appointed as Chief Operating Officer from 1 January 2021.

3. Total-cost-to-company packages

Staff salaries have historically been increased with effect from 1 March each year. For the 2021 year, the group generally did not give any increases other than for promotional. With the exception of where there were changes in responsibilities, the increases for executives were in line with those for the rest of the staff.

4. Short-term incentives

STIs are paid annually in February or March following the financial and academic results of the prior year and the learner enrolments for the following financial year. The March 2022 amount paid to the exco was R9.4 million (2021: R5.9 million), which was the bonus pool approved by the remcom in February 2022.

The remcom's approval process for STIs considered a review of the exco's achievement against the 2021 key performance indicators that were approved for that year in March 2021 and reviewed in February 2022 (once reviewed and/or audited information was available).

Executives met two out of the four key performance indicators that had been set for the 2021 financial year, particularly with regards to growth in recurring HEPS and growth in yield. Details can be found below.

Certain other employees, who mainly comprise operations managers, executive heads and selected head office personnel, received a bonus in March 2022 based on specific outcomes achieved by the individual and their area of responsibility.

The exco's STI targets and results for the 2021-year are listed below:

- Achieve growth in recurring HEPS of at least 18% from 2020
- Increase EBITDA margin (as percentage of turnover) by 1.0% from the previous year
- Achieve at least 7.0% growth in organic average net learner numbers from 2021 to 2022
- Personal key performance objectives

The STIs for the individuals as set out in the 2021 remuneration policy for the 2021 financial year are set out below. This was paid in February and March 2022 and was accrued for in the 2021 financial statements:

Targets:	Allocation if target met	Minimum	Target	Actual achieved	Allocated bonus
1. Recurring HEPS growth	25%	12.6%	18.0%	7.6%	0.0%
Recurring HEPS (cents)		42.8	44.8	40.9	0.0%
2. Increase EBITDA margin by 1.0%	25%	0.7%	1.0%	0.1%	0.0%
- Margin for 2021				22.3%	
- Margin for 2020				22.2%	
3. Growth in learner numbers	25%	5.0%	7.0%	7.0%	25.0%
4. Personal KPIs	25%			Yes	25.0%
Portion of full bonus					50.0%

	CEO	CFO	Other Exco
Total personal KPIs	25.0%	25.0%	25.0%
Group targets achieved	25.0%	25.0%	25.0%
Other ¹	–	50.0%	–
Total bonus	50.0%	100.0%	50.0%
Bonus weighting per executive (% of yearly salary)	100.0%	80.0%	60.0% to 80.0%
Bonus percentage of yearly salary paid in 2021	50.0%	80.0%	30.0% to 40.0%

1. As a condition of his appointment, the CFO receives an additional top-up incentive for his first two years of employment, in 2021 and 2022, up to a maximum of 80% of his annual salary.

5. Long-term incentives (R million)

	2019	2020	2021
Realised gains on vesting (all participants)	1	0	0
Realised gains on vesting (exco)	0**	0	0
Outstanding loans to participants*	9	0***	0#

* The average loan-to-value ratio on 31 December 2019 was 1.7 times and each individual borrower exceeded the minimum ratio of 1.3.
 ** Rounded to million, actual amount is R121 152
 *** Rounded to million, actual amount is R533 577
 # Rounded to million, actual amount is R403 484

The executive directors and other executives agreed to forfeit all their share options awarded in terms of the Old LTI before the relevant vesting dates in 2021. No new share awards were made to directors during 2021 in terms of the Old LTI.

New awards were made in terms of the New LTI on 30 June 2021 (the first award) and on 31 March 2022 (the second award).

Details of share awards to executive directors in terms of the Old LTI and New LTI are set out in the table below:

Director	Share options award date	Final option vesting date	Exercise price per share option (Rand)*	Opening balance of share options at 1 January 2021	Number of share options vested during the year	Number of share options awarded / (forfeited) #	Closing balance of share options as at 31 December 2021	Gain on vesting of options**	Gains on unvested share options as at 31 December 2021***
								R'000	R'000
CR van der Merwe	2016/09/29	2021/09/29	36.21	35 050	(35 050)	-	-	-	-
AJF Greyling	2016/09/29	2021/09/29	36.21	23 950	-	(23 950)	-	-	-
	2017/09/29	2022/09/29	37.53	136 850	-	(136 850)	-	-	-
	2018/09/29	2023/09/29	30.54	81 975	-	(81 975)	-	-	-
	2019/09/29	2024/09/29	19.81	474 400	-	(474 400)	-	-	-
	2021/07/01	2026/03/31	NIL^			996 627	996 627	-	12 408
JP Loubser	2021/07/01	2026/03/31	NIL^			747 470	747 470	-	9 306
				752 225	(35 050)	1 026 922	1 744 097	-	21 714

* Exercise price is the strike prices adjusted for corporate actions (rights issues and unbundling of shares).
 ** There were no gains on the exercise of options during the year.
 *** The unrealised in-the-money amount was calculated by multiplying the unvested number of shares by the market price of the share at 31 December 2021 being R12.45. This does not take the status of performance conditions and the probability of non-vesting or forfeitures into account.
 # The options awarded in terms of the Old LTI was forfeited by the executive directors, after the approval of the New LTI by shareholders and the implementation thereof (also refer to 6.1.5 under the remuneration policy above).
 ^ First award in terms of the New LTI.

6. Non-executive directors' fees

	2019	2020	2021
Remuneration (R'000)	3 037	3 164	3 097
Growth	46%	4.2%	(2.1%)

The fees paid to non-executive directors in the 2021 financial year included the following:

Name	2020 R'000	2021 R'000
SL Botha	630	643
ZL Combi ¹	394	-
ZN Mankai	480	408
TBL Molefe ²	330	297
PJ Mouton	330	337
SWF Muthwa	363	357
TP Baloyi	57	439
DM Ramaphosa	330	361
CR van der Merwe	250	255
	3 164	3 097

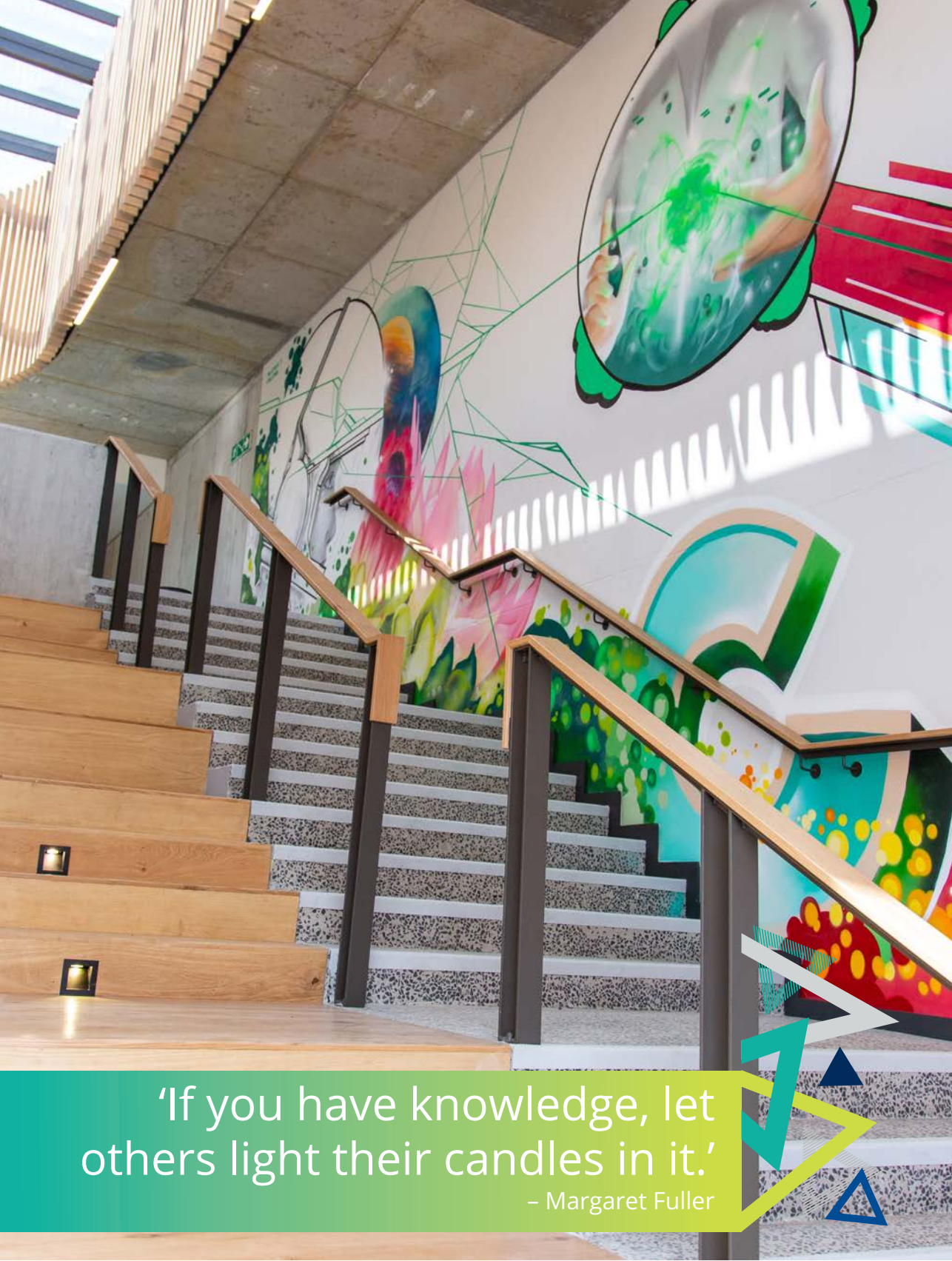
1. ZL Combi resigned as director effective 30 November 2020.
 2. TBL Molefe resigned as director effective 19 November 2021.



Curro Serengeti

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS





'If you have knowledge, let others light their candles in it.'

– Margaret Fuller

Curro Durbanville High School

Overview

Curro is extremely proud of the matric results of the Class of 2021. The disruptive conditions that our learners and staff have had to endure since the start of the COVID-19 pandemic made 2021 another difficult year but they pulled through with the utmost dedication and creativity.

Curro's headline earnings for the year ended 31 December 2021 recovered to R245 million, being 43.3% higher than the 2020 financial year. Recurring headline earnings of R245 million in 2021 increased by 36.9% and 15.6% compared to the 2020 and 2019 financial years, respectively.

The results were pleasing considering the circumstances, with many of the 2020 challenges having persisted in 2021:

- Extramural activities were disrupted and/or cancelled during the year.
- Ancillary revenue remained at levels below that of pre-COVID-19.
- The ratios of discounts and expected credit losses to gross fees have improved but remain above pre-COVID-19 levels.
- Operating costs were higher, because schools were open throughout 2021 without the same government relief in the form of TERS as in the previous year.
- Municipal and energy costs increased by more than general inflation.

The business has a relatively high-fixed cost base and therefore management maintained operational discipline in response to the negative impact of the factors above.

Results for the year

Curro's weighted average number of learners for the year under review increased by 9.3% to 66 447 (2020: 60 777) and revenue increased by 14.5% to R3 543 million (2020: R3 094 million).

Tuition fees increased by 11.8% due to the growth in learners coupled with the tuition fee mix and inflationary increases. Discounts were R49 million lower and ancillary revenue increased by R21 million from the previous year.

Schools' EBITDA (earnings before interest, taxation, depreciation, amortisation and head office expenditure) increased by 14.3% to R1 013 million (2020: R886 million) for the year under review, while EBITDA (after head office expenditure) increased by 15.0% to R789 million (2020: R686 million).

The EBITDA margin was maintained at 22.3% (2020: 22.1%) and management is confident that this margin should increase over the medium term.

Expected credit losses of R131 million were provided for during the year under review (2020: R146 million). Overdue accounts are managed more stringently and the quality and ageing of outstanding accounts for enrolled learners improved significantly over the last year as Curro enhanced its debt collection processes. The non-performing portion of the debtors' book mainly relates to learners who have left Curro and concerted efforts are being made to recover the outstanding debt.

Headline earnings and headline earnings per share (HEPS) increased by 43.3% from R171 million to R245 million and by 12.4% from 36.4 cents to 40.9 cents, respectively.

Recurring headline earnings and recurring headline earnings per share (RHEPS) increased by 36.9% to R245 million (2020: R179 million) and by 7.6% to 40.9 cents (2020: 38.0 cents), respectively.

Earnings per share (EPS) was 43.3 cents for the current year compared to a loss of 6.5 cents in the previous year.

In evaluating these results, shareholders should take the following matters into account:

- The R1.5 billion rights issue concluded in September 2020 resulted in there being 27% more weighted average shares in issue in this year compared to last year.
- Curro recognised *non-headline* impairments of property, plant and equipment, intangibles and goodwill of R207 million (net of tax) relating to lower-yielding schools in the previous financial year. These impairment charges are included in the calculation of EPS but are added back for purposes of the calculation of HEPS, and accordingly accounts for the key difference between HEPS and EPS.
- HEPS for the previous year included a *non-recurring* acquisition cost of R8 million (net of tax) which accounted for the difference between RHEPS and HEPS.

EduTech

Curro is committed to making quality education more accessible to learners in southern Africa and has developed powerful education technology and processes (EduTech) in this quest:

- *Curro Online* has more than 600 learners enrolled and provides remote teaching and learning to learners from Grade 4 to Grade 11.
- *Curro's DigiEd Schools* offer academic excellence at exceptionally low cost to learners through innovative digital tuition processes.
- *Curro's wider subject offering (Curro Choice)* empowers high school learners to take any subject they are interested in, regardless of their school's physical offering.

Investments and expansion

We continue to increase capacity utilisation at our existing facilities. Curro invested R929 million in the business in 2021, which includes the construction of a state-of-the-art new Durbanville High School campus. The school opened on 13 January 2022 and its enrolments have exceeded expectations.

The acquisition of HeronBridge College is anticipated to be completed in March 2022 once the property transfer is registered.

Balance sheet and funding

Curro generated R767 million of cash from its operating activities, 49.2% higher than the previous year. Net finance cost in 2021 reduced by R53 million to R170 million (2020: R223 million) as a result of the reduction in debt following the rights issue.

During June 2021, GCR Ratings affirmed Curro's national scale issuer long-term and short-term credit ratings of BBB+(ZA) and A2(ZA), respectively, with a stable outlook.

The group repaid a term loan with a high interest cost in June 2021 and introduced a more flexible revolving credit facility of R500 million during the year to fund its future expansion plans insofar as it may exceed operating cashflows generated. At 31 December 2021, R420 million of this facility was unutilised.

Dividend

The board has resolved to pay a final dividend of 8.2 cents per share (2020: Nil) from income reserves for the year ended 31 December 2021. The dividend amount, net of South African dividend tax of 20%, is 6.56 cents per share.

It is the board's policy to pay 20% of recurring headline earnings as an annual dividend on the premise that growth in cash generation shall continue in the future.

The number of ordinary shares in issue at the declaration date is 597 961 595, and the income tax number of the Company is 915/907/00/29.

The salient dates for this dividend distribution are:

- Declaration date Wednesday 23 February 2022
- Last day to trade cum dividend Tuesday, 15 March 2022
- Trading ex-dividend commences Wednesday, 16 March 2022
- Record date Friday, 18 March 2022
- Payment date Tuesday, 22 March 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 16 March 2022 and Friday, 18 March 2022.

Changes to the board of directors

The following changes occurred to the board of directors during the year under review:

- Cobus Loubser was appointed as Chief Financial Officer and executive director with effect from 1 January 2021.
- Tsholofelo Molefe resigned as non-executive director on 19 November 2021.

The board sincerely thanks Tsholofelo for her long-standing service and valued contribution.

Prospects

The company's business model is resilient, underpinned by its robust offering, buoyant learner growth as a result of increasing demand for affordable high-quality education and strong financial position.

As at 18 February 2022, Curro had 70 408 learners enrolled for the 2022 year (excluding the acquisition of HeronBridge College with an additional 1 169 learners), representing a 6% increase on the 66 447 average learners in 2021 on a like-for-like basis.

Curro is satisfied with the level of new registrations for the 2022 academic year, which commenced with much enthusiasm and few disruptions thus far. Whilst the ongoing COVID-19 pandemic and its associated impact on the economy and our business remain unpredictable, we hope that our learners will experience a more stable academic year where they can again participate in a wide range of extramural activities which complement our exceptional academic offering.

We are committed to making a positive contribution to society at large and plan to invest up to R1.1 billion in further expansion opportunities during 2022.

On behalf of the board



SL Botha
Chairperson



AJF Greyling
Chief Executive Officer

23 February 2022



Curro Century City

KEY RATIOS (Unaudited)

	31 Dec 2019	31 Dec 2020	31 Dec 2021	18 Feb 2022
Number of campuses	70	76	76	76
Number of schools	166	177	178	178
Average number of learners	57 597	60 777	66 447	70 408*
Average number of learners per campus	823	800	874	926
Number of employees	6 076	5 963	6 150	
Number of teachers	3 230	3 425	3 579	
Learner/teacher ratio	18	18	19	
Building size (m ²)	700 946	713 084	772 251	
Land size (ha)	536	536	549	
Capital invested (R million)	1 246**	650	929	
– Existing campuses (R million)	910	635	677	
New	878	602	577	
Replacement	32	33	100	
– New campuses (R million)	209	12	251	
– Acquisitions (R million)	127	3	1	

* Registered learners as at 18 February 2022 (not the weighted average learners and excluding HeronBridge).

** Figure adjusted from R1 285 million previously reported to exclude the other investing activities.

‘Friendship is the only cement that will ever hold the world together’

– Woodrow Wilson



Independent auditor’s report on the summary consolidated financial statements

To the shareholders of Curro Holdings Limited

Opinion

The summary consolidated financial statements of Curro Holdings Limited, set out on pages 112 to 119 of the Annual Integrated Report 2021, which comprise the summary consolidated statement of financial position as at 31 December 2021, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Curro Holdings Limited for the year ended 31 December 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited’s (JSE) requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor’s report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor’s report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 23 February 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

Director’s responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the JSE’s requirements for summary financial statements, set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Dawid de Jager

Registered Auditor

Stellenbosch, South Africa

29 April 2022

	% Change	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
Revenue from contracts with customers (note 4)	15%	3 543	3 094
Employee costs	17%	(1 830)	(1 567)
Expected credit losses on financial assets	(10%)	(131)	(146)
Other expenses	14%	(793)	(695)
Earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA) ¹	15%	789	686
– Schools' EBITDA	14%	1 013	886
– Head office's EBITDA	12%	(224)	(200)
Depreciation and amortisation	22%	(281)	(231)
Earnings before interest and taxation (Adjusted EBIT) ¹	12%	508	455
Interest income	29%	72	56
Gain on bargain purchase (note 7)	n/a	14	–
Impairment of property, plant and equipment	n/a	–	(250)
Impairment of goodwill	n/a	–	(9)
Impairment of intangible assets	n/a	–	(6)
Finance costs	(13%)	(242)	(279)
Profit / (loss) before taxation	n/a	352	(33)
Taxation	910%	(101)	(10)
Profit / (loss) for the year	n/a	251	(43)
Other comprehensive income / (loss):			
Net fair value profit / (loss) on cash flow hedges	n/a	52	(67)
Exchange differences on translating foreign operation	n/a	–	2
Total comprehensive income / (loss) for the year	n/a	303	(108)
Profit / (loss) attributable to:			
Owners of the parent	n/a	259	(31)
Non-controlling interest	(33%)	(8)	(12)
	n/a	251	(43)
Total comprehensive income / (loss) attributable to:			
Owners of the parent	n/a	311	(96)
Non-controlling interest	(33%)	(8)	(12)
	n/a	303	(108)

¹Adjusted EBITDA takes a headline approach and represent EBITDA excluding impairment, bargain purchase gains and profit or loss on sale of assets. Adjusted EBIT takes the same approach as for adjusted EBITDA.

	% Change	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
Reconciliation of headline and recurring headline earnings:			
Earnings attributable to owners of the parent		259	(31)
Adjusted for:			
Gain on bargain purchase		(14)	–
Impairment of property, plant and equipment		–	250
Impairment of goodwill		–	9
Impairment of intangible assets		–	6
Non-controlling interest		–	(5)
Taxation		–	(58)
Headline earnings	43%	245	171
Acquisition cost on business combinations		–	11
Taxation		–	(3)
Recurring headline earnings	37%	245	179
EBITDA margin		22%	22%
Schools' EBITDA margin		29%	29%
Earnings per share (cents)			
– Basic	n/a	43.3	(6.5)
– Diluted	n/a	43.3	(6.5)
Headline earnings per share (cents)			
– Basic	12%	40.9	36.4
– Diluted	12%	40.9	36.4
Recurring headline earnings per share (cents)	8%	40.9	38.0
Number of shares in issue (millions)			
– Basic		598.0	598.0
– Diluted		598.0	598.0
Weighted average number of shares in issue (millions)			
– Basic		598.0	471.0
– Diluted		598.0	471.0

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
ASSETS		
Non-current assets	10 963	10 286
Property, plant and equipment	9 800	9 120
Right-of-use assets	305	319
Goodwill	561	561
Other intangible assets	288	271
Other financial assets at amortised cost	4	1
Other financial assets at fair value	5	6
Deferred tax assets	–	8
Current assets	578	814
Inventories	17	17
Current tax receivable	1	3
Other financial assets at amortised cost	29	27
Trade receivables (note 5)	235	232
Other receivables	116	102
Investment in money market funds	90	334
Cash and cash equivalents	90	99
Non-current assets held for sale	11	14
Total assets	11 552	11 114
EQUITY		
Equity attributable to owners of the parent	7 110	6 768
Share capital	6 205	6 205
Other reserves	(4)	(65)
Retained earnings	909	628
Non-controlling interest	(10)	(2)
Total equity	7 100	6 766
LIABILITIES		
Non-current liabilities	3 505	3 781
Other financial liabilities at amortised cost	2 446	2 774
Other financial liabilities at fair value (note 6)	41	120
Deferred tax liabilities	664	551
Lease liabilities	330	323
Contract liabilities	24	13
Current liabilities	947	567
Other financial liabilities at amortised cost	346	59
Other financial liabilities at fair value (note 6)	7	–
Current tax payable	2	1
Lease liabilities	35	33
Trade and other payables	253	206
Contract liabilities (mainly prepaid school fees)	263	227
Development and acquisitions payables	41	41
Total liabilities	4 452	4 348
Total equity and liabilities	11 552	11 114
Net asset value per share (cents)	1 189	1 132

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
Balance at the beginning of the year	6 766	5 416
Total comprehensive income / (loss)	311	(96)
Rights issue	–	1 473
Dividends paid	–	(42)
Non-controlling interest	(8)	(12)
Other movements	31	27
Balance at the end of the year	7 100	6 766

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	%	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
	Change		
Cash generated from operations	15%	821	714
Tax paid	(33%)	(2)	(3)
Net finance cost	(37%)	(127)	(200)
Working capital movements - operations	2400%	75	3
Net cash generated from operating activities	49%	767	514
Cash flows from investing activities			
Purchase of property, plant and equipment	36%	(859)	(632)
Sale of property, plant and equipment	(92%)	4	48
Purchase of intangible assets	35%	(74)	(55)
Business combinations (note 7)	(50%)	(1)	(2)
Development and acquisition investment	n/a	1	(9)
Other investing activities	n/a	240	(271)
Net cash utilised in investing activities	(25%)	(689)	(921)
Cash flows from financing activities			
Proceeds from shares issued pursuant to rights issue	n/a	–	1 500
Transaction cost pertaining to rights issue	n/a	–	(27)
Proceeds from other financial liabilities	(87%)	150	1 150
Repayment of other financial liabilities	(89%)	(229)	(2 083)
Dividends paid to company shareholders	n/a	–	(42)
Principal elements of lease payments	14%	(8)	(7)
Net cash (utilised in)/generated from financing activities	n/a	(87)	491
Cash and cash equivalents movement for the year	n/a	(9)	84
Cash and cash equivalents at the beginning of the year	560%	99	15
Cash and cash equivalents at the end of the year ^	(9%)	90	99

^ Curro has additional liquid resources amounting to R90m (December 2020: R334m) available in the form of its money market investments.

	% Change	Audited 31 Dec 2021 R million	Audited 31 Dec 2020 R million
Average learners for the year	9%	66 447	60 777
- Curro	11%	56 700	51 249
- Meridian	2%	9 747	9 528
Revenue	15%	3 543	3 094
- Curro	14%	3 202	2 805
- Meridian	18%	341	289
Schools' EBITDA	14%	1 013	886
- Curro	14%	945	828
- Meridian	17%	68	58
Net head office expenditure	12%	(224)	(200)
- Curro	12%	(216)	(193)
- Meridian	14%	(8)	(7)
EBITDA margin		22%	22%
- Curro		23%	23%
- Meridian		18%	18%
Recurring headline earnings	37%	245	179
- Curro	27%	260	204
- Meridian*	(40%)	(15)	(25)
Recurring headline earnings per share (cents)	8%	40.9	38.0
- Curro	5%	43.4	41.5
- Meridian*	(29%)	(2.5)	(3.5)
Earnings per share (cents)	n/a	43.3	(6.5)
- Curro	n/a	45.8	(1.6)
- Meridian	(49%)	(2.5)	(4.9)
Total assets	4%	11 552	11 114
- Curro	4%	10 820	10 402
- Meridian	3%	732	712
Total liabilities	2%	4 452	4 348
- Curro	2%	3 681	3 621
- Meridian	6%	771	727
Net asset value per share (cents)	5%	1 189	1 132

* Included in the Meridian results is an interest charge of R55m (December 2020: R49m) to shareholders in proportion to their shareholding.

1. STATEMENT OF COMPLIANCE

These summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which these summary consolidated financial statements were derived are in terms of IFRS and are consistent, with those accounting policies applied in the preparation of the previous year's consolidated annual financial statements. The summary consolidated results have been prepared internally under the supervision of the Chief Financial Officer, JP Loubser, CA(SA).

2. AUDIT OPINION

These summary consolidated financial statements for the year ended 31 December 2021 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived.

A copy of the auditor's report on the summary consolidated financial statements and of the auditor's report on the annual consolidated financial statements are available for inspection at the company's registered office and on the website, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement or financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.



Curro Create

3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the consolidated financial statements are consistent with those of the annual financial statements for the year ended 31 December 2020. For a full list of standards and interpretations that have been applied, we refer you to our 31 December 2021 annual financial statements.

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

	31 Dec 2021 R million	31 Dec 2020 R million
Included in revenue from contracts with customers:		
Registration and tuition fees	3 605	3 226
Other income	58	34
Recovery income	49	47
Boarding school fees	66	67
Aftercare fees	45	56
Bus income	36	35
Rental income	8	4
Subsidy income	4	2
Discounts granted	(328)	(377)
Personnel	(89)	(83)
Bursaries	(79)	(73)
Enrolments	(3)	(6)
COVID-19	(1)	(81)
Other*	(156)	(134)
	3 543	3 094

* Other discounts mainly comprise of discretionary discounts, financial assistance and Ruta Sechaba bursaries.

5. TRADE RECEIVABLES

	31 Dec 2021 R million	31 Dec 2020 R million
Gross receivables	481	447
Expected credit loss provision	(246)	(215)
Net trade receivables	235	232

6. CASH FLOW HEDGES

	31 Dec 2021 R million	31 Dec 2020 R million
Fixed-for-variable interest rate swap liabilities	48	120

7. BUSINESS COMBINATIONS

Effective 1 January 2021, Curro acquired the entire business operations and properties of St George's Preparatory School in Gqeberha (previously Port Elizabeth), South Africa for a total purchase consideration of R3 million combined.

	R million
The following assets and liabilities were recognised:	
Property, plant and equipment	21
Cash and cash equivalents	2
Trade and other receivables	1
Deferred tax liability	(5)
Contract liabilities	(2)
Total identifiable net assets	17
Gain on bargain purchase	(14)
Purchase consideration paid in cash	3
Net cash outflow on acquisition	
Cash paid	(3)
Cash and cash equivalents acquired	2
	(1)



Curro Rivonia

Directors: SL Botha** (Chairperson), TP Baloyi**, AJF Greyling (CEO), ZN Mankai**, PJ Mouton*, SWF Muthwa**, DM Ramaphosa**, JP Loubser (CFO), CR van der Merwe*

* Non-executive

** Independent non-executive

Registered office: 38 Oxford Street, Durbanville, Cape Town, 7550

Transfer secretaries: Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

Corporate adviser and JSE Equity and Debt sponsor: PSG Capital

Independent joint JSE Equity sponsor: Tamela Holdings (Pty) Ltd

Group Company Secretary: M Lategan

Shareholders are referred to the announcement released on SENS on 1 June 2021 where shareholders were advised that Mrs M Lategan has been appointed as Executive: Corporate Services and Group Company Secretary of the company with effect from 1 June 2021. Mrs Lategan replaces Mr R Botha, who served as the acting company secretary of Curro pending the appointment of a permanent company secretary.

Curro Holdings Limited

Incorporated in the Republic of South Africa

Registration number: 1998/025801/06

JSE Equity Alpha Code: COH

JSE Debt Alpha Code: COHI

LEI: 378900E237CB40F0BF96

ISIN: ZAE000156253

('Curro' or 'the company' or 'the group')

Announcement date: 23 February 2022

'A mind that is stretched by a new experience can never go back to its old dimensions.'

– Oliver Wendell Holmes



Curro Somerset West, Sitari Estate

Curro was established in 1998. Dr Chris van der Merwe (Chris), Curro's former chief executive officer, initially envisioned the establishment of a small independent school that was intended to accommodate only an intermediate school phase (Grade 4 to Grade 7) in a converted house.

Soon after the planning had been completed, Eduard Ungerer, one of Chris's business partners in a small publishing enterprise, joined him in the school venture, and the school opened with 28 learners in a church in Durbanville, Cape Town on 15 July 1998. Other founding members were Loch van Niekerk, Eddie Conradie and Thys Franken.

In 2004, Senior Advocate Fef le Roux (Curro's chairperson from 2009 to March 2013) purchased 30% of the company's shares. In 2005, Educor (Pty) Ltd ('Educor'), a subsidiary of Naspers Ltd ('Naspers'), acquired 25% of Curro's shares. With this support, the company entered into a business vision of establishing 20 Curro campuses countrywide. When Naspers disposed of Educor in 2006, a pre-emptive right triggered the repurchase of the 25% shares by the founders of the company and Fef le Roux and two of his colleagues at the Cape Bar. At that stage the company had three established schools. At this time, Andries Greyling, the former financial director and now chief executive officer of Curro, also acquired shares in the company.

In 2009, PSG Group Ltd approached Curro and became a 50% partner through their subsidiary, Paladin Capital (Pty) Ltd, at the beginning of 2010. With the adoption of the development plan to have 40 campuses by 2020 and the capital investment that this would entail, Paladin Capital increased its shareholding to 75%.

On 2 June 2011, Curro listed on the JSE (AltX), with a vision of 40 campuses and 45 000 learners by 2020. It raised R318 million through a rights offer soon thereafter.

A further rights offer and private placement to the value of R476 million were completed in July 2012. The capital was utilised for the expansion required at the existing schools and to acquire Woodhill College (Pretoria, Gauteng), Embury College (Durban, KwaZulu-Natal) and Rosen Castle (Durbanville, Western Cape). Rosen Castle laid the foundation for the development of nursery schools under the Curro Castle brand.

Curro also transferred from the JSE's AltX to a Main Board listing in July 2012.

In July 2012, Curro, the Public Investment Corporation ('PIC') and Old Mutual, through the Schools Fund ('SEIFSA'), joined forces to provide R440 million in capital for the development of a group of Meridian schools to accommodate approximately 20 000 learners.

In May 2013 a rights offer and private placement to the value of R606 million took place to enable Curro to expand its existing schools and to develop new schools in Ballito (KwaZulu-Natal) and Port Elizabeth (Eastern Cape). A Curro Castle was also established in George (Western Cape).

In 2013 Curro, through Capmac (Campus and Property Management Company (Pty) Ltd), acquired Northern

Academy (Limpopo), a school in Polokwane with approximately 4 000 learners, 2 500 of whom resided in the school boarding facilities. Meridian Karino (Nelspruit, Mpumalanga) was also developed through Capmac. Curro and Old Mutual, through the Financial Sector Charter Fund, provided another R188 million (collectively referred to as the Meridian joint venture) in capital for the future development of Meridian school properties.

Curro issued R150 million in five-year bonds through a JSE-listed domestic medium-term note programme in 2013.

The 2013 year ended on a high note with 21 027 learners, and five new campuses under construction.

In June 2014 R600 million was raised through a rights offer to enable Curro to expand existing schools, develop new schools in Brackenfell (Western Cape), Secunda (Mpumalanga), Monaghan Farm (Lanseria, Gauteng), Kathu (Northern Cape), Mahikeng (North West) and Soshanguve (Pretoria North, Gauteng), and to acquire Waterstone College (Pty) Ltd (in Johannesburg South, Gauteng) and Grantleigh (KwaZulu-Natal).

In 2014 a further two Meridian schools were developed through the Meridian joint venture – one in Cosmo City (Roodepoort, Gauteng) and one in Newcastle (KwaZulu-Natal).

Curro issued R125 million in five-year bonds through its JSE-listed domestic medium-term note programme and raised R450 million of financing through Standard Bank.

Also in 2014, seven further sites to the value of about R100 million were purchased for future development. The 2014 year ended with approximately 28 737 learners and 10 new campuses, eight of which had been constructed and two acquired.

Curro achieved R1 billion in revenue for the first time in 2014 and achieved its pre-listing objective of 40 campuses five years ahead of its original target of 2020.

In 2015 Curro invested R1 billion in growth and expansion projects, partially funded through a rights offer to the value of R740 million that took place in May 2015. New schools added to the group were in Sitari, Somerset West (Western Cape), Hillcrest (KwaZulu-Natal), Waterfall Estate (Gauteng), Bryanston (Gauteng) and Douglasdale (Gauteng). The three schools in Gauteng were Castles (nursery schools). R646 million was invested in existing campuses, and about R85 million in the acquisition of sites for future growth.

As at 31 December 2016, the group had 43 183 learners enrolled. The group developed an additional seven campuses during the year, resulting in the group currently having 115 schools (49 campuses). The new schools to the value of R920 million that were added included Waterfall Primary School (Gauteng), Curro Century City High School (Western Cape), Curro Krugersdorp High School (Gauteng), Curro Rivonia Castle and Primary School (Gauteng), Curro Academy Wilgeheuwel Primary and High School (Gauteng), Curro Academy Clayville Primary School (Gauteng), and Curro Academy Pretoria Primary and High School (Gauteng). The

group also added a tertiary-education campus in Waterfall Estate (Gauteng).

Three acquisitions took place during the 2016 year, namely Windhoek Gymnasium (Namibia), Building Blocks schools (nursery school and primary school), and St Conrad's College (pre-primary, primary and high school). The total amount invested in growth (i.e. land banking, acquisitions, new schools and expansion on existing campuses) was R1.7 billion.

During 2017, Curro invested R976 million in the construction of five new campuses as well as in expansion on existing campuses. The five new campuses included Curro Castle Oakdene (Gauteng), Curro Castle Uitzicht (Western Cape), Curro Academy Mamelodi (Gauteng), Curro Academy Riverside (Gauteng) and Curro Academy Sandown (Western Cape).

Expansion projects included significant expansions at Curro Roodeplaat (high school), Curro Academy Wilgeheuwel (high school), Windhoek Gymnasium (Namibia), Curro Hillcrest Academy and Curro Hermanus.

It was also during this year that the tertiary-education business, STADIO, listed separately on the Main Board of the JSE and unbundled from Curro on 3 October 2017.

2018 saw the expansion of the group with the acquisition of Dot's Learning Centre, a centre for assisted learning (Western Cape), Cooper College (including Magic Beings) in Gauteng, Baobab School (Gaborone, Botswana), and Northriding College (Gauteng).

The construction of six new campuses to the value of R398 million escalated the number of campuses to 58 and the number of schools to 138. These campuses included Curro Vanderbijlpark and Edenvale (both in Gauteng), Curro Academy schools at Parkdene (Boksburg), Protea Glen (Soweto) and Savanna City (Johannesburg), as well as a Curro Castle at Burgundy Estate (Cape Town).

R603 million was invested in the expansion of existing campuses, which included significant expansions at Curro Roodeplaat, Curro Academy Wilgeheuwel, Windhoek Gymnasium (Namibia), Curro Midrand (previously Building Blocks), and Curro Heritage House (previously Curro Embury).

By January 2019, both organic and acquisitive growth had contributed to more than 57 000 learners across 68 campuses (164 schools) attending a Curro school in 2019.

In addition, Curro extended its brand offering in January 2019 with the opening of Curro Foreshore (Cape Town), a new tech-focused schooling model (DigiEd). This school provides a progressive curriculum focused on Mathematics, Science, Robotics and Coding – essential subjects for learners to operate in the fourth industrial revolution era.

Curro also opened the doors of Curro Private College Rivonia (Gauteng). This educational facility is the first in their stable to offer the National Certificate Vocational ('NCV') as an alternative to the National Senior Certificate.

The college's focus in 2019 is on an NCV programme for Information Technology and Computer Sciences.

During 2019, Curro invested R185 million in the construction of four new campuses (five schools) that opened their doors to new learners in January 2020. These included Curro New Road (Gauteng), Curro Delft (Western Cape), Curro Jewel City (Gauteng) and Curro Academy Schools at The Blyde (Gauteng) and Mbombela (Mpumalanga). R949 million was invested in significant expansion of existing campuses, which included Curro Vanderbijlpark, Building Blocks, Curro Hillcrest and Curro Academy Pretoria.

Curro also welcomed Land of Oz Nursery School, Creston College and Sagewood School to the group during 2019.

From the end of 2019 to January 2020, learner numbers had grown from 57 597 to 62 698 on 76 campuses (175 schools), included in this was The King's School Linbro Park, which was acquired in January 2020.

The group ends the year with 60 187 learners at 31 December 2021.

The unprecedented rise and spread of the COVID-19 pandemic had a negative effect on the performance of the Curro group resulting in the group reviewing their non-profitable nursery schools and closing one non-profitable school.

During this time Curro worked closely with the South African government to set COVID-19 standards and protocols in order to keep its schools open.

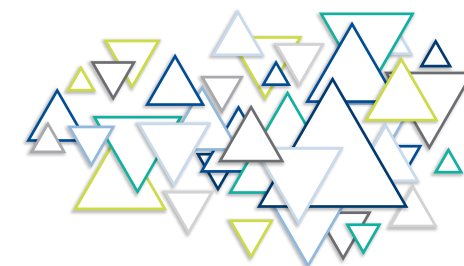
Due to the immediate need to maintain the delivery of Curro's educational offering during the South African lockdown, the group implemented remote learning and provided assistance to learners where there was limited infrastructure. During the 2020 lockdown, Curro's first, fully online offering, Curro Online, was launched.

Curro raised R1,5 billion through a rights offer.

On 28 February 2021, after a delayed start to the academic year, Curro's learner number stood at 66 153 learners across 76 campuses (178 schools), as it had incorporated St George's Preparatory School (Gqeberha/Port Elizabeth) in January 2021.

During 2021 Curro introduced an online wider subject choice offering and ended the year with 66 447 weighted average number of learners.

On 18 February 2022, Curro had 70 408 registered learners in 76 campuses (178 schools). It opens the new Curro Durbanville High School state-of-the-art mega campus.



Abbreviation	Description
AFS	Audited financial statements
AGM	Annual general meeting
B-BBEE	Broad-based black economic empowerment
Board	Governing body or the board of directors of Curro Holdings Limited
Capmac	Campus and Property Management Company (Proprietary) Limited
CAPS	Curriculum Assessment Policy Statements
CCMD	Curro Curriculum Management and Delivery
CDP	The carbon disclosure project
CEO	Chief executive officer
CFO	Chief financial officer
Companies Act	Companies Act, No.71 of 2008, as amended
Company	Curro Holdings Limited, an organisation registered as a public company and listed on the JSE Limited with registration number 1998/025801/06
COO	Chief operating officer
Curro wider subject choice offering	Curro offers all FET phase learners the opportunity to elect online subjects that are not on offer at their physical schools
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
ELDA's	Early Learning Development Areas
ESSC	Electronically controlled supercapacitors
ESG	Environment, Social and Governance
Exco	Executive committee
GHG	Greenhouse Gas
Group	Curro Holdings Limited and its subsidiaries
HEPS	Headline earnings per share
HR	Human resources function
IEB	Independent Examinations Board
IFRS	International Financial Reporting Standards
ISCR	Interest Service Cover Ratio
IT	Information and technology and/or information technology and systems
JSE	JSE Limited
King IV	King IV Report on Corporate Governance™ for South Africa, 2016. Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.
Land banking Ltd	The acquisition of land for the purpose of developing schools Limited
LTI	Long-term incentive
Meridian	In July 2012, Curro, the Public Investment Corporation (PIC) and Old Mutual, through the Schools Fund (SEIIFSA), provided R440 million in capital for the development of a group of Meridian schools to accommodate approximately 20 000 learners. In 2017, Curro and Old Mutual, through the Financial Sector Charter Fund (FSC Fund), provided another R188 million in capital for the future development of Meridian school properties. Capmac owns the properties, and the schools owned by Meridian Operations Company (RF) NPC are managed by Curro. In the report, reference to Meridian relates to this ring-fenced venture, the main purpose of which is to provide affordable quality education. Curro owns 65% of the equity of Capmac.
MOI	Memorandum of incorporation
NCV	National Certificate Vocational
NSC	National Senior Certificate
OHASA	Occupational Health and Safety Act No 85 of 1993, as amended
Old Mutual	Old Mutual Life Assurance Company South Africa Ltd
PAC	Parent Advisory Committee
PAT	Profit after tax
PIC	Public Investment Corporation
Pty (Ltd)	Proprietary Limited
Remcom	The remuneration and nominations committee to Curro Holdings Limited
SEIIFSA or Schools Fund	Schools and Education Investment Impact Fund of South Africa
SENS	Stock Exchange News Service of the JSE
SOP	Standard Operating Procedure
STEAMD	Science, Technology, Engineering, Arts, Mathematics and Design
STI	Short-term incentive
TCTC	Total-cost-to-company
TERS	The Temporary Employment Relief Scheme
Umalusi	The Umalusi Council for Quality Assurance in General and Further Education and Training
UN SDG's	United Nations Sustainable Development Goals

Curro Holdings Limited

(Registration number 1998/025801/06)

General information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Independent schools and education services
Directors	<p>Executive</p> <p>Mr AJF Greyling Mr JP Loubser</p> <p>Non-executive</p> <p>Mr PJ Mouton Dr CR van der Merwe</p> <p>Independent non-executive</p> <p>Ms SL Botha (chairperson) Mr TP Baloyi Ms ZN Mankai Prof. SWF Muthwa Mr DM Ramaphosa</p>
Registered office and business address	38 Oxford Street Durbanville Cape Town South Africa 7550
Postal address	PO Box 2436 Durbanville Cape Town South Africa 7551
Holding company	PSG Financial Services Ltd, incorporated in South Africa
Ultimate holding company	PSG Group Ltd, incorporated in South Africa
Bankers	Absa Bank Ltd First National Bank Ltd Standard Bank of South Africa Ltd
Auditor	PricewaterhouseCoopers Inc.
Company Secretary	Mrs M Lategan
Company registration number	1998/025801/06
Tax reference number	9159/070/02/9
JSE Equity and Debt sponsor and corporate advisor	PSG Capital (Pty) Ltd 1st floor, Ou Kollege Building 35 Kerk Street, Stellenbosch, 7600 (PO Box 7403, Stellenbosch, 7599, South Africa) and 2nd floor, Building 3 11 Alice Lane, Sandhurst, Sandton, 2196 (PO Box 650957, Benmore, 2010, South Africa)
Independent Joint JSE Equity sponsor	Tamela Holdings (Pty) Ltd

CURRO

A young child with light brown hair is wearing a dark grey face mask with white trim. The child is holding a piece of white, textured paper or fabric in their hands. The child is wearing a blue and white striped polo shirt with a small dark logo on the chest. The background is a soft, out-of-focus indoor setting. The image is overlaid with a large, semi-transparent blue triangle on the right side and a white triangle at the bottom right.

Contact details:
021 979 1204/5
engage@curro.co.za
www.curro.co.za