



25 YEARS OF EXCELLENCE

# ANNUAL INTEGRATED REPORT

# 2023

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73 159



Number of learners

81



Number of campuses

189



Number of schools

798 005



Building size (m<sup>2</sup>)

578



Land size (ha)

Figures as at 5 February 2024

Curro Bryanston





# 1 ABOUT THIS REPORT

CURRO  
Academy



## Introduction

Welcome to the 2023 annual integrated report ('the report') of Curro Holdings Limited ('Curro'). Curro is pleased to present this report, which provides a comprehensive overview of its strategy, activities, practices, progress, financial and non-financial information for the year ended 31 December 2023.

As one of the leading education providers in Southern Africa, Curro is proud to cover all relevant aspects of its operations in this report. The company has maintained the same scope and boundary as previous years, ensuring consistency and transparency in its reporting.

Curro believes that providing a wide range of information is crucial to giving the shareholders and stakeholders a deeper understanding of the company. The company has ensured that there has been no material restatement of information provided in earlier reports, ensuring the accuracy and integrity of the information presented.

This report has been carefully crafted to cater to the interests of Curro's stakeholders, including shareholders, funders, regulators, employees, parents, guardians, suppliers, and community members. It is understood that some stakeholders may require more in-depth information, and they are invited to contact Curro directly or visit the website, [www.curro.co.za](http://www.curro.co.za), for further details.

Curro is committed to transparency and accountability, and this report forms part of a suite of reports available on the website. Curro encourages stakeholders to read this report in conjunction with other reports available online to gain a complete picture of the company's performance and direction.

Thank you for taking the time to read this annual integrated report and know that Curro looks forward to continuing to deliver high-quality education services to its communities.

## Frameworks and assurance

This report adheres to a set of robust reporting principles, which were guided by several international standards and guidelines. These include the IFRS Accounting Standards, 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. Furthermore, this report 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 holds responsibility for this report and has ensured that the disclosures presented in this report are material, accurate, and balanced. In addition, external assurance was sought from various sources for certain aspects of the reporting process. For further information about Curro's reporting principles, please contact Burtie September, Chief Financial Officer ('CFO'), on +27 21 979 1204.

## Approval of the 2023 annual integrated report

The Curro board of directors acknowledges its crucial responsibility to ensure the integrity of this report. It is firmly believed that this report effectively addresses the material aspects of the business and represents a fair and accurate depiction of the integrated performance of the group. After careful review and consideration, the board has approved the 2023 annual integrated report for publication. This report will provide stakeholders with valuable insights into Curro's operations, progress, and prospects.

On behalf of the board

SL Botha  
Chairperson

JP Loubser  
Chief Executive Officer



# 2

## ORGANISATIONAL OVERVIEW

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## 2.1 PROFILE OF CURRO

Curro Holdings Limited ('Curro') is a JSE-listed organisation committed to providing high-quality education to learners from the early childhood development phase to Grade 12. The group of schools was established in 1998 with a vision to make independent school education accessible to more learners throughout Southern Africa. This has been achieved by developing, acquiring, and managing independent schools in South Africa as well as other targeted markets on the African continent.

The company is proud to offer an innovative, relevant, and accessible curriculum within an ethical, balanced, and learner-centred environment. Curro takes pride in its excellent academic record and ongoing curriculum development, as well as the arts and culture offering through Curro Create and a comprehensive sports programme, delivered by Curro Sport, available to all learners. High school learners are empowered to extend their subject choices regardless of the physical offering due to Curro Choice (a wider subject choice offering) implemented in 2021.

Curro believes that exceptional education is crucial in developing quality leaders and responsible citizens who will have a positive impact on the economy, environment, and society. As of 5 February 2024, Curro is present across 81 campuses (189 schools) with 73 159 learners.

Key highlights of its journey since inception can be found on pages 18 to 20 of this report. Curro also offers a variety of ancillary services that vary between schools, including boarding, aftercare, cafeterias, school transport, and activity centres.

Curro provides relevant, quality education to its learners and believes that they will emerge as future leaders and responsible citizens.



Curro Barlow Park

## 2.2 GENERAL

### 2.2.1 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.

Schooling model	Maximum class size	Average monthly school fees*	Product offering
<b>Curro Preschools</b>	Class size is dependent on the age groups of the children, however a maximum of 25 children per class is prescribed.	R5 506**	Curro Preschools provide a unique and carefully designed curriculum with a focus on the Early Learning and Development Areas ('ELDAs') for preschool children. Our free-standing preschool, Curro Rosen Castle, caters for children from the age of three months (Group 1) to Grade R. Preschools that form part of a full campus accommodate children from three years (Group 3) to five years old (Group 5). Certain preschools have facilities that can accommodate up to 300 children.
<b>Curro Schools</b>	25 learners	R6 086	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. Curro Schools offer an enriched curriculum for academic excellence, which includes a digital wider subject choice offering to enable FET phase learners to elect subjects that are not offered at their specific school.
<b>Curro Academy Schools</b>	35 learners	R3 899	Curro Academy Schools offer quality education to learners from Group 5 (age five) to Grade 12, with some also providing education for preschool children. This co-ed and single-medium (English) schools have learners write the National Senior Certificate ('NSC') exam, with a focus on academic excellence and a cost-sensitive model to ensure affordable fees. The curriculum includes a digital, wider subject choice offering for FET phase learners to elect subjects not offered at their school. Curro Academy Schools also provide a range of sports and cultural activities in which learners can participate.
<b>Curro Select Schools</b>	25 learners	R6 949	Curro Select Schools are institutions that have been acquired by Curro Holdings and provide exceptional facilities and a rich history. Despite being owned by Curro, these schools maintain their established identities and values. Curro Select Schools cater to learners from three months to Grade 12, and they take the IEB or Cambridge examination at the end of their studies. The Curro Select Schools' curriculum includes a wider subject choice offering, which allows FET phase learners to choose subjects not offered at their specific school, all taught in English. These schools take great pride in their academic and extramural achievements.

\* Average monthly school fees as at February 2024.

\*\* Curro preschools amended their offering to half-day and full-day and no longer offer two-day and three-day options.

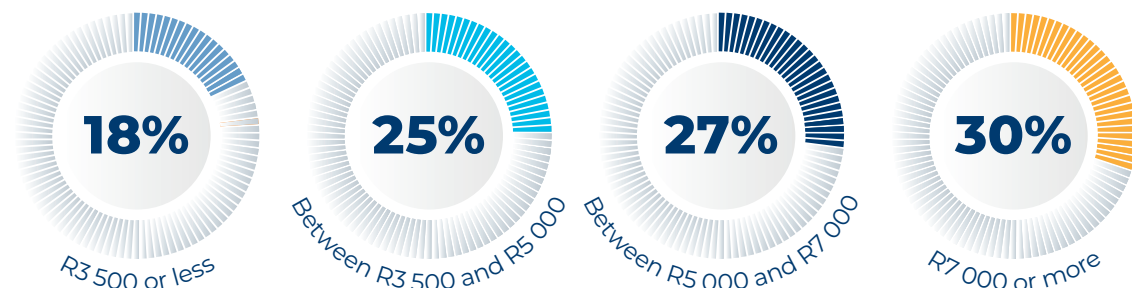
Schooling model	Maximum class size	Average monthly school fees	Product offering
<b>Curro Assisted Learning</b>	Small, focused classes	R8 124	Curro's Assisted Learning schools offer academic intervention to learners from Grade 1 to Grade 12, with a focus on personalised teaching styles and classes to cater to individual needs. The schools follow a CAPS-aligned curriculum, allowing learners to study the same syllabus as mainstream schools and aim to prepare learners for successful academic outcomes while also encouraging them to achieve their personal goals. At the end of Grade 12, learners write the NSC examination. The schools prioritise the holistic development of learners, ensuring they receive a high-quality education that supports their growth and progress.
<b>Curro DigiEd Schools</b>	Mostly class-independent	R3 340	Curro's DigiEd Schools offer a cutting-edge, digitally focused education to learners in Grade 8 to Grade 12, depending on the school and with higher grades being phased in annually. These schools leverage a modern, technology-rich learning environment, enabling learners to write their NSC examination at the end of Grade 12. The schools make use of leading international e-learning tools and implement a project-based deep-learning programme that emphasises Science, Mathematics and Technology to enhance the curriculum.
<b>Curro Private College</b>	Class-dependent	R5 600	Curro Private College provides extended learning opportunities to Grade 10 learners, who will be assessed through the National Certificate Vocational ('NCV') examination at the end of Grade 12. The NCV is a high-standard, skills-focused qualification that is structured to provide learners with a Grade 9 pass with expertise in various areas. The NCV programme not only equips learners with the necessary knowledge in their field of specialisation, but also provides them with valuable skills and work experience.
<b>Meridian Schools</b>	35 learners	R3 282	Meridian Schools are educational institutions that offer learning opportunities for learners up to Grade 12, with one school also accommodating preschool children. These schools are co-educational and use English as the medium of instruction, with learners writing the NSC examination at the end of Grade 12. The schools follow a cost-sensitive model to provide affordable school fees while still maintaining academic standards and delivering the Curro curriculum. The curriculum also includes a digital wider subject choice offering, enabling FET phase learners to select subjects not offered at their specific school. Additionally, Meridian Schools offer a variety of focused sports and cultural activities. The management of Meridian Schools is a joint venture between Curro Holdings, Old Mutual, and the Public Investment Corporation.
<b>Curro Online</b>	25 learners	R5 011	Curro Online is an innovative virtual learning programme designed to cater for learners from Grade 4 to Grade 12, providing teacher-guided education from the comfort of their homes through digital platforms. This means that lessons are delivered in a synchronous fashion with a maximum of 25 learners per class. The programme is presented by dedicated teachers, ensuring the best possible quality education is offered. The school fees include all live lessons and support materials, as well as all required software licenses, making it an easy-to-follow and cost-effective option for parents. Curro Online's modern and tech-savvy approach, coupled with small class sizes, fosters a sense of independence and responsibility in learners, while equipping them with the necessary skills for the future workplace.



## 2.2 GENERAL

### 2.2.2 Segmentation of monthly fees paid

Curro is committed to providing quality independent education to as many learners as possible. In recognition of the economic challenges facing families, Curro has established a proportionate system of learners per school-fee bracket, based on average monthly school fees. This ensures that education is accessible to a wide range of families, regardless of their financial situation. Curro's proportion of learners per school-fee bracket (average monthly school fees per grade) is as follows:



### 2.2.3 Curro's ethos and values

Curro's values are grounded in four key principles that inspire the group's mission to create a space where learners can flourish.

#### These principles are as follows:

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

By embracing these principles, Curro provides a holistic education that promotes individual growth and development. The group's name, 'Curro', meaning 'I run' in Latin, reflects the idea that learners can progress at their own pace and according to their unique aptitude, attitude, and talents.

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

At Curro, the belief is that by nurturing these values in staff, the company can help learners to become confident, responsible, and successful individuals who are equipped to make a positive impact on the world.

### 2.2.4 Curriculum approach

Curro schools are committed to innovation in teaching and learning, utilising technology to continuously improve the education offered to the learners. It is understood that the key to successful learning is the alignment of the taught curriculum with the written curriculum, which serves as the backbone of Curro's academic offering.

The company's curriculum strategy is regularly reviewed and enhanced at strategy board meetings, where progress on strategic initiatives aimed at providing an even better educational experience for the learners are monitored.

Curro follows its own internally developed (in-house) preschool curriculum which focuses on developing the physical, social, and emotional well-being of children while providing a strong foundation for their future education. This practical framework facilitates both adult-facilitated and self-directed learning, preparing children for a bright and successful future.

### 2.2.5 Academic performance

Curro's mission is to shape the future by nurturing and developing well-rounded individuals who can serve society at all levels. With a firm belief that education is the key to unlocking one's potential, Curro strives to provide learners with the necessary skills and knowledge to succeed in the workplace and beyond.

At Curro, inclusivity is of great importance, and the school system is designed to cater to the unique needs of each individual learner. Curro recognises that self-actualisation occurs at different stages in a person's life, and the school system is equipped to accommodate learners with different learning challenges.

Through a dedicated and dynamic approach to education, Curro is committed to nurturing the next generation of leaders and professionals who will make a positive impact on society. With a focus on developing young adults with a broad range of skills and abilities, Curro aims to shape the future and make a meaningful contribution to the world.

In 2023, a total of 4 038 (2022: 3 438) learners wrote the Grade 12 examinations (IEB, NSC or Cambridge, as relevant). For the 2023 academic year, Curro's IEB schools had an overall pass rate of 99.2% for its Grade 12 learners. The results showed that 84.3% of learners achieved university exemption and 9.4% an A average. The number of candidates with an average of C or above was pleasing at 66.1%.

The Grade 12 pass rate for all Curro's NSC schools in 2023 was 95.0% and 54.6% of candidates achieved university or diploma exemptions.

Refer to the following tables for more details on academic performance in 2023, including statistics on university and diploma exemptions and the percentage of learners who achieved distinctions and an average of more than 60.0%.

IEB					
	Number of learners	Pass rate	University exemption	Learners with an A average	Average > 60%
2023	2 229	99.2%	84.3%	9.4%	66.1%
2022	1 893	98.6%	84.3%	10.0%	67.3%
2021	1 774	98.6%	83.7%	10.8%	69.5%
2020	1 525	99.5%	85.8%	10.7%	70.5%

NSC*					
	Number of learners	Pass rate	University or diploma exemption	Learners with an A average	Average > 60%
2023	1 673	95.0%	54.6%	1.8%	37.7%
2022	1 431	94.1%	83.6%	2.4%	38.7%
2021	1 218	93.0%	82.3%	2.6%	37.9%
2020	1 058	95.0%	85.9%	2.5%	38.9%

\*Meridian Schools, Curro Academy Schools and Curro Assisted Learning

CAMBRIDGE					
	Number of learners	Pass rate	University exemption	Learners with an A average	Average > 60%
2023**	136	86.0%	44.1%	11.8%	47.8%
2022^	114	94.7%	52.6%	13.1%	52.6%
2021^	83	96.4%	57.8%	21.7%	61.1%
2020^	133	99.3%	60.2%	15.8%	43.6%

\*\* Cooper College, Courtney House International and Windhoek Gymnasium  
^ Windhoek Gymnasium

## 2.3 CURRO'S JOURNEY

### 1998

- Curro is founded with 28 learners in the vestry of a church.

### 2006

- Curro has approximately 900 learners.

### 2008

- Construction of the third campus in Hazeldean, Pretoria (Curro Hazeldean).
- Curro has more than 1 600 learners.

### 2010

- Curro has five campuses, with approximately 3 000 learners.
- Curro adopts a strategic growth plan to have 40 campuses by 2020.
- Paladin Capital acquires another 25% stake in Curro.

### 2012

- Curro has 19 campuses, with approximately 12 000 learners.
- Raises R476 million through a rights offer.
- Moves to the Main Board of the JSE.



### 1999

- Construction of the first campus in Durbanville (Curro Durbanville).

### 2007

- Curro Langebaan campus opens.
- Curro has approximately 1 000 learners.

### 2009

- Curro has approximately 2 000 learners.
- Paladin Capital, a subsidiary of the PSG Group, acquires a 50% stake in Curro for R50 million.



PSG GROUP LIMITED

### 2011

- Curro has 12 campuses, with approximately 5 500 learners.
- In June, Curro lists on the Alternative Exchange (AltX) of the JSE, with a market capitalisation of approximately R400 million.
- Curro raises R318 million through a rights offer.

### 2013

- Curro acquires Northern Academy and Embury Institute for Teacher Education (Pty) Ltd.
- Adopts '80@20' growth strategy, i.e. 80 campuses will be developed by the end of 2020.
- Curro has 26 campuses with 21 027 learners.
- Commences with Meridian Schools.
- Raises R606 million through a rights offer.
- Lists a domestic medium-term note programme on the JSE.
- Curro develops five new campuses.

### 2015

- Starts the year with 42 campuses (101 schools) and 35 970 learners.
- Curro Academy Schools are launched.
- Invests R1 billion in growth and expansion projects.
- Develops five new campuses.
- Raises R740 million through a rights offer.

### 2017

- Reports an annual revenue of R2 billion for the first time.
- The higher education division, STADIO Holdings, lists on the JSE and unbundles to shareholders.
- Curro invests R324 million in the construction of five new campuses and R652 million in expansion projects for existing campuses.
- Ends the year with 45 870 learners and 51 campuses (127 schools).

### 2014

- Adds 10 new campuses, of which eight are constructed and two acquired.
- Develops existing schools further to the value of approximately R500 million.
- Reports an annual revenue of R1 billion for the first time.
- Rights offer of R600 million takes place during June.
- Curro ends the year with 32 campuses and 28 737 learners.

### 2016

- Curro ends the year with 49 campuses (115 schools) and 43 183 learners.
- Acquires Windhoek Gymnasium in Namibia, Building Blocks and St Conrad's College.
- Invests R1.7 billion in growth and expansion projects.

### 2018

- Expands into Botswana with the acquisition of Baobab School, a leading primary school with a 27-year history.
- Curro also acquires Cooper College, Northriding College and an assisted learning school, Dot's Learning Centre (Curro Uitzicht).
- Invests R1.4 billion in the construction of six new campuses, expansion projects and land-banking opportunities.

## 2.3 CURRO'S JOURNEY

### 2019

- Launches two new school models, Curro DigiEd and Curro Private College, expanding the education offering to eight models.
- Ends the year with 57 597 learners on 70 campuses (166 schools).
- Acquires Creston College (KwaZulu-Natal), Sagewood School (Gauteng) and Land of Oz Nursery School (Gauteng).
- Announces its maiden dividend.

### 2021

- On 28 February 2021, after a delayed start to the academic year, Curro has 66 153 learners on 76 campuses (178 schools).
- Acquires St George's Preparatory School (Gqeberha).
- Introduces a wider subject choice offering.
- Ends the year with 66 447 learners.

### 2023

- Curro celebrates 25 years of excellence in the independent education sector.
- On 20 February 2023, Curro has 73 047 learners on 78 campuses (182 schools). Opens Curro Victory Park.
- Acquires Courtney House International School (Gauteng) and ends the year with 72 031 learners.

### 2020

- On 31 January 2020, Curro has 62 698 learners on 76 campuses (175 schools).
- Acquires The King's School Linbro Park (Gauteng).
- Launches Curro Online.
- Curro consolidates/refocuses non-profitable preschools and closes one non-profitable school.
- Works closely with government to set Covid-19 standards and protocols to keep schools open.
- Curro raises R1.5 billion through a rights offer.
- Ends the year with 60 187 learners on 76 campuses.

### 2022

- On 18 February 2022, Curro has 70 408 registered learners on 76 campuses (178 schools).
- Opens the new Curro Durbanville High School state-of-the-art campus.
- Acquires HeronBridge College (Gauteng).
- Ends the year with 70 724 learners

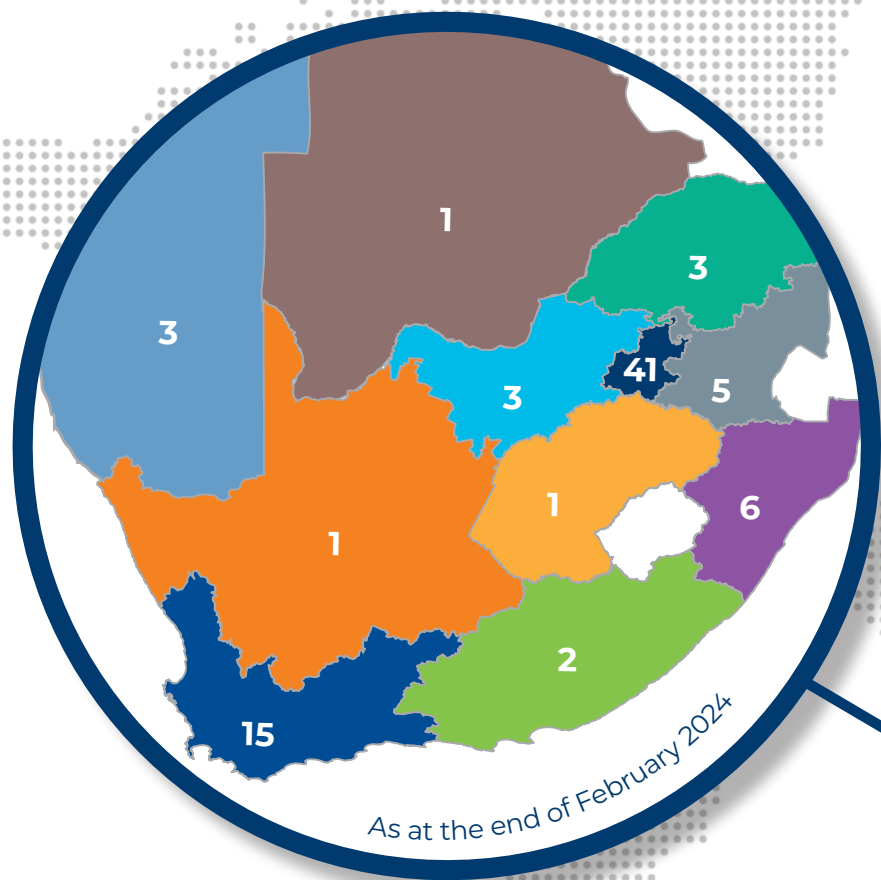
### 2024

- On 5 February 2024, Curro has 81 campuses (189 schools) with 73 159 learners enrolled.
- Opens two new campuses in Namibia (Oshana Gymnasium and Walvis Bay Gymnasium) and Curro Barlow Park (Gauteng).

25 YEARS OF EXCELLENCE



## 2.4 GEOGRAPHIC FOOTPRINT BY CAMPUS



<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>
<b>BOTSWANA</b> Baobab School	<b>NORTHERN CAPE</b> Curro Kathu	<b>NAMIBIA</b> Oshana Gymnasium Walvis Bay Gymnasium Windhoek Gymnasium	<b>FREE STATE</b> Curro Bloemfontein	<b>EASTERN CAPE</b> Curro Westbrook St George's Preparatory School	<b>NORTH WEST</b> Curro Academy Mahikeng Curro Klerksdorp Meridian Rustenburg

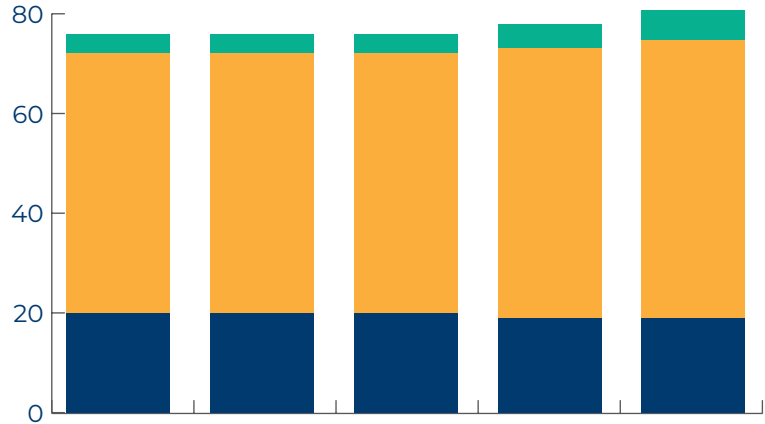
<b>3</b>	<b>5</b>	<b>6</b>
<b>LIMPOPO</b> Curro Heuwelkruin (Polokwane) Northern Academy I (Polokwane) Northern Academy II (Polokwane)	<b>MPUMALANGA</b> Curro Bankenveld Curro Nelspruit Curro Secunda Meridian Karino (Nelspruit) Curro Academy Mbombela	<b>KWAZULU-NATAL</b> Creston College (Port Shepstone) Curro Heritage House (Durban) Curro Hillcrest Curro Salt Rock (Ballito) Grantleigh (Empangeni) St Dominics Newcastle

<b>15</b>
<b>WESTERN CAPE</b> Curro Academy Sandown (Table View) Curro Brackenfell Curro Burgundy Curro Century City Curro Delft Curro Durbanville Curro Foreshore Curro George Curro Hermanus Curro Langebaan Curro Mossel Bay Curro Rosen Castle Curro Somerset West Curro Uitzicht Meridian Pinehurst

<b>41</b>
<b>GAUTENG</b> Cooper College (Johannesburg North) Courtney House Curro Academy Clayville Curro Academy Mamelodi Curro Academy Parkdene (Boksburg) Curro Academy Pretoria Curro Academy Protea Glen Curro Academy Riverside Curro Academy Savanna City Curro Academy Soshanguve Curro Academy The Blyde Curro Academy Wilgeheuwel Curro Aurora (Randburg) Curro Barlow Park 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 Victory Park Curro Vanderbijlpark Curro Waterfall HeronBridge College Meridian Cosmo City Northriding College (Roodepoort) The King's School Linbro Park Waterstone College (Johannesburg South) Woodhill College (Pretoria)

# 2.5 KEY STATISTICS

## Number of campuses

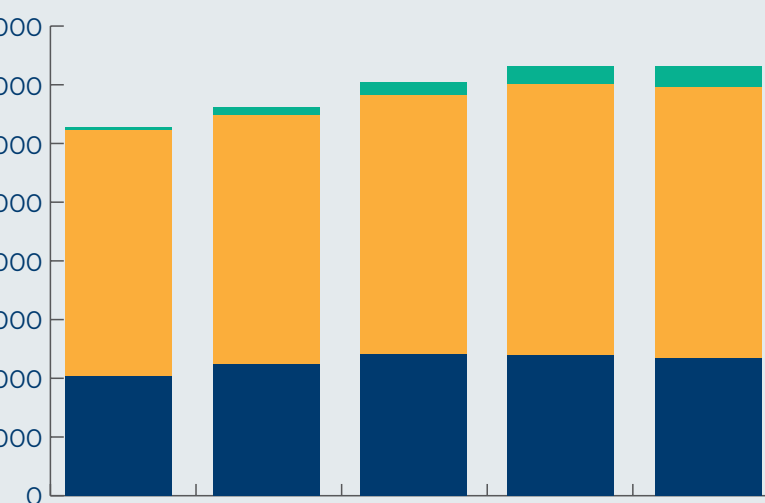


Feb 2020	Feb 2021	Feb 2022	Feb 2023	Feb 2024	
4	4	4	5	6	DigiEd Schools
52	52	52	54	56	Curro, Curro Preschools, Curro Select Schools and other
20	20	20	19	19	Meridian and Curro Academy Schools
76	76	76	78	81	Total

## Learner demographics – 2023

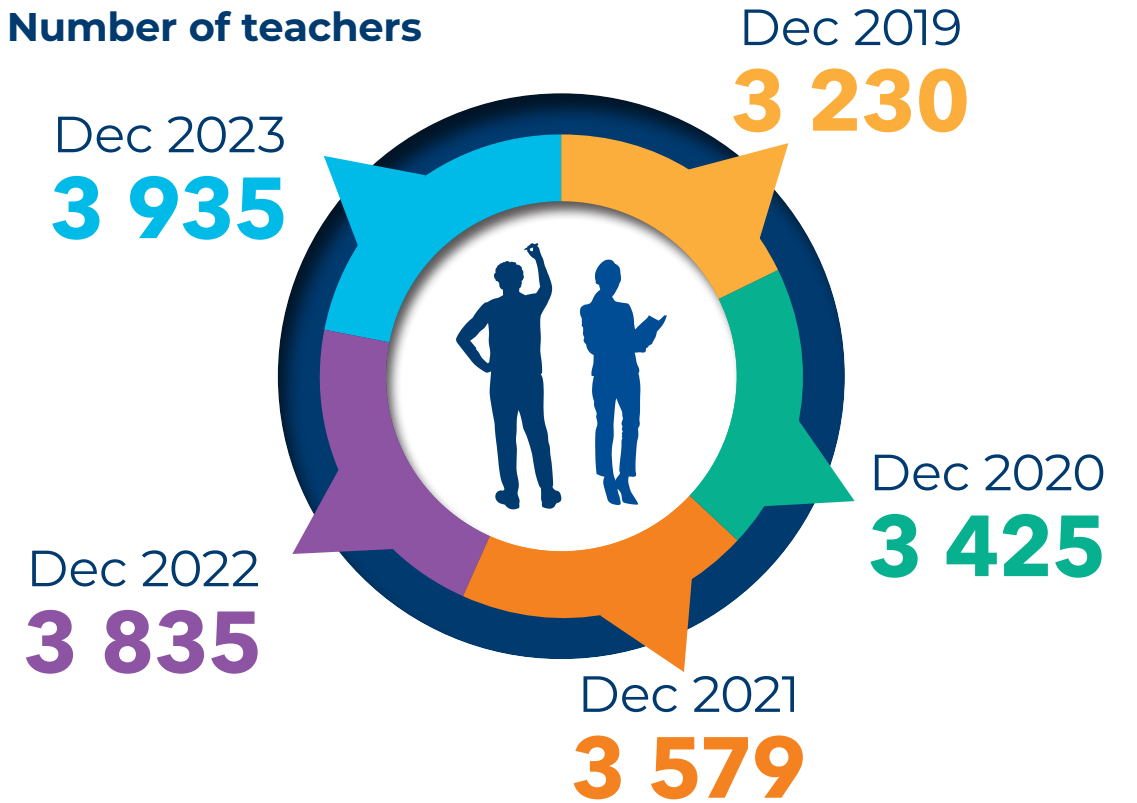


## Number of learners



Feb 2020	Feb 2021	Feb 2022	Feb 2023	Feb 2024	
527	1 411	2 236	2 936	3 557	DigiEd Schools
41 792	42 337	44 145	46 262	46 138	Curro, Curro Preschools, Curro Select Schools and other
20 379	22 405	24 027	23 849	23 464	Meridian and Curro Academy Schools
62 698	66 153	70 408	73 047	73 159	Total

## Number of teachers



# 2.6 GROUP FINANCIAL PERFORMANCE REVIEW

## Key performance indicators for the years ended 31 December

	2017	2018	2019	2020	2021	2022	YOY growth	2023	CAGR
<b>Profitability</b>									
Revenue (R million)	2 098	2 496	2 944	3 094	3 543	4 156	15%	<b>4 764</b>	15%
Employee costs (R million)	1 107	1 290	1 569	1 567	1 830	2 054	9%	<b>2 238</b>	12%
EBITDA (R million)	472	627	693	686	789	926	25%	<b>1 155</b>	16%
Recurring profit attributable to ordinary shareholders (R million)	209	248	212	179	245	330	29%	<b>426</b>	13%
Recurring headline earnings per share (cents)	48.1	60.1	50.0*	38.0	40.9	55.4	32%	<b>73.2</b>	7%
EBITDA margin	23%	25%	24%	22%	22%	22%		<b>24%</b>	
<b>Statement of financial position</b>									
Total assets (R million)	8 085	9 165	10 485	11 114	11 552	12 264	0.4%	<b>12 310</b>	7%
Interest-bearing liabilities (R million)	2 342	2 853	3 680	2 953	2 840	3 247	2%	<b>3 317</b>	6%
Equity (R million)	4 996	5 272	5 416	6 766	7 100	7 256	(2%)	<b>7 128</b>	6%
Net asset value per share (cents)	1 213	1 277	1 312	1 132	1 189	1 224	0.4%	<b>1 229</b>	0.2%
<b>Capital investment</b>									
Total capital investment (R million)	1 192	1 373	1 246**	650	929	1 115		<b>715</b>	

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

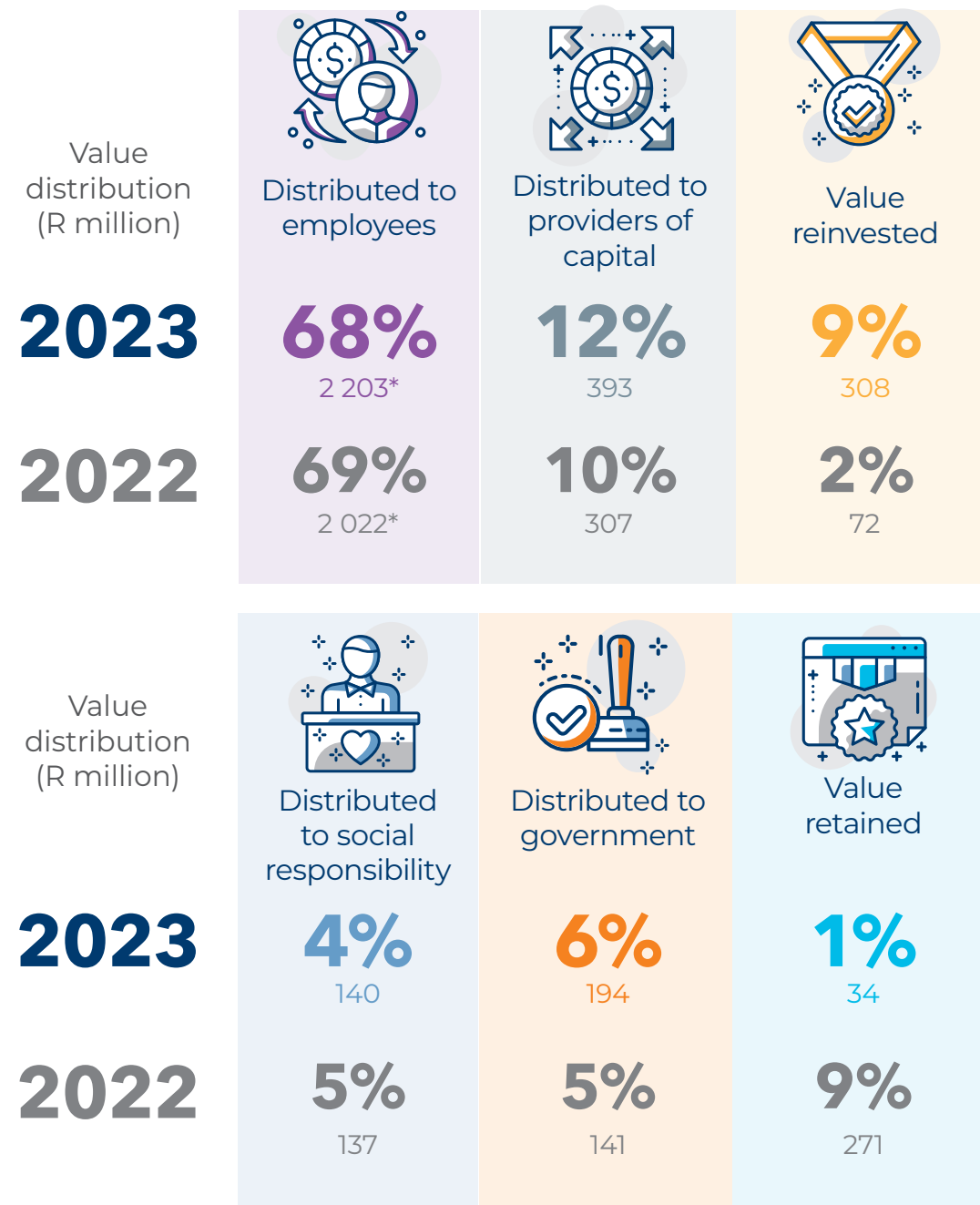
\*\* Figure adjusted from R1 285 million previously reported to exclude the other investing activities, which represent the net flows into money market funds during the year.



Curro Durbanville

## 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.



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

## 2.7 GROUP HIGHLIGHTS 2023

### 2.7.1 Business operations

Curro's weighted average number of learners for the year ended 31 December 2023 increased by 1.8% to 72 031 (2022: 70 724) and the group had 73 159 registered learners on 5 February 2024.

- The group's focus remains on cost management and the optimisation of specific efficiencies. This focus resulted in the group's operating margin expanding to 17.8% for the year, from 15.5% in 2022.
- The group acquired the Courtney House International School, and the school was successfully onboarded during 2023.
- The Curro DigiEd model continues to grow, with the launch of Curro Barlow Park in Sandton at the beginning of 2024.

### 2.7.2 Curriculum

- The Independent Examinations Board ('IEB') saw 2 229 Curro matriculants achieving a 99.2% pass rate, with notable achievements including top IEB candidates Dia Singh (ten distinctions) and Jessica Biesman-Simons (nine distinctions).
- The National Senior Certificate ('NSC') results further solidified Curro's academic prowess, with 1 673 learners achieving a 95.0% pass rate, demonstrating exceptional dedication and hard work across the Curro network.
- Curro Online and Curro Foreshore celebrated their first groups of Grade 12 graduates, underscoring the effectiveness of online and digital learning.
- Curro implemented additional curriculum structures that closely manages the curriculum in all schools. Anthony Edwards has taken over the leadership of the team from André Pollard, who is retiring after a successful career at Curro. The national team includes five curriculum leaders who are excellently qualified and have years of experience in managing the curriculum for their schools, supported by several subject experts in each curriculum.
- The centralised curriculum team continues to present all schools with regular opportunities to attend training and development, including sessions presented and accredited by the South African Council for Educators ('SACE').
- Curro has adopted a fresh approach in terms of continuous learning and development, encouraging teachers to inspire one another to integrate 21st-century pedagogy into their daily lesson planning. To this end, an assessment mechanism was deployed that schools can employ to identify exceptional teachers in terms of 21st-century education methodologies.



Curro Academy Savanna City

# 2.7 GROUP HIGHLIGHTS 2023

## 2.7.3 Sport

Curro is passionate about playing and competing in sport. The group has thousands of learners who play in a wide range of sports, competing strongly in traditional sports like netball, soccer, hockey, cricket, tennis and rugby. Further information is provided below on other sports where Curro has unique initiatives.

- In April 2023, **Curro Esports** hosted its inaugural Esports Indaba in Stellenbosch for 85 coaches from Curro schools nationwide. Steven Reid, global Microsoft Engagement Officer, shared insights on integrating Minecraft into classrooms, captivating delegates. On social media, the indaba generated significant buzz for the Curro Sport Facebook and Instagram pages.
- Curro Esports debuted LAN events in Gauteng and the Western Cape in 2023, drawing 91 and 67 gamers respectively. The national LAN event featured 306 gamers and live-streamed gameplay on Twitch.
- Curro Esports presented at both the Schoolscape events in Gauteng and KZN as well as the Africa Games week in December.
- The inaugural **Curro AquaElite** gala, held in collaboration with Aquazone Swimming Club at Curro Hillcrest in September 2023, showcased top swimming talent. Curro-owned clubs had a record number of entrants in the **Swimming South Africa Championships**, across all levels, with more medalists than ever.
- **World Bike Day** was celebrated at Curro on 3 June 2023. Celebrated at all the preschools as part of the 25-year celebrations of Curro, learners participated in a 25-minute relay event. Teams consisted of 5 learners each, who alternated before handing the baton over to the next learner. Batons could be anything creative that the school wanted to use and much fun was had. Curro's Cape Epic team participated in this challenging race in 2023.
- **The Pitso Mosimane Soccer Schools** programme was launched in 2023 and piloted in two Curro schools, namely Meridian Cosmo City and Northern Academy. This programme consists of both a curricular and extra-mural component where accredited coaches are appointed at each school to implement the essential and advanced components of soccer to the various grades and age groups. The programme has been such a success, that it has been extended to a further ten schools in 2024, with over 6 000 learners involved in 2024.



Meridian Cosmo City

## Developing exceptional coaches

- The group is actively investing in its staff to be top sports referees, coaches and administrators.
- The Coaching the Coaches campaign for the upskilling of Curro staff in 2023 was hugely successful and well supported.

The results are as follows:

Sport	Qualification	Number of staff accredited
<b>Athletics</b>	Athletics SA level 1 officials accreditation	<b>61</b>
<b>Netball</b>	Netball SA level 1 coaching accreditation	<b>96</b>
<b>Hockey</b>	SA Hockey Association level 0 coaching accreditation	<b>67</b>
	SA Hockey Association level 0 umpire accreditation	<b>40</b>
<b>Soccer</b>	SA Football Association level D licenses	<b>34</b>
<b>Cricket</b>	Gary Kirsten CoachEd accreditations – level 2	<b>40</b>
	Gary Kirsten CoachEd accreditations – level 3	<b>1</b>
	Gary Kirsten CoachEd accreditations – level 4	<b>3</b>

- Curro is proud of Tanya van Niekerk from St Dominics Newcastle, who was appointed to the Federation of International Hockey's panel as an umpire manager.

## Curro Podium event

- In 2023, the **Curro Podium** athletics series was launched featuring regional events in the north and south, leading to the grand finale at Tshwane's Pilditch Stadium. The grand finale showcased 41 schools and 1 408 high school athletes, broadcast live on SuperSport Schools. The event's social media impact was remarkable. It saw a significant increase in the Facebook page following of Curro Sport and a very high engagement rate surpassing industry norms.
- Curro Podium North, held in collaboration with Curro Hazeldean, featured 61 schools and 1 624 athletes – similarly to the south event, hosted with Curro Durbanville.
- Curro is really proud of Bayanda Walaza from Curro Hazeldean who set a new world record by breaking the under-20 100-m sprint record with a time of 10.14 seconds at Curro's Podium event in February 2024.



'Teenage sprinter Bayanda Walaza is the real deal.' – *The Citizen*, 24 March 2024



# 2.7 GROUP HIGHLIGHTS 2023

## 2.7.4 Culture

- 2023 saw the continuous development and capacity building of arts and culture at Curro through Curro Create with mentorship-based projects, reaching thousands of learners and teachers.
- The four base Curro Create projects being **Curro Arts Superhero ('CAS')**, the **#Straight2Camera Monologue Festival**, the **annual Curro Create National Youth Theatre Festival ('CCNYTF')**, and the **Advanced Mentorship Programme ('AMP')** were delivered successfully in 2023 enjoying a record learner-number participation of almost 15 000.
- Curro is proud that they can provide employment to some of South Africa's finest performing-arts professionals. During 2023, just short of 100 industry professionals worked with Curro through its various projects meaning that Curro's learners can work with and learn from the finest that South Africa has to offer.
- Curro's **National Youth Theatre Festival** had 38 entries, and 580 young actors/directors/technicians worked on stage productions.
- For the **#Currage Concert**, Curro had 540 national auditions, and 23 learners were cast from across the country and Namibia, 21 performers and two technical assistants. These learners joined for rehearsals in Stellenbosch, together with five mentors (all Curro teachers), a musical director, choreographer, costume designer, and a full technical team. The concert ran for a week in Stellenbosch and a week at the Atterbury Theatre in Pretoria, sold out, and the production was seen by 3 000 audience members. The group also recorded the concert and edited into the #Currage movie.
- The **#Straight2Camera Monologue Festival** attracted a record number of 976 entries, with 35 finalists who were mentored by professional actress Ira Blanckenberg.
- Curro's Grade 12 Drama learners were mentored in their practical exam programmes by the head of **Curro Create Classroom**, Stian Bam, which involved 200 matric learners and 22 Drama teachers. Curro also started a **Drama Teachers' Collective**, supporting the teachers in the classroom. Curro had its first Dramatic Arts teachers' workshop in Pretoria, which was attended by all Drama teachers (Grade 10 to Grade 12) and made a marked difference in their skills level and ambition. The project also supplied each school that offers Dramatic Arts as a subject with a full kit of five black stage boxes and two flats to aid them in constructing scenes and monologues. Curro Create also brought out their first online tutorial on its YouTube channel that dealt with text analysis.
- For the **Advanced Mentorship Programme**, Curro selected 23 learners who were mentored during one-to-one sessions by professional writers, artists, actors and singers. All of these programmes were packaged or recorded and posted on their YouTube channel, which now boasts more than 350 originally created videos.



## 2.7 GROUP HIGHLIGHTS 2023

### 2.7.5 Community Outreach

During 2023, Curro once again made a difference in the lives of others and gave back to the community at large. The 'Hip to be Square' Mandela Day initiative is just one example. This endeavour brought together individuals from diverse backgrounds to knit or crochet squares to be sewn into blankets of hope and compassion. Each 20-by-20-cm square, knitted not only by parents, guardians, learners and staff of Curro, but also by contributors in retirement homes, prisons and rehab centres, symbolised unity and resilience.

Each square was sewn into a blanket and delivered to those in need. The project's impact extended beyond expectation, with **1 053 blankets** distributed to **39 children's hospitals, community centres and non-profit organisations**. Mossel Bay Provincial Hospital and Tumelo Home for Mentally Handicapped Children were among the recipients.

The squares told a story of diversity and unity. The blankets symbolised South Africa itself – a tapestry of individuals forming a strong, beautiful whole, each square serving as a testament to wellness, skill-learning, and civic spirit. Even young children at Curro Krugersdorp Preschool contributed to the 'Warm Heart for the Needy' project, an additional project that highlights the initiative's inclusivity and reach.

Curro's 'Hip to be Square' became a symbol of compassion and hope, showcasing the power of human connection and collective action.



Hip to be Square project



## 2.7 GROUP HIGHLIGHTS 2023

### 2.7.5 Community Outreach (continued)

Curro's commitment extends far beyond the classroom. The group is dedicated to making a positive impact in the communities it serves. Each year, Curro prioritises reaching out to those in need, driven by the belief that collective action can create a better future for all. Curro is immensely proud of the dedication and generosity shown by its parents, guardians, learners and staff as they invested their time, energy and resources into supporting various community initiatives throughout 2023.

During the year, Curro schools actively engaged in a range of community outreach projects, including but not limited to the following:

- Collecting and distributing food, clothing and other essential items to various non-profit organisations and communities in need, from children's homes and children with learning challenges to care centres for the elderly.
- Special collections during the festive season.
- Collecting and distributing supplies for animal welfare organisations.
- Environmental projects such as beach and river clean-ups.
- Celebrating and thanking local community services such as neighbourhood watch teams.

Curro takes immense pride in the commitment and effort demonstrated by its schools in serving communities. Each act of kindness not only benefits those in need but also nurtures empathy and compassion in the learners. By addressing societal challenges, Curro instils social responsibility and broadens learners' perspectives.

Through community engagement, Curro aims to create a more inclusive and caring society.



**Curro Academy Riverside**  
Curro Academy Riverside learners took part in the Santa Shoebox Project, spreading love and kindness during the festive season.



**Curro Academy Parkdene**  
Curro Academy Parkdene had a food drive for the Boksburg SPCA. The learners then visited the SPCA where they were educated on animal health and care.

# 2.7 GROUP HIGHLIGHTS 2023

## 2.7.5 Community Outreach (continued)



**Curro Academy Sandown**  
Curro Academy Sandown collected various soup items to assist the Siyazama Aftercare Center in Dunoon with their soup kitchen.



**Curro Academy Mbombela**  
Curro Academy Mbombela learners and staff showed compassion by donating food items to their local SPCA.



**Curro Century City**  
Curro Century City made and donated sandwiches to TLC Outreach Projects who then distributed the sandwiches to people in need throughout the community.



**Meridian Cosmo City**  
Meridian Cosmo City did their part for the environment by having the Green Development Foundation visit the school to plant ten fruit trees.



**Curro Bankenveld**  
Curro Bankenveld collected chocolate slabs which were decorated and handed to CSC Tactical as a token of appreciation for keeping them all safe at school.



**Curro Burgundy**  
Curro Burgundy dedicated their efforts to a beach cleanup for Mandela Day. Learners and staff united to support this meaningful cause, demonstrating their commitment to environmental stewardship and community service.



**Meridian Pinehurst**  
Meridian Pinehurst learners and teachers united in pink to support Breast Cancer Awareness Month, and the matric council added colourful flair with spray-painted hair and faces.

# 2.7 GROUP HIGHLIGHTS 2023

## 2.7.5 Community Outreach (continued)

### Curro Durbanville

Curro Durbanville committed to the stationery drive outreach project. They asked the community to donate any used and new stationery to support the neighbouring community in Fisantekraal.



### Curro Salt Rock

Curro Salt Rock learners gave back by spending some time with animals and assisting with yard work.



### Baobab school

Baobab School learners and staff donated winter clothing and toiletries to the children at the SOS Children's Village in recognition of Day of the African Child.



### Cooper College

Cooper College hosted termly SANBS blood drives at their school. Learners and staff proudly participated and in so doing saved many lives.



### Windhoek Gymnasium

Windhoek Gymnasium had the opportunity to collaborate with I Dream Africa in carrying out an outreach initiative in the Kunene region.



### Curro Somerset West

Curro Somerset West collected donations for the elderly at Huis Esperanza in Strand. The donations were placed in gift boxes and wrapped by learners. The boxes contained basic toiletries, treats, reading material and games.

### Curro Aurora

Curro Aurora matrics were encouraged to leave their shoes behind on the last day of school so that these could be donated to underprivileged communities.



## 2.7 GROUP HIGHLIGHTS 2023

### 2.7.6 Ruta Sechaba Foundation

#### Life-changing opportunities

Curro is proud to share the remarkable work of the Ruta Sechaba Foundation in this report.

The Ruta Sechaba Foundation is a public benefit organisation that provides life-changing opportunities to qualifying learners. Established in 2016 with the PSG Group BEE Education Trust as its initial donor, the foundation has since established numerous corporate partnerships that have helped to bring its vision to life. Working closely with companies to identify and support talented learners, the Ruta Sechaba Foundation has grown into a powerful and highly successful programme, providing scholarships, bursaries, and awards to over 540 learners in the 2023 academic year alone at Curro and Curro-managed schools. With 206 candidates writing the Grade 12 final year examination, the results speak for themselves, with over 296 subject distinctions achieved. The bachelor's degree ('BD') pass rate, a university entrance qualification, stands at an impressive 88%. Curro supports the Ruta Sechaba Foundation and remains committed to helping talented learners achieve their full potential, creating a brighter future for all.

Ruta is proud to share some of its partnerships below:

- KFC partnership formed in 2021, with the KFC Ikusasa Lethu scholarship programme continuing for the 2024 academic year, adding KFC-identified learners year on year to give more opportunities to deserving learners.
- Jones & Wagener continues their commitment to adding ten new learners to its list in 2024. The company also committed to funding the 2024 university fees of their beneficiaries.
- Capitec has increased its 2024 beneficiary list by adding 17 new learners.
- The Alexandra Education Committee and Reatile have both added more learners to their 2024 academic beneficiary list, giving more learners the opportunity to succeed.
- In addition, PSG, the founding donor, has added 192 learners to its 2024 beneficiary list.
- The foundation has also onboarded two new donors, namely Exxaro and the Jannie Mouton Foundation.
- Exxaro will be funding 40 learners at Meridian Karino and Northern Academy and will cover 100% of school and boarding school fees, including all academic costs. They have committed to a nine-year programme adding 20 Grade 8 learners each year for five years until they reach a beneficiary list of 100 learners.
- The Jannie Mouton foundation partnered with the Ruta Sechaba Foundation in 2023 and has increased its funding for the 2024 academic year to benefit more learners.

Curro nurtures the progress of their Ruta Sechaba candidates closely, who continue to impress and inspire with their excellence. Curro is particularly proud of the Grade 12 candidates who achieved exceptional results in the 2023 academic year.

Companies who would like to make a real difference in South Africa within an existing well-established and successful programme, can contact the Ruta Sechaba Foundation by visiting [www.rutasechaba.org](http://www.rutasechaba.org).

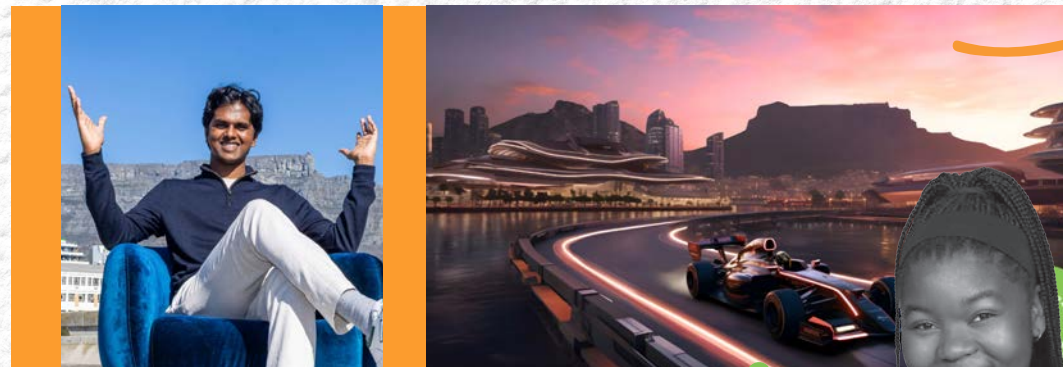


Click on these links to view and read about some of the Ruta stars!

[CLICK HERE](#) to see how **Onwabile Ndlebe** re-imagined Durban.



[CLICK HERE](#) to see how **Katlego Bogashu** re-imagined Joburg.



[CLICK HERE](#) to read more about **Dashayin Gilbert** and how he re-imagined Cape Town.

[CLICK HERE](#) to hear **Simphiwe Sakala's** amazing story.

The Ruta Sechaba Foundation continues to grow, providing bright young minds with opportunities for a brilliant future!

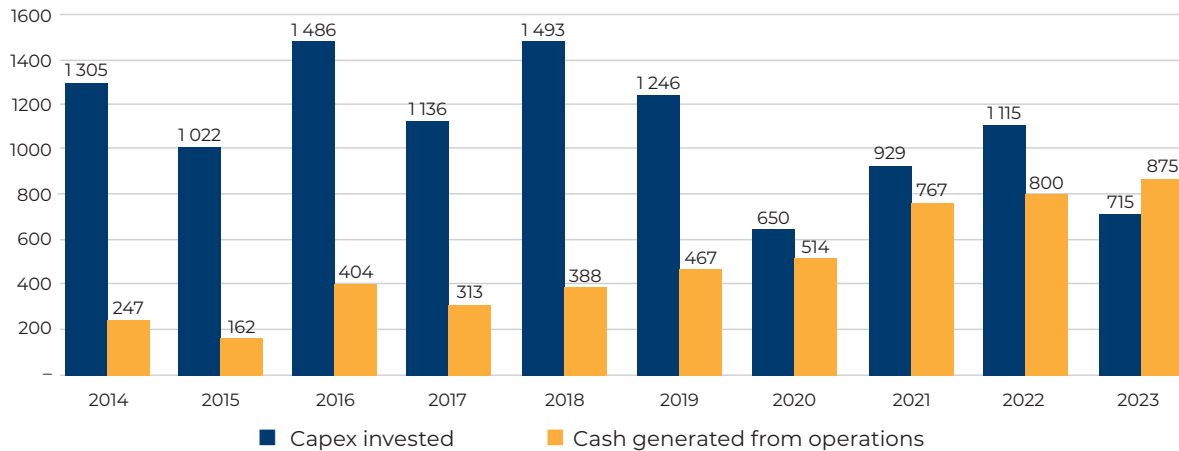


## 2.8 CURRO'S INVESTMENT CASE

### Why invest in Curro?

Curro offers a rewarding opportunity for investors supportive of real sustainability and serious about the returns that they achieve. The group generated significant growth momentum and built a powerful brand in education whilst establishing its large network of schools over more than two decades. It is led by an experienced and talented team who are driving Curro's financial returns higher as more families opt for its high-quality education.

Curro's cash flows from its operating activities exceeded capital investment for the first time in its history in 2023 (see graph below). This is an important milestone in the trajectory of the business model and underscores the investment case for shareholders. Curro expects that this trend will continue in the future.



### 1. Profound impact on the 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 'Exceptional education for future leaders'. The business has grown significantly in this noble quest to extend opportunity to more learners across the region.

### 2. Strong demand and potential for the product

The public sector in South Africa has a significant backlog in the provision of schooling and associated facilities.

New government schools are typically required in rural and underdeveloped areas, where parents often cannot afford 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 for the state. Newly developed middle- and upper-income residential areas seldom receive a new government school, despite ongoing urbanisation. Consequently, this huge demand puts significant pressure on capacity at existing schools in urban areas, resulting in rising class sizes in government schools.

Curro believes these challenges provide positive dynamics for the independent-school sector to still grow significantly. There is estimated 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, regardless of future population and economic growth.

### 3. Strong predictability in business model and high cash generation

Curro's business is increasingly predictable and the group is on track to fulfil its potential. Investors are reminded that 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 and up to ten years for a school to mature.

- Schools are very cash generative, with a predominance of annuity income because school fees are paid annually upfront 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, most costs are fixed or semi-fixed, which means that generally, 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.

### 4. Curro is the market leader

As of 5 February 2024, Curro had 81 campuses with 189 schools and 73 159 learners – almost double the number of school learners than the second biggest for-profit independent school group.

- Globally, Curro is among the 10 largest for-profit school groups based on learner numbers.
- Curro has invested R13.6 billion to date to establish its large national network of schools.
- The potential market expands due to Curro's range of products across different price points.
- Curro provides independent schooling for as low as R2 310 per month, which compares favourably with alternative state school options.
- 18% of Curro's learners on average pay less than R3 500 per month for schooling, with 43% paying less than R5 000 per month.

### 5. Significant skills and experience

Curro can charge lower school fees to generate similar returns on investment than other players in the industry.

- Curro has a specialist and experienced management team with a proven track record of value creation at scale.
- The group invests significant resources in developing 21st-century teaching methodologies that adapt to the way children learn in our society today, embraces digital solutions, and prepares them for an advanced future.
- Continuous development of scalable curriculum-support materials that are used in all its schools.



## 2.8 CURRO'S INVESTMENT CASE

### 6. Competitive advantages

Curro has developed significant competitive advantages, with the most notable being as follows:

- A trusted and credible brand with a track record of academic excellence since 1998.
- Models for quality independent schooling at different price levels with tailored facilities and holistic offering of curriculum, culture and sport.
- A robust and seamless digital tuition offering, with proven success during the disruptive Covid-19-pandemic-related school closures.
- Efficient campus design, development, and funding methodology.
- A maturing portfolio of cash-generative schools.

### 7. Disciplined capital allocation and geared for growth

Curro is confident that it can increase its learners and improve capacity utilisation.

- Curro's market share represents only approximately 5% of the total current estimated market, and c11% of the recorded independent school learners in South Africa.
- Curro currently utilises 64.3% of eventual capacity in the J-Curve for 2023, implying a revenue growth potential of 40% (based on 90% of eventual capacity filled), with lower requirements for additional capital investment (compared to historical) or increased operational expenses. This will accelerate margin and yield for the business.
- Curro has funders who are supportive of its growth aspirations.
- The company will only develop new greenfield schools if 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 current portfolio of schools.

### Market information

#### Global indicators

UNESCO statistics 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 (latest 2021)	7	6	5
World (latest 2022)	36	19	27
Lower middle-income countries (latest 2021)	30	27	40
Middle-income countries (latest 2022)	36	21	29

#### Localised market information

	Number of learners (million)	As % of total
Total number of learners in South Africa <sup>1</sup>	16.4	–
Total number of learners in school in South Africa (Grades R to 12) <sup>2</sup>	13.4	
Assumed midpoint of number of learners who can afford some form of independent schooling	1.5 <sup>3</sup>	10% – 14%
Number of learners in independent schools in South Africa <sup>2</sup>	0.7	5%
A possible additional market potential (midpoint)	0.9	6%

#### References

<sup>1</sup> Ages 5 to 19 STATISTA

<sup>2</sup> 2023 School Realities www.education.gov.za

<sup>3</sup> Number of learners who can afford some form of independent schooling based on:

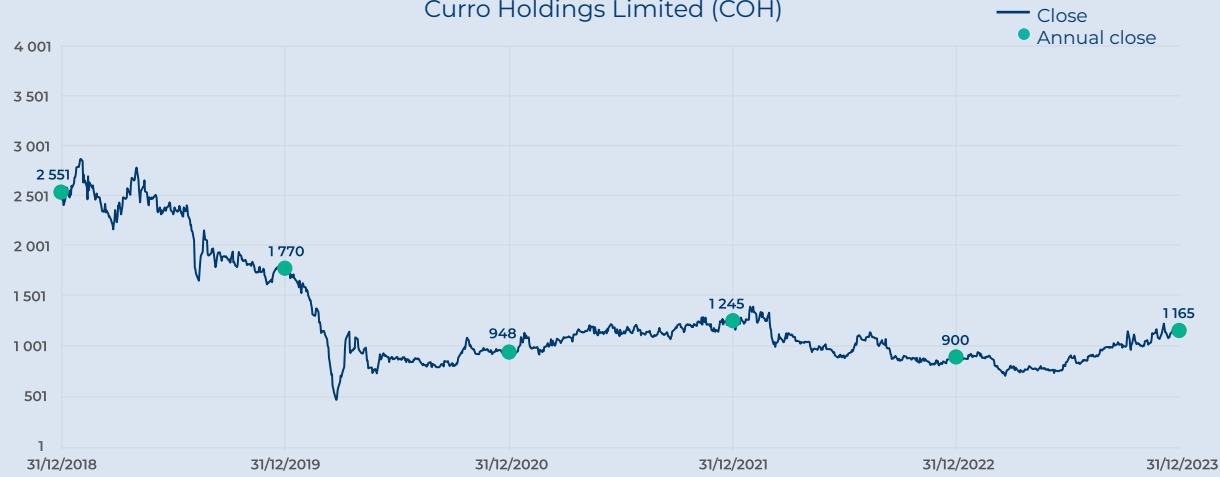
- the number of taxpayers earning > R350 000 per annum (88% between ages 25 and 55 years) – 1.3 million (Ref. SARS) and
- the number of medical aid beneficiaries aged 5 to 18 years – 1.8 million (Ref. JP Morgan)



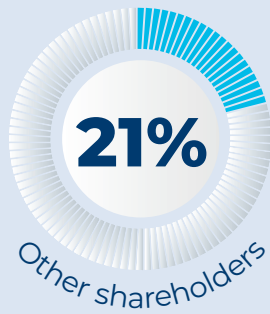
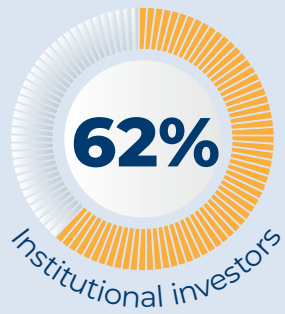


# 2.9 SHAREHOLDER STATISTICS

Share price history  
Curro Holdings Limited (COH)



## Shareholder structure\*



\*As at December 2023

## Listing information

JSE share code	COH
Sector	Retail
Subsector	General retailers

## Stock exchange performance




For the years ended 31 December	2019	2020	2021	2022	2023
Market price – high (cents)	2 923	1 839	1 310	1 450	<b>1 280</b>
Market price – low (cents)	1 581	469	902	805	<b>702</b>
Market price – close (cents)	1 770	948	1 245	900	<b>1 165</b>
Market price – average (cents)	2 221	999	1 136	1 025	<b>920</b>
Volume of shares traded (million)	62	125	87	235	<b>179</b>
Value of shares traded (R million)	1 354	1 167	972	2 240	<b>1 594</b>
Volume/weighted average number of share (%)	15	27	15	39	<b>31</b>
Market capitalisation (R million)	7 294	5 669	7 445	5 382	<b>6 846</b>
Price earnings ratio at year end	23	19	30	15	<b>16</b>



Curro Hazeldean




# 2.10 CAPITAL RESOURCES

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"> <li>equity financing;</li> <li>internally generated cash flows, and</li> <li>debt funding.</li> </ul>	<p>The group uses its financial capital to:</p> <ul style="list-style-type: none"> <li>maintain and improve existing campuses;</li> <li>develop new campuses;</li> <li>acquire schools;</li> <li>develop new and enhance existing curriculums;</li> <li>cover its operating costs, and</li> <li>invest in the continuous training and development of its teachers and support staff.</li> </ul> <p>During June 2023, GCR Ratings upgraded both the long- and short-term national scale issuer ratings assigned to Curro by two levels, from BBB+(ZA) and A2(ZA), to A(ZA) and A1(ZA) respectively, with a stable outlook.</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 2023 Curro invested R715 million as follows:</p> <ul style="list-style-type: none"> <li>R55 million on acquisitions of new land, buildings and schools acquired;</li> <li>R80 million on back-up power;</li> <li>R224 million to expand capacity in classrooms and facilities in existing schools, and</li> <li>R356 million on refurbishment, maintenance and replacement of assets and curriculum.</li> </ul>
 <p>Human capital</p>	<p>Human capital inputs are as follows:</p> <ul style="list-style-type: none"> <li>skilled and experienced teachers across the various Curro schooling models with the ability to engage their learners in all domains of learning;</li> <li>appointment of motivated and competent teaching, administrative and support staff, and</li> <li>centralised office staff to provide essential shared services to schools to enable them to focus on education.</li> </ul>	<p>Curro invests financial capital to employ and develop human capital through the below:</p> <ul style="list-style-type: none"> <li>continuous professional development;</li> <li>the provision of appropriate remuneration, incentives, and an employee retention scheme;</li> <li>internship programmes for various occupations, including IT, marketing, finance, and teaching;</li> <li>continuous development of a culture of strength-based leadership in all Curro schools through ongoing development coaching initiatives, and</li> <li>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.</li> </ul>

OUTPUTS	OUTCOMES	REFERENCE
<p>Curro has shareholders' equity of R7.1 billion with net debt of R3.2 billion.</p> <p>During the 2023 financial year the group generated cash flow from operations of R875 million.</p> <p>Net finance costs to providers of capital were R274 million.</p> <p>Curro paid a final dividend of 14.64 cents per share from income reserves for the year ended 31 December 2023.</p>	<p>Curro has 81 campuses (February 2023: 78 campuses) and 189 schools (February 2023: 182 schools).</p> <p>The group developed three campuses during the period.</p>	<p>Further information is available in the financial review on pages 86 to 96.</p>
<p>Curro has R11.7 billion of non-current assets, with replacement and market values thereof which are estimated to be between R2.5 billion and R3.0 billion higher.</p> <p>Curro has 81 campuses across Southern Africa.</p> <p>These campuses are currently operating at 71.8% of built capacity and 64.3% of eventual capacity.</p>	<p>The quality and uniqueness of its campuses, continuous design, and development of its curriculum and the holistic learner-centred offering (in terms of the balance between academics, sport, and culture) are key differentiators for Curro's business. The group is focused on the ongoing development thereof.</p>	<p>Further information is available in the financial review on pages 86 to 96.</p>
<p>As of 31 December 2023, Curro had 6 756 employees, which included 3 935 teachers.</p> <p>The number of employees increased by an average of 3% per year since 2019, 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 2023 financial year, Curro invested R2 238 million in the remuneration of its employees which include the cost of a share incentive scheme to incentivise and retain key employees and management, bursaries and internships.</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.</p> <p>The Curro Curriculum Management and Delivery ('CCMD') division ensures that Curro's teachers receive continuous training and development.</p> <p>Through STADIO Higher Education, teachers can continue their tertiary education, which may be 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 are contained on page 77 of this report. The remuneration policy and implementation reports are contained on pages 112 to 131.</p>

## 2.10 CAPITAL RESOURCES

	INPUTS	ACTIVITIES
 <p>Intellectual capital</p>	<p>Curro's intellectual capital includes its:</p> <ul style="list-style-type: none"> <li>• brand and related reputation;</li> <li>• information and technology systems;</li> <li>• curriculum development and ongoing enhancement;</li> <li>• 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.</li> </ul>	<p>The ongoing development and maturity of IT governance processes have been evident in:</p> <ul style="list-style-type: none"> <li>• the regular use of an IT governance framework;</li> <li>• the annual review of the IT strategy to align it with Curro's strategy;</li> <li>• the ongoing review and consideration of audits (conducted internally through Curro's outsourced internal audit, and externally through its external audit function);</li> <li>• the routine consideration of IT governance matters on the agendas for the audit and risk committee and related board meetings, and</li> <li>• the embedding of appropriate IT governance practices in day-to-day operations.</li> </ul>
 <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"> <li>• parents and learners;</li> <li>• employees;</li> <li>• communities;</li> <li>• business partners, and</li> <li>• government regulators.</li> </ul>	<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 Representative Parent Committees ('RPCs') at school level. The RPC 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 several ongoing initiatives such as:</p> <ul style="list-style-type: none"> <li>• the installation of water and electricity metres to measure consumption, resulted in a c10% reduction in water usage compared to the baseline of 2022 and the target of 2%;</li> <li>• the use of rainwater storage solutions for irrigation purposes;</li> <li>• the annual measurement of Curro's carbon footprint, and</li> <li>• digitisation opportunities that reduce the need for paper consumption.</li> </ul>

OUTPUTS	OUTCOMES	REFERENCE
<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 allow it to take advantage of growth opportunities.</p> <p>The executive management team has solid 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 contributed R140 million to corporate social investment and bursaries for the year ended 31 December 2023.</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 operates 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 offering 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 Task Force on Climate-related Financial Disclosures ('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>Curro will continue to invest in backup power solutions in 2024 to mitigate operational risk and to reduce energy dependency and cost over the long term.</p> <p>The group's water consumption reduced by c10% in 2023 from the previous year.</p>	<p>Details pertaining to sustainability and ESG can be found on pages 78 to 84 of this report.</p>

## 2.11 STAKEHOLDER ENGAGEMENT

The long-term sustainability of Curro is intricately linked to the quality of its relationships with its stakeholders. As such, the group places a strong emphasis on actively engaging with stakeholders to gain a deeper understanding of their concerns and to consider their input. Curro strives to address these concerns and input as comprehensively as possible, in order to foster positive and productive relationships.

The tables below provide an overview of Curro's stakeholders, and the issues raised by them on occasion. Various stakeholder groups are identified, as well as some of the most pertinent issues raised and Curro's corresponding, relevant responses. The group believes that this engagement and transparency is crucial in maintaining and improving stakeholder relationships.

### Stakeholders

<b>Clients (learners and parents)</b>	<p>Curro recognises that its teachers, parents, guardians, and learners are the primary stakeholders in the group, and as such, importance is placed on daily, weekly, monthly, and termly engagement opportunities.</p> <p>Curro utilises a range of teaching methods and communication programmes that align with 21st-century teaching and learning methodologies, ensuring that engagement is effective, relevant, and meaningful.</p> <p>The group's extensive internal and external communication programme serves as a valuable tool for parents and learners, providing localised and school-specific updates related to the Curro curriculum, sports, and cultural activities.</p> <p>A centralised contact point (engage@curro.co.za) provides further client service support and allows attentive engagement with clients, independent from a school. Furthermore, Curro encourages the establishment of Representative Parent Committees (RPCs) at its schools to stimulate engagement between the group and its learners, parents, and guardians. These committees provide an important platform for feedback, suggestions, and input from Curro's clients – enabling the group to continually improve and strengthen its relationships with all stakeholders.</p> <p>Curro believes that effective and meaningful engagement is crucial to building sustainable and positive relationships with its stakeholders.</p>
<b>Regulators</b>	<p>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 Independent Examinations Board ('IEB'), town councils and municipalities.</p> <p>Natasha Mkhize leads the group's efforts in terms of stakeholder relationship management and is also responsible for the Ruta Sechaba Foundation.</p>
<b>Investors and funders</b>	<p>Curro's chief executive officer ('CEO'), deputy chief executive officer ('deputy CEO') and chief financial officer ('CFO') engage in continuous communication with investors, ensuring that it remains transparent and responsive to specifically identified needs and concerns. As part of this engagement, Curro holds various formal meetings each year, providing an opportunity to share updates on its progress and performance, as well as to address any questions or concerns that may arise.</p> <p>Additionally, Curro has established a programme through which investors and funders are invited to visit its schools on a prearranged basis. A number of targeted investor days and investor meetings were hosted in 2023.</p>
<b>Employees</b>	<p>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 50.</p>
<b>Communities</b>	<p>Curro recognises and celebrates the communities in which it operates. This is evidenced by its contribution of R140 million to corporate social investment and bursaries for 2023. The Ruta Sechaba Foundation continues to grow from strength to strength. Refer to pages 42 and 43 for information on Ruta Sechaba.</p>

### Current issues and responses

Areas of interest	Stakeholder	Curro's response
What is Curro's expansion strategy?	<b>Shareholders and analysts</b>	<p>Curro's ability to provide high-quality education at a value-for-money cost has positioned the organisation to service the ongoing demand for educational services in Southern Africa, indicating potential for expansion.</p> <p>The group has a well-established national network of schools and at this stage, the company's primary focus is on maximising the capacity of its existing schools. Accordingly, in pursuing growth opportunities, Curro is concentrating its efforts on investing capital in existing schools for maintenance and expansion purposes.</p> <p>Acquisitions are considered selectively, based on yield-enhancing potential and attractive entry multiples. The organisation's deep understanding of the business, economic, and cultural landscape in Southern Africa enables it to evaluate potential opportunities effectively and pursue those that align with its strategic objectives. The group constantly considers opportunities to establish new schools in rapidly expanding urban nodes.</p> <p>Overall, Curro's commitment to expanding its reach while maintaining its standards of quality education remains a top priority.</p> <p>Curro's prudent approach to expansion ensures a sustainable and strategic growth trajectory for the benefit of its stakeholders.</p>
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?	<b>Umalusi</b>	<p>Curro has a close relationship with Umalusi who is mandated for the accreditation of private institutions offering qualifications on the General Education and Training Qualifications sub-framework. Umalusi accredits independent schools offering the National Curriculum Statement leading to the National Senior Certificate ('NSC') and private colleges offering the National Certificate Vocational ('NCV').</p> <p>Curro adheres to Umalusi's extensive registration processes, and where appropriately registered can proudly display their Umalusi-accreditation certificates. Curro strives to have all its schools accredited and works closely with and reports to Umalusi on areas that must be developed in the group's newly built schools where final accreditation is pending.</p> <ul style="list-style-type: none"> <li>• Curro Academy Mamelodi (Grades 1 to 7), Curro Academy Mbombela (Grades 1 to 9), Curro Krugersdorp High School (Grades 8 to 12), Curro Uitzicht High School (Grades 8 to 12), Curro Vanderbijlpark (Grades 1 to 12) and Curro Waterfall (Grades 1 to 7) received full accreditation during 2023.</li> <li>• Curro Rivonia (Grades 1 to 12) applied for an extension of scope and received full accreditation in 2023.</li> <li>• Curro Academy Sandown and Curro Westbrook applied for an extension of scope during 2023 to receive accreditation from Grades 1 to 12.</li> <li>• Curro Academy Savanna City (Grades 1 to 12), Curro Academy Protea Glen (Grades 1 to 12) and Curro Edenvale (Grades 1 to 9) received provisional accreditation which will expire during 2025.</li> <li>• New Umalusi accreditation processes will commence for Curro Douglasdale (Grades 1 to 7), Curro Oakdene (Grades 1 to 7) and Curro Academy The Blyde (Grades 1 to 7) during 2024. They should receive their exclusive site visits during 2025.</li> </ul> <p>Umalusi is also the body responsible for the quality assurance and assessment of the Grade 12 NSC exam. Curro would like to acknowledge all the hard work, dedication, and achievements of schools who received their Umalusi accreditation.</p>
Is the general quality of Curro's infrastructure in line with industrial standards?	<b>Municipalities</b>	<p>Curro's dedicated infrastructure development team maintains regular engagement with local municipalities to discuss the impact of its campus development on the surrounding environment. Through ongoing communication, mutual planning takes place to ensure that the development aligns with the local authorities' building requirements, including approved building plans, and that occupancy certificates are obtained for all Curro buildings.</p> <p>As part of its commitment to sustainable business practices, Curro is focused on integrating climate-related considerations into its operations as it works towards energy independence. Curro has installed smart utility metres at all campuses to accurately track and control energy and water consumption and reduce its carbon footprint. Curro intends to report on its carbon-emission forecast to demonstrate its progress towards a more sustainable future.</p>

## 2.11 STAKEHOLDER ENGAGEMENT

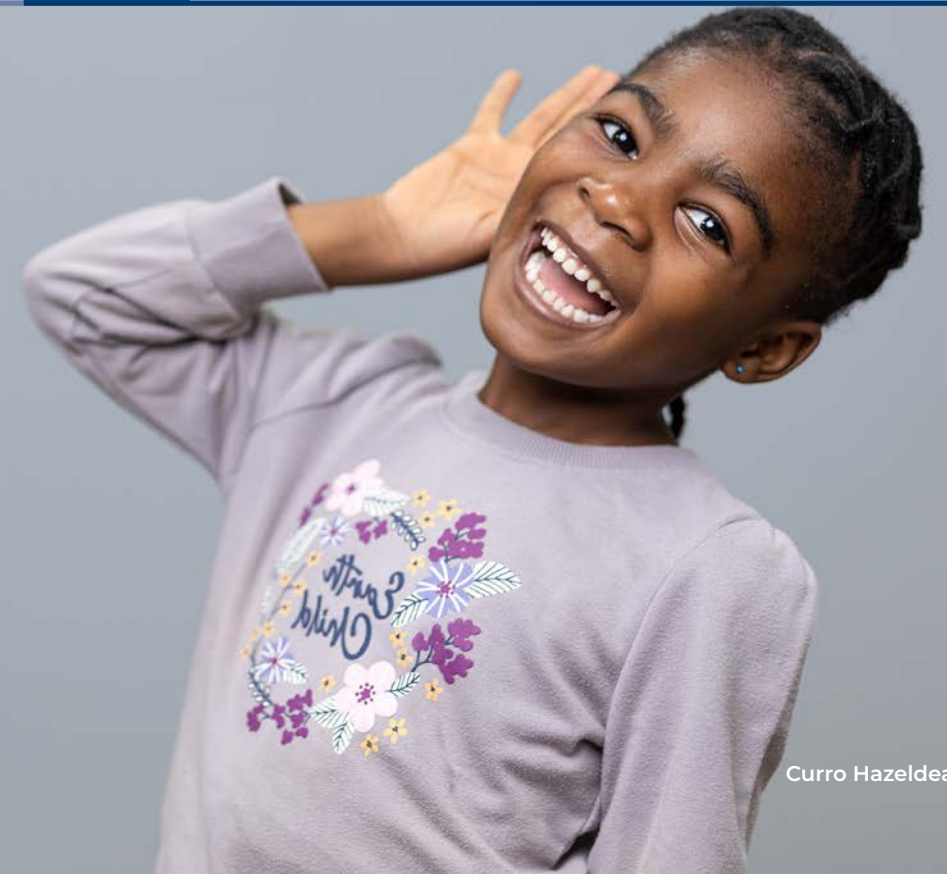
Areas of interest	Stakeholder	Curro's response
<p>What is Curro's debt structure?</p> <p>What is Curro's policy regarding a suitable debt/equity ratio?</p>	<b>Shareholders, analysts and funders</b>	<p>The current debt/equity ratio is 45% net debt to equity. The group's medium-term approach to debt is conservative in the current economic circumstances.</p> <p>The group's cash generated from operations exceeded the capital investment in 2023 and Curro expects this to continue in the future. Insofar as capital investment does exceed the free cash generated from operations in the future due to say a large acquisition/s, this will be funded by debt as Curro expands capacity and pursues growth opportunities.</p>
<p>Complying with key covenants:</p> <ul style="list-style-type: none"> <li>Net debt to EBITDA ratio of not more than 4 times (excluding Meridian)</li> <li>Interest service coverage ratio of 2.5 times (excluding Meridian debt)</li> <li>Loan-to-value ratio of at least 1.3 times</li> </ul>	<b>Funders</b>	<p>Curro complied with its covenants for the 2023 year, and as of 31 December 2023:</p> <ul style="list-style-type: none"> <li>net debt was at 2.7 times EBITDA;</li> <li>Curro's interest service coverage ratio stood at 4.9 times, and</li> <li>the loan-to-value ratio was 2.4 times (gross debt) and 2.4 times (net debt).</li> </ul>
<p>Is my child receiving quality education?</p>	<b>Parents</b>	<p>Curro's commitment to providing quality education is demonstrated through its written curriculum, which is taught by qualified teachers accredited with the South African Council for Educators ('SACE'). The teachers undergo continuous development through a combination of the STADIO School of Education and the Curro Curriculum Management and Delivery ('CCMD') department, led by experienced teachers.</p> <p>Curro has implemented a system of standardised testing throughout its schools to ensure consistent quality in educational delivery and to provide excellence for all learners. Along with its innovative and relevant curriculum, Curro offers the rapidly increasing impact of Curro Create (focused on its arts and culture offering) and the expansion of Curro Sport (including Esports), available to all learners from Grade 4.</p> <p>Curro's brand, its long-standing track record and its excellent matric results support confidence in its quality service offering.</p>
<p>Are we receiving a written curriculum that is still relevant?</p>	<b>Learners</b>	<p>Curro's Curriculum Management and Delivery ('CCMD') department conducts continuous research on curriculum innovation, regularly communicating best practices to its employees and providing them with training to implement new written curricula. Curro's edutech-focused DigiEd schooling model (launched in 2019), continues to place a strong emphasis on Mathematics, Science, Coding and Robotics, with lessons delivered electronically via a tailored digital platform which also ensures that Curro is able to monitor each learner's active and effective engagement with the academic syllabus.</p>

Areas of interest	Stakeholder	Curro's response
<p>What can Curro do to ensure a safe and stable working environment?</p>	<b>Teachers</b>	<p>The group has a high-performance culture which emphasises deep care, communication, accountability and collaboration. This healthy culture, coupled with the success of its underlying operations, offer a stimulating and stable working environment where teachers who are passionate about education and about making a difference can thrive.</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 to ensure that every employee can be exceptional in their roles and have enhanced opportunities for promotion.</p> <p>Curro has various security protocols that endeavour to keep its campuses physically safe, with significant cybersecurity measures to protect digital information and content.</p>
<p>Does Curro's supplier application process provide everyone with a fair chance?</p>	<b>Suppliers</b>	<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 for larger projects, whilst schools typically procure various goods or services locally and/or through national suppliers, whichever is most efficient.</p>
<p>Do all Curro schools comply with the prerequisites of local government?</p>	<b>Departments of education</b>	<p>Independent schools must be registered with the local departments of education in each province and country. 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>
<p>Is the company committed to transformation?</p>	<b>Government</b>	<p>Curro is committed to employing and developing a skills base that represents the demographic profile of its learner base, of which 82.4% was black and 17.6% was white for 2023. The company has an employment equity plan on which it reports annually. Refer to page 77 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 76 of this report.</p>
<p>Is Curro JSE compliant?</p>	<b>JSE Limited</b>	<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>

## 2.11 STAKEHOLDER ENGAGEMENT

Areas of interest	Stakeholder	Curro's response
How does Curro protect its organisation from the communication of incorrect facts?	<b>Media</b>	<p>Curro actively monitors social and formal media and reacts swiftly to any allegations of misconduct or reputational risk by investigating the facts and acting decisively thereon in accordance with its well-established policies and substantial collective experience.</p> <p>The best interests of each learner remains Curro's primary priority, and the group respects the rights of employees and affected parties for reasonable processes to be followed. Where possible, Curro provides statements to the media so that any doubt regarding the accuracy of reporting is minimised.</p> <p>Globally and locally, there is a significant increase in reckless reporting by anonymous AI aggregators to increase site traffic, coupled with ill-informed and often vicious social media responses. This adds a major reputational risk and is very challenging to mitigate since it is quicker to cast aspersions and spread allegations than to reasonably evaluate the facts of any matter, particularly where children are involved. Curro's primary responsibility remains its duty of care to every learner and staff member in the group.</p> <p>Curro has a healthy relationship with the media and provides updates whenever it communicates financial and academic results. All other media enquiries are handled efficiently through a centralised email address (engage@curro.co.za), to which all media enquiries can be channelled for response.</p>
How does Curro keep its stakeholders informed?	<b>All stakeholder groups</b>	<p>The company believes in the transparent, concise, and timely dissemination of relevant information to all stakeholders.</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>
What are Curro's policy and principles regarding remuneration?	<b>Shareholders</b>	Curro has provided details regarding its remuneration policy and implementation report on pages 114 to 131.
What will the future development pace of Curro be?	<b>Shareholders and analysts</b>	<p>In future, Curro will prioritise increasing capacity utilisation at existing schools. Judicious greenfield 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.</p> <p>The business is focused on enhancing its return to shareholders.</p>
Why are Curro's clients coming to them?	<b>Parents</b>	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 cost.
How sustainable are school fee increases?	<b>Shareholders, analysts, and parents</b>	<p>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.</p> <p>Curro believes that on average, a short- to medium-term margin of between 1% and 2% can be maintained between inflation and its school-fee increases, whilst remaining competitive in its various markets.</p>

Areas of interest	Stakeholder	Curro's response
Will Curro achieve an acceptable return on capital invested?	<b>Shareholders and analysts</b>	<p>Curro has a long-cycle business, where it can take a school as much as ten years to reach a utilisation of more than 80%, and substantial capital investment is required in the early stages ahead of eventual cash flows generated at capacity.</p> <p>At maturity Curro can achieve an average IRR of between 20% and 25%. Curro expects its return on capital invested to improve as its capacity utilisation of existing assets accelerate.</p>
What is the size of the land bank?	<b>Shareholders and analysts</b>	Curro has total land banked at a cost of R239 million for future use.
What is the status on Meridian?	<b>Shareholders and analysts</b>	With the implementation of various strategies – both financial and operational – Meridian's EBITDA in 2023 increased by 21% from the prior year and by 39% from the 2019 financial year. This is encouraging for future growth and improved returns.
How does Curro address the risk of communicable diseases?	<b>All employees and learners</b>	<p>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. This communication is circulated both internally where relevant and externally on relevant social media platforms.</p> <p>Contingency plans are in place to isolate and prevent further spread of an infectious disease should a school be affected, and this would be executed in collaboration with the South African Department of Health.</p> <p>Management reviews and implements best practice and regulated interventions and protocols, as required.</p>



Curro Hazeldean



# ACCOUNTABILITY

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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 102 to 110.

## 3.1 BOARD OF DIRECTORS

Key: ◊ Independent non-executive chairperson  
 \* Independent non-executive director  
 Δ Executive director  
 § Non-executive director



### 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.

### JP (Cobus) LoubserΔ

CA(SA)

Cobus was appointed to the role of Chief Executive Officer of Curro Holdings Limited from 1 January 2023, having previously served as the CFO and an executive director of Curro since 1 January 2021. He started his career at KPMG Inc., served as the financial manager of Virgin Active SA for four years, and held the CFO position for 10 years at Holdsport Limited until it was acquired by Long4Life Limited in 2017. He left his position as CEO of Long4Life's Sport and Recreation division at the end of 2020 to join Curro.

### M (Mari) LateganΔ

BA; BA Hons (Journalism); MBA

Mari has an MBA from Stellenbosch University's Business School and an Honours in Journalism. She has been an executive at Curro for more than six years and a non-executive director for Meridian Schools for more than four years. She established Curro Create, Curro's national creative initiative. Prior to Curro, she founded a strategic business and communications consultancy and was a publisher at Media24. Mari has served as Deputy CEO since January 2023.

### BC (Burtie) SeptemberΔ

CA(SA)

Burtie is a chartered accountant who completed his SAICA articles at Deloitte, Cape Town before joining Deloitte's office in Indianapolis in the USA on a secondment. He worked at South African Breweries as a management accountant at one of its largest distribution centres in South Africa before he was employed as a senior accountant at Woolworths Financial Services. He joined Curro as group financial manager in 2016 and was appointed CFO in January 2023.

The children of Southern Africa inspire us - we are excited about a future abound with opportunities!

- Cobus Loubser



# 3.1 BOARD OF DIRECTORS

Key: ◊ Independent non-executive chairperson

\* Independent non-executive director

Δ Executive director

§ Non-executive director



## 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. He is a Fellow of the Aspen Institute Global Leadership Network and is the Chairman of the Allan Gray Orbis Foundation and board member of CalgroM3 Holdings, amongst others.

## C (Cora) Fernandez\*

CA(SA)

Cora has had a career spanning various sectors, with notable leadership roles at Sanlam, including Chief Executive: Institutional Business at Sanlam Investment Holdings, Managing Director at Sanlam Investment Management and CEO at Sanlam Private Equity. Her responsibilities ranged from strategy development and implementation to portfolio management, mergers and acquisition, management and leveraged buyouts, stakeholder relations and key account management. Since 2012 she was a member of the executive committee of Sanlam Investments and served on the board of various divisions within Sanlam. Her contributions have been recognised with awards such as ABSIP Private Equity Dealmaker of the Year and the Sanlam Group CEO Award, showcasing her dedication and expertise in the industry. Cora also serves on numerous other boards and board committees, including Capitec Bank Holdings and Spur Corporation.

## ZN (Nan) Mankai\*

CA(SA); MBA

Nan was appointed as an independent non-executive director to the Curro board from 10 August 2018. Nan is at present an Associate Fund Principal in the Public Investment Corporation's Unlisted Investments division. 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.

## BS (Busi) Mathe\*

CA(SA)

Busi was appointed as an independent non-executive director to the board from 22 April 2024. She is a seasoned business leader with a rich background in internal audit, external audit, digital transformation, cyber security and data privacy. She has worked across multiple industries and sectors, both locally and globally. Busi is the CEO of Orirori Consulting & Executive Accelerator Africa, a faculty member at Henley Business School and serves on the board of Famous Brands. In 2023, she joined the Audit Committee of Discovery Health Medical Scheme as an independent member. She has previously held the position of Africa Cyber Security & Data Privacy leader for PricewaterhouseCoopers and also served as the Chairperson of their South African Governing Board, a member of their Africa Governance Board and Chairperson of their Human Capital Sub-Committee. Busi was recognised as an Emerging Business Leader by the African Woman Chartered Accountants (AWCA) in 2019.

## 3.1 BOARD OF DIRECTORS

Key: ◊ Independent non-executive chairperson  
 \* Independent non-executive director  
 Δ Executive director  
 § Non-executive director



### L (Lerato) Molebatsi\*

BA; PGDRD; SMDP; Senior Executive Programme (Harvard)

Lerato brings 25 years of expertise in financial services, mining, government, non-profit, and professional services. Her career highlights include impactful roles in policy development, transformative change initiatives, and strategic projects within the Department of Labour and Transport. Lerato's experience extends to global stakeholder relations, strategic communications, marketing, BEE, and governance. She worked with decision makers of all levels within major global institutions, such as General Electric while serving as the CEO of GE South Africa. Lerato currently serves on the boards of various organisations, including as lead independent director on the board of the South African Reserve Bank. She serves on the boards of Spur and Petra Diamonds respectively.

### PJ (Piet) Mouton\*

BCom (Mathematics)

Piet is the Chairman of PSG Group Ltd and serves as a non-executive director on the boards of various companies, including Capitec Bank Holdings Ltd, PSG Financial Services 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) (LSE); PhD (SOAS, London)

Sibongile has international leadership and management experience in the non-government, development, and public sectors, and in academia. Currently she is the Vice-Chancellor of Nelson Mandela University. Between 2004 and 2010, Sibongile served as the Director-General of the Eastern Cape Provincial Government. She is a board member of Universities South Africa (USAf), a membership organisation representing the 26 South African Public Universities. In December 2023 she completed her second and last term as Chair of USAf. She chaired the Ministerial Task Team on Sexual Harassment and Gender-Based Violence and Harm in SA Universities; and has been a member of the Human Resource Development Council of South Africa. Sibongile is also a board member of the Nelson Mandela Bay Business Chamber and chairs its Governance Committee. She is a member of the International Governing Board (IGB) of the BRICS Network University; and a Council member of the Association of Commonwealth Universities.

25 years of  
 educational  
 excellence  
 and  
 financial  
 resilience

– Santie Botha

## 3.1 BOARD OF DIRECTORS

Key: ◊ Independent non-executive chairperson  
\* Independent non-executive director  
Δ Executive director  
§ Non-executive director



### DM (Douglas) Ramaphosa\*

MA (Social Sciences);  
Programme for Executive Development  
(Institute of Management Development)

With over 35 years of business experience at an executive management and board level, Douglas Ramaphosa holds a Master of Arts Degree in Social Sciences from Rostov State University. He also completed an executive development programme at the Institute of Management Development (IMD) in Lausanne, Switzerland. He is Founder and Chairman of Riashuma Group of companies and also serves on the board of ICT company 4SIGHT Holdings, as an independent non-executive director. He chairs both the boards of newly established Johannesburg Surgical Hospital and BGM Pharmaceuticals. Douglas has served as an independent non-executive director for EnviroServ, Wildlife and Environment Society of South Africa, Endangered Wildlife Trust and STADIO. He has served in senior executive positions at Altron, Transnet, ABSA and Anglo American. He was previously CEO of Bytes Healthcare Solutions and Managing Director of Bytes Specialised Solutions. Douglas has also served as a non-executive director of Eskom Enterprises and was chairman of Rotek Industries, a subsidiary of Eskom Enterprises for more than six years.



### 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. He currently also serves on the board of STADIO as a non-executive director.



Curro Barlow Park



## 3.2 CHAIRPERSON'S REPORT

### 25 years of educational excellence and financial resilience

The primary objective for 2023 was for Curro to once again demonstrate its commitment to providing quality education and striving for a resilient business model that benefits learners, parents, guardians, communities and shareholders alike. The year marked Curro's 25th birthday, a testament to the group's mission to achieve significant educational milestones while maintaining adequate financial performance. Along with its own birthday, Curro also continued to celebrate the achievements and successes of its learners and staff.

Despite challenges posed by the current subdued economic climate, Curro surpassed traditional economic indicators and reported a year of strong growth. Financial strength was evident as a final dividend of 14.64 cents per share was declared (compared to 11.01 cents in the previous year), reflecting the board's confidence in Curro's growth trajectory and its dedication to delivering shareholder value.

Following the 2023 financial year (ended 31 December 2023), Curro is in a healthy financial position, with strong cashflows and credible operating performance. Notably, the group's operations generated more cash than was invested in capital expenditure for the first time since its inception in 1998, showcasing maturing financial strength and operational efficiency.

Curro invested R715 million back into the business in 2023. This investment clearly highlights the group's commitment to enhancing educational facilities and expanding its reach even further. Despite economic challenges, Curro's growth reflects the trust and confidence that clients place in its educational excellence.

Looking ahead, Curro plans to invest up to R700 million in 2024 to further enhance and expand its facilities, meeting the increasing demand for quality high school education. Curro's dedication to providing exceptional education remains steadfast, attracting more parents and guardians who opt for Curro's offering. The matric results for the year serves as proof that investing in quality education makes a real difference. It's an investment that will eventually benefit not just individuals, but South Africa as a country.

With a maturing network of schools and serving a diverse community, Curro is well positioned for continued success going forward. The group's strategic investments and innovative responses to market dynamics ensure that Curro remains at the forefront of independent education in Southern Africa.

I extend my gratitude to everyone who contributes to Curro's success, including the employees, clients, parents, guardians, learners and business partners. I would also like to thank the Board of Curro as well as the executive management team under the leadership of Cobus Loubser (CEO) and Mari Lategan (Deputy CEO) whose dedication and commitment to the business have been unwavering.

Your support and commitment to excellence and a high-performance culture in the business have been instrumental in shaping Curro's achievements during the past year and beyond.

**Santie Botha**  
Chairperson

SANTIE BOTHA  
CHAIRPERSON OF THE BOARD

## 3.3 CEO REPORT

### Every child matters

Our 2022 report to stakeholders was headed 'A future abound with opportunities'. This belief echoed in our corridors as we celebrated Curro's remarkable success story with our 25th birthday in 2023. The celebrations were a powerful reminder of how much can be achieved with vision and tenacity, but also of how much more is possible.

We have a profound mission: to make independent school education accessible to more learners in Southern Africa.

Over the last 25 years, Curro has become a powerful brand in education and a force for good:

- Skilled and experienced management teams lead a large network of schools.
- Our tailored school models are relevant to different markets and provide access to education at different price points.
- Digital solutions have been developed to support and personalise the academic journey of our learners.

At Curro every child matters, and we are proud of our learner-centred approach. This philosophy has guided the group to harness capital and resources to offer exceptional, quality education to so many communities.

Curro schools are actively broadening extramural opportunities that enhance academic achievements. In doing so, we are fostering well-rounded learners destined to become highly valued citizens and leaders, innovative thinkers who excel in teamwork, adults who possess effective communication abilities, and demonstrate adept critical thinking skills.

### Financial results

Curro is on track to expand quality education and to do so at an increasing and attractive yield for shareholders.

In the twelve years since its listing in 2011, Curro grew from 12 campuses to 81 campuses, with learners increasing from 5 500 to 73 159 at the beginning of 2024 and turnover exceeding R4.7 billion in 2023.

Curro's recurring headline earnings for the year ended 31 December 2023 of R426 million was 29.0% higher than the previous year (2022: R330 million). Recurring headline earnings per share increased by 32.1% to 73.2 cents, with a 32.1% increase in the annual dividend.

Curro's results show fortitude in a strained economic environment. Curro had 73 159 registered learners on 5 February 2024, which increased by 1.6% from the 72 031 weighted average learners in 2023. The extent to which learner numbers sustained and increased shows how much our clients trust Curro in the quality education space. Historic learner growth and continued strong enrolment in 2023 and 2024 confirm a sustained flight to the exceptional education offered by the group.

The prevailing economic circumstances cause financial distress amongst consumers and particularly for younger families, where enrolments in the earlier grades of preschool, Grade R and Grade 1 were lower than expected. We have been very disciplined and responsible in response to the elevated risk of bad debt, albeit with a dampening effect on overall learner growth.

Reassuringly, the group increased its operating margin during 2023 to 17.8% (2022: 15.5%) and increased its return on capital employed for the year to 7.6% (2022: 6.0%). The improvements in the group's profitability were achieved despite testing economic conditions.

COBUS LOUBSER  
CHIEF EXECUTIVE OFFICER

### Good matric results

The group's academic faculty is extremely proud of the results of the matric class of 2023. Personalised learning, efficient accountability systems and a strong focus on strategic interventions contributed to the success.

Our matric learners who wrote the IEB examinations in 2023 recorded an exceptional 99.2% pass rate for the 2023 academic year. The achievement is based on the performance of 2 229 learners across the group of 37 campuses nationwide.

Learners who wrote the National Senior Certificate ('NSC') produced a 95.0% pass rate for the 2023 academic year. The achievement is based on the performance of 1 673 learners across the group's Curro Academy, Meridian and Curro Assisted Learning independent schools who wrote the NSC exams in 2023.

Curro's innovative strategies, together with the superb commitment of teachers and parents, underpinned the impressive results achieved by diligent and ambitious learners. We honour our teachers and support staff for their passion, kindness, creativity and dedication to excellence in all aspects of school life, which ensure a great learner experience at Curro.

### Prospects

Curro's business model is resilient and the group is committed to high-quality learning and teaching as our first priority.

We continue to make great strides in achieving the operating leverage available in our business model. This means increasing operating profit by growing revenue at an improving operating margin. Free cash flows are accelerating ahead of well-contained capital investment as we gradually fill existing available built capacity within our portfolio.

Curro's different school models are efficient and scalable to optimise service and profitability. We are proud of our efforts to expand education opportunities whilst increasing the returns for our shareholders who funded this noble cause.

The children of Southern Africa inspire us – we are excited about a future abound with opportunities!

*J.P. Loubser*

**Cobus Loubser**  
Chief Executive Officer



# 3.4 STRATEGIC REVIEW AND OPERATING CONTEXT

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 44 to 46.

The risks relevant to the business range from reputational to curriculum, investment, financial, information technology, people management ('HR'), 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 98 to 101.

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
<b>Developing and maintaining a unique customer service</b>  <i>Client service is the primary priority throughout the various touchpoints in the group.</i>	<ul style="list-style-type: none"> <li>Adopting a client-centric approach, with a specific focus on client relationships.</li> <li>Effectively marketing and communicating Curro's offer to build brand awareness and a customer-centric positioning.</li> <li>Enhancing networking among parents, learners and teachers and building thriving communities around schools.</li> <li>Conducting, analysing and responding to regular client surveys.</li> <li>Providing appropriate supporting infrastructure to manage schools through information and technology systems.</li> </ul>	<ul style="list-style-type: none"> <li>Emphasising open-door policies from executive heads and teachers to enhance accessibility.</li> <li>Conducting regular and relevant surveys among parents, learners, and staff.</li> <li>Promoting prominent advertising actions relevant to every campus (includes digital marketing and awareness and other forms of marketing and advertising).</li> <li>Monitoring social media posts to detect challenges and opportunities to refine and improve client experiences.</li> <li>Hosting a variety of leagues, competitions, tournaments, concerts and social events at schools.</li> <li>Formulating an information and technology strategy based on the strategic direction of the group.</li> </ul>	<ul style="list-style-type: none"> <li>In addition to the identified key performance indicators, a centralised contact point (engage@curro.co.za) provides further client service support and allows attentive engagement with clients, independent from a school.</li> <li>There is a dedicated call centre with client agents to assist with enrolment and transfer administration.</li> <li>Formal client surveys are completed and speed to respond where action is required.</li> <li>Comprehensive staff training is conducted regularly to ensure excellent academic, sports and culture client service.</li> <li>The main information and technology focus area remains the proactive technological support of the Curro business case.</li> <li>Stakeholder service level agreements are aligned with the business objectives.</li> <li>Curro added functionality to its in-house school management system and improved its data warehouse and data analysis to aid forecasting and decision making.</li> </ul>
<b>Managing stakeholder value</b>  <i>Curro is focused on driving shareholder returns higher.</i>	<ul style="list-style-type: none"> <li>Generating attractive returns for shareholders.</li> <li>Being a responsible corporate citizen.</li> <li>Creating a stable and inviting workplace for employees.</li> <li>Communicating regularly with Curro's key clients and stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Increasing return on capital employed and return on equity.</li> <li>Increasing the share price and dividends paid.</li> <li>Offering bursaries to talented, less privileged learners and optimising the partnership with the Ruta Sechaba Foundation.</li> <li>Delivering dynamic and inviting cost-efficient school campuses.</li> <li>Establishing a Representative Parent Committee ('RPC') at every school.</li> <li>Producing a range of publications with messages relevant to the needs of key stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Curro's recurring headline earnings per share increased by 32% and its Return on Capital employed increased to 7.6% for 2023 (2022: 6.0%).</li> <li>Curro paid a final dividend of 14.64 cents per share from income reserves for the year ended 31 December 2023.</li> <li>Curro started 2024 with 189 schools, across 81 campuses. A significant investment was made in the acquisition of new schools and further development of existing campuses.</li> <li>In 2023, Curro contributed R140 million to corporate social investment and bursaries.</li> <li>At the start of 2023, the Ruta Sechaba Foundation fully or partially sponsored just over 540 learners of which 206 completed Grade 12. The 2024 academic year sees 600 learners receiving Ruta Sechaba scholarships.</li> <li>Weekly, monthly, and termly publications are distributed to stakeholders.</li> </ul>

Theme	Priorities	Key performance indicators	Outcomes
<b>Driving sustainable growth</b>  <i>Relentless focus on operational excellence and discerning opportunities.</i>	<ul style="list-style-type: none"> <li>Delivering the concept of affordable independent school education.</li> <li>Securing enough school-zonederven for future developments.</li> <li>Setting realistic annual business targets.</li> <li>Conducting ongoing research regarding actionable acquisitions.</li> <li>Proactively securing sufficient financing.</li> <li>Attracting and retaining quality teachers and other key employees.</li> </ul>	<ul style="list-style-type: none"> <li>Driving operating margin higher through higher fee income at a reducing associated operating cost.</li> <li>Using capital investment and an effective marketing strategy to expand existing schools to their maximum designed capacity.</li> <li>Maintaining and developing Curro's tiered fee approach, with different fees across grades and across school brands and models.</li> <li>Considering attractive acquisition opportunities.</li> <li>Implementing an appropriate capital strategy to fund growth.</li> <li>Ensuring that a dynamic recruitment and reward strategy is in place.</li> </ul>	<ul style="list-style-type: none"> <li>The average fee per learner across the portfolio increased by 6.0% at the beginning of 2024 (2023: 10.4%), taking into account the effect of grade and brand mix.</li> <li>On a like-for-like basis, excluding new schools and strategic initiatives, schools increased their EBITDA margin by more than 1.7% in 2023.</li> <li>Curro Online currently has more than 500 learners enrolled.</li> <li>The Built Capacity utilisation decreased from 72.3% to 71.8%. One acquisition was made in 2023.</li> <li>In 2022 the group refinanced its long-term debt and implemented new bullet loan facilities repayable in four and five years' time of R2.5 billion and a flexible revolving credit facility of R800 million.</li> <li>This will fund its future expansion plans insofar as it may exceed operating cash flows generated. On 31 December 2023, R361 million of the revolving facility was unutilised.</li> </ul>
<b>Transformation management</b>  <i>Curro should be a preferred employer for exceptional teachers.</i>	<ul style="list-style-type: none"> <li>Ensuring that all Curro schools strive to become demographically representative.</li> </ul>	<ul style="list-style-type: none"> <li>Being intentional and actively involved at school level to drive Curro's transformation agenda.</li> <li>Delivering on the B-BBEE strategy and plan.</li> <li>Delivering on the approved employment equity plan.</li> <li>Being responsibly aligned with the public education sector.</li> <li>Employing mechanisms at schools to promote a culture of open feedback and performing regular climate studies among employees at schools.</li> </ul>	<ul style="list-style-type: none"> <li>Curro understands that education plays an important role in empowering individuals and redressing the inequalities of the past.</li> <li>The transformation committee advises and provides the board with appropriate recommendations and is fully incorporated into the social and ethics committee. Refer to pages 108 and 109 for more information pertaining to the committee and to pages 76 and 77 for more on the group's transformation journey.</li> <li>Curro established diversity and transformation committees at schools to drive initiatives. 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 annually and solutions on how to remedy goals not achieved are put in place for the following year.</li> </ul>
<b>Curriculum innovation</b>  <i>Learners are entitled to the best possible tuition.</i>	<ul style="list-style-type: none"> <li>Conducting ongoing research and development to pursue best practices and to keep Curro's service competitive.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring that the Curro Curriculum Management and Delivery department ('CCMD') is focused on literacy and numeracy development, coding activities, further development of Curro's IT curricula, systemic testing of systems, Mathematics teaching methodologies, Science and Technology education, Engineering, and Entrepreneurship as subjects.</li> </ul>	<ul style="list-style-type: none"> <li>Curro introduced a wider subject choice offering in 2021 which allows learners to choose from a wider range of subjects than those physically available at the school from its appointed teachers. This offering expanded further in 2022 and more than doubled into 2023.</li> <li>Content for these subjects is delivered digitally and facilitated by subject specialists. All high schools (NSC and IEB schools) are now running a synchronised timetable to offer wider subject choices as part of the normal curriculum programme.</li> <li>The research and significant development work by the CCMD and Curro's IT teams offers powerful edutech solutions to support academic outcomes and excellence.</li> </ul>

# 3.4 STRATEGIC REVIEW AND OPERATING CONTEXT

## Transformation journey

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

Curro is focused on the continuous improvement of its 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 achieved a level 6 compliance. Its B-BBEE compliance certificate has been published and is available on the company's website at [www.curro.co.za](http://www.curro.co.za). An announcement was 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](http://www.curro.co.za).

Issues of racial and other forms of discrimination are regarded with the utmost gravity at Curro and are dealt with decisively. Where such has been identified, the company has pursued appropriate disciplinary processes, with subsequent hearings taking place independently. Curro believes that this ensured the integrity and fairness of the processes followed.

## Report of the social, ethics and transformation committee

The social, ethics and transformation committee was established in terms of section 72(5) 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 conducts its work 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 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. The committee considered and approved the company's people management 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.

The company's ongoing transformation strategy was considered and approved. The board approved the transformation charter, which the committee recommended 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 also considered.

The work of the Ruta Sechaba Foundation was reviewed, and appropriate improvements recommended, as reported elsewhere in this annual integrated report.

An outline of the work performed by the social, ethics and transformation committee will be provided to shareholders at the forthcoming AGM. The social, ethics and transformation committee fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act. There were no instances of material non-compliance to disclose.

*SWF Muthwa*

**Prof. SWF Muthwa**

Chairperson: Social, Ethics and Transformation Committee

## Employee statistics as at 31 December 2023

	Race						Total
	Black		White		Total		
	M	F	M	F	M	F	
<b>Total management</b>	<b>125</b>	<b>172</b>	<b>286</b>	<b>526</b>	<b>411</b>	<b>698</b>	<b>1 109</b>
Executive	2	2	4	1	6	3	9
Senior management	7	9	52	25	59	34	93
Middle management	116	161	230	500	346	661	1 007
<i>Employee category %</i>	11.3	15.5	25.8	47.4	37.1	62.9	100.0
<i>Total management %</i>	1.9	2.5	4.2	7.8	6.1	10.3	16.4
<b>Total non-management</b>	<b>948</b>	<b>2 254</b>	<b>318</b>	<b>2 127</b>	<b>1 266</b>	<b>4 381</b>	<b>5 647</b>
Skilled, technically, and academically qualified employees	399	1 087	296	1 873	695	2 960	3 655
Semi-skilled and discretionary decision-making employees	207	760	18	247	225	1 007	1 232
Unskilled and defined decision-making employees	342	407	4	7	346	414	760
<i>Employee category %</i>	16.8	39.9	5.6	37.7	22.4	77.6	100.0
<i>Total non-management %</i>	14.0	33.4	4.7	31.5	18.7	64.8	83.6
<b>Total employees</b>	<b>1 073</b>	<b>2 426</b>	<b>604</b>	<b>2 653</b>	<b>1 677</b>	<b>5 079</b>	<b>6 756</b>
<i>Total employees %</i>	15.9	35.9	8.9	39.3	24.8	75.2	100.0

## Employee statistics as at 31 December 2022

	Race						Total
	Black		White		Total		
	M	F	M	F	M	F	
<b>Total management</b>	<b>70</b>	<b>106</b>	<b>224</b>	<b>396</b>	<b>294</b>	<b>502</b>	<b>796</b>
Executive	1	2	5	1	6	3	9
Senior management	21	24	94	86	115	110	225
Middle management	48	80	125	309	173	389	562
<i>Employee category %</i>	8.8	13.3	28.1	49.7	36.9	63.1	100.0
<i>Total management %</i>	1.1	1.6	3.4	6.0	4.5	7.7	12.1
<b>Total non-management</b>	<b>942</b>	<b>2 168</b>	<b>388</b>	<b>2 263</b>	<b>1 330</b>	<b>4 431</b>	<b>5 761</b>
Skilled, technically, and academically qualified employees	391	1 031	352	2 001	743	3 032	3 775
Semi-skilled and discretionary decision-making employees	162	747	35	256	197	1 003	1 200
Unskilled and defined decision-making employees	389	390	1	6	390	396	786
<i>Employee category %</i>	16.4	37.6	6.7	39.3	23.1	76.9	100.0
<i>Total non-management %</i>	14.4	33.1	5.9	34.5	20.3	67.6	87.9
<b>Total employees</b>	<b>1 012</b>	<b>2 274</b>	<b>612</b>	<b>2 659</b>	<b>1 624</b>	<b>4 933</b>	<b>6 557</b>
<i>Total employees %</i>	15.4	34.7	9.3	40.6	24.8	75.2	100.0

Notes:  
M = Male  
F = Female

# 3.5 SUSTAINABILITY

At Curro, Environmental, Social and Governance ('ESG') is a core pillar of its corporate philosophy. This section discusses Curro's sustainability efforts, highlighting achievements, challenges, and ongoing initiatives aimed at creating a positive impact on the planet and society. From focusing on reducing its carbon footprint to fostering diversity and inclusion, Curro believes that embracing sustainable practices is pivotal for long-term value creation and ensuring a brighter future for generations to come.

Curro recognises the importance of ESG alignment and has continued its environmental sustainability efforts in the current year. Since 2019, Curro has actively engaged in reporting climate change data to the CDP, formerly known as the Carbon Disclosure Project, a distinguished non-profit organisation dedicated to facilitating a global disclosure system. CDP's platform enables investors, corporations, and regions to comprehensively manage and mitigate their environmental footprints. By consistently submitting data to CDP, Curro demonstrates its dedication to transparency and accountability in addressing climate-related challenges, thereby contributing to broader sustainability efforts on a global scale.

Curro acknowledges that there remains room for growth and advancement and remains committed to ongoing improvement towards sustainability to actively contribute to a sustainable future.

## Actions towards sustainability

To achieve these objectives, Curro is taking the following actions:

- Promoting, developing, and adopting environmentally sustainable practices within its schools and offices.
- Upholding the highest standard of governance.
- Prioritising the health and safety of Curro's employees and learners by aligning with social practices.
- Being a responsible and inclusive employer and client.
- Engaging with Curro stakeholders on sustainability issues.
- Ensuring alignment of the organisational core values with the United Nations Sustainable Development Goals ('UN SDGs')

## Environmental sustainability initiatives

Curro remains committed to improving its environmental sustainability performance and has implemented the following initiatives:

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

## GHG emissions

Emission Scope	2018	2019	2020	2021	2022
Scope 1 (tCO2-e)	1 458	1 713	923	2 020	3 286
Scope 2 (tCO2-e)	11 630	14 053	13 506	17 771	20 054
<b>Total scope 1 and 2 (tCO2-e)</b>	<b>13 088</b>	<b>15 766</b>	<b>14 429</b>	<b>19 791</b>	<b>23 340</b>
Scope 3 (tCO2-e)			7 015	6 738	8 599
<b>Total scope 1, 2 and 3 (tCO2-e)</b>			<b>21 444</b>	<b>26 529</b>	<b>31 939</b>









  

Intensity Indicators	2018	2019	2020	2021	2022
Scope 1 and 2 (tCO2-e/FTE)	2.790	3.289	2.800	3.218	3.568
Scope 1 and 2 (tCO2-e/m2)	0.026	0.028	0.023	0.030	0.033
Scope 1 and 2 (tCO2-e/learner)	0.352	0.372	0.272	0.298	0.330
Scope 1 and 2 (tCO2-e/population)	0.313	0.334	0.248	0.273	0.302

The total scope of carbon emissions reported, increased every year, with all schools included for the first time in 2021 (and increasing with the addition of two new schools in 2022). Each year, the data reported also becomes more accurate and complete (with fewer assumptions), leading to an increase in reported carbon emissions, but greater focus on strategies to reduce this.

## Contribution to UN SDGs

Curro recognises the importance of aligning its operations with the UN SDGs. The table below sets out the 17 UN SDGs on the far right and describes Curro's contributions towards achieving those goals. However, SDG 1 (No Poverty) and SDG 2 (Zero Hunger), are not explicitly addressed in the following initiatives.

Environment (E)	UN SDGs
<p>Although Curro's operations have a low environmental impact in comparison with other sectors, it continues to focus on preventing or minimising negative effects on the environment.</p> <p>Significant activities and considerations in the group's transitioning journey are provided in the additional information section on pages 81 to 84</p>	 
<p><b>Electricity</b></p> <ul style="list-style-type: none"> <li>• Monitoring school activities to maintain and continuously improve electricity efficiency. Such monitoring includes the following: <ul style="list-style-type: none"> <li>» The installation of heat probes and control switches in swimming pools to remotely monitor the water temperature and to improve the efficiency of the heat pumps being used.</li> <li>» The installation of load management systems to minimise wasteful electricity usage as well as to effectively manage electricity usage during peak hours and power outages.</li> </ul> </li> <li>• Incorporating alternative generation sources such as renewable energy (solar power) to replace electricity dependence and reduce emission impact. Curro has undergone significant efforts in the past year to reduce its reliance on grid electricity: 21 solar PV generation systems installations were completed across 18 different schools, and 38 battery backup systems installations were completed across 25 different schools.</li> <li>• Replacing older technology lights with modern, more efficient solutions in and around the buildings as well as on the sports fields.</li> <li>• Obtaining energy performance certificates for applicable schools to show the energy efficiency of the buildings in a clear, transparent and universal way. This further enables Curro to prioritise the schools in terms of improvement opportunities.</li> </ul>	  
<p><b>Water</b></p> <ul style="list-style-type: none"> <li>• Reduction of water consumption across all operations. <b>Curro achieved a noteworthy reduction of c10% in water usage from 2022 to 2023.</b></li> <li>• Installation of artificial turf and lawns where appropriate on grounds and sports fields.</li> <li>• Installation of water metres for monitoring and improving water-use efficiency.</li> <li>• Maintaining water-saving and responsible water-use awareness campaigns at the schools. Curro also includes awareness about water consumption in its curriculum content.</li> <li>• Implementing water re-use projects for sports fields, gardens, cleaning and flushing of toilets and currently investigating the harvesting and re-use of backwashed water at swimming pools.</li> <li>• Investigating providing water harvesting and storage solutions at schools in areas facing water scarcity.</li> <li>• Conducting regular audits to identify and address water leaks promptly, ensuring optimal water management.</li> <li>• Investing in water-wise gardens at schools.</li> </ul>	  



# 3.5 SUSTAINABILITY

## Environment (E) continued

### Carbon emissions

- Initiating the conversion of pool heating from gas to solar-heated systems, increasing energy and operational cost efficiency and reducing GHG emissions.
  - At Curro Somerset West the actual year-on-year saving on gas between September and January was R108 000.
  - Other schools under investigation, with LP gas heating systems, include Curro Hazeldean, Curro Thatchfield (primary and high schools), and Curro Serengeti.
- Implementing organic and sustainable gardening practices to reduce reliance on artificial fertilisers.
- Reducing business travel through digitisation.
- Adopt evaporative cooling principles for air conditioning where appropriate.
- Optimise paper recycling and reduce paper usage in schools through the use of devices, digital curriculum content, and digital textbooks.
- Promote and invest in low-emission solutions where practical.
- General natural resource consumption reduction.
- Safely disposing of hazardous waste, e.g., fluorescent tubes and damaged solar PV panels.
- Increasing recycling and reduction of e-waste.
- Training employees, learners and facility managers on waste management, 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.



## Social (S)

Curro manages and sustains its social impact in various ways.

- Recognising diversity and promoting equal opportunity.
- Eliminating discrimination and harassment.
- Actively engaging with and supporting the communities in which Curro operates.
- Practising sustainable procurement through the engagement of suppliers supporting Curro's code of conduct and sharing commitments to human rights.



## Governance (G)

Curro has adopted and implemented several policies to achieve sustainable governance, including the below:

- Code of ethics and anti-corruption.
- Commitment to good business practices.
- Privacy and whistleblowing.
- Processing of personal information in line with the Protection of Personal Information Act.
- Data and information technology privacy and security.
- Sexual harassment policy.
- Health, safety, and environmental policy.
- Anti-discrimination policy.
- Schools' disciplinary procedures and guidelines.
- Grievance policy.

Detailed information on governance at Curro can be found on pages 102 to 110.



## Additional notable information

### Transparent Sustainability and Climate Change Reporting: CDP

Curro improved its CDP score (climate change) from a B- to a B in 2023. This falls in the 'Management' band which translates to taking coordinated action on climate issues. This score is higher than the African regional average of B-, and higher than the 'Other' services sector average of C. It is noteworthy to mention that Curro received an A score in the emissions reduction initiatives and low carbon products category.

Curro also improved its CDP supplier engagement rating ('SER') from a D to a C- in 2023. This now places Curro in the 'Awareness' band which translates to having knowledge of impacts on, and of, supplier engagement issues in the environmental realm.

### Sustainability-linked loan

Curro refinanced its loans in 2022, and then partnered with Standard Bank to introduce a new sustainability overlay to its facilities in 2023. This approach links the interest rate margins on the new facilities to Curro's performance against key sustainability performance indicators and targets, as agreed upon between Curro and its lenders. These key performance indicators include the bachelor's degree pass rate of matric learners, employee diversity among teachers and water usage on school campuses. This transaction directly supports Curro's sustainability commitments.

### Communication with stakeholders

Curro identified in broad terms the following stakeholders:

- Management and local school management committees
- Parents and school advisory bodies
- Teachers and supporting employees
- Learners
- Investors, funders, and sponsors
- Government
- Business
- Communities
- Supply chain stakeholders

Curro promotes sustainability communication to all stakeholders by:

- creating awareness and educating employees and learners on sustainability and the importance of preserving resources for the future, and
- promoting events and having awareness campaigns to get surrounding communities to participate and support Curro's sustainability efforts.




### Task Force on Climate-related Financial Disclosures ('TCFD')

Curro has aligned its operations with the Task Force on Climate-related Financial Disclosures ('TCFD') framework to comprehensively address the different risks and opportunities posed by climate change. Through this alignment, Curro demonstrates its commitment to environmental sustainability and responsible financial management. By integrating TCFD recommendations, Curro enhances transparency and disclosure regarding climate-related risks and opportunities. This in turn enables stakeholders to make well-informed decisions. This proactive approach not only mitigates potential risks associated with climate change but also identifies opportunities for innovation and resilience within Curro's operations. The two tables on the next pages describe the risks and opportunities identified through comprehensive risk assessments and scenario analyses.

# 3.5 SUSTAINABILITY

## Environmental risks




Risk	Description	Financial impact
<b>Physical risks</b> 	<b>Cyclones, hurricanes and floods:</b> Curro recognises the increased severity of extreme weather events as material short-term risks to business operations. Curro continues to pay insurance coverage to mitigate any of the damage associated with this risk.	Incalculable; as various financial costs need to be considered, such as possible loss of life (in extreme cases), medical and insurance claims, temporary closure of the business, and the risk of reputational damage.
	<b>Droughts:</b> Extreme droughts have been identified as a risk with the potential to impact Curro's operations. Measures to ensure water security, including the installation of boreholes, water pumps, and water harvesting measures at schools have been implemented at schools in drought-prone areas.	The potential financial impact would be in the range of a loss of R76 million (min) – R230 million (max).  The following assumptions were made to determine the potential financial impact: a) Forced business closure for a maximum of 26% of campuses being directly impacted by a drought. b) Only considering income from school fees. c) Assuming there are no alternative means of providing schooling to learners, thus resulting in the potential total loss of school fee income. d) Assuming the business would be impacted for a minimum of 1 month, and a maximum of 3 months.
	<b>Power outages due to increased demand and infrastructure vulnerabilities (load-shedding):</b> load-shedding impacts Curro's school and administrative operations. Load-shedding creates significant disruptions to the delivery of education. Thus, Curro has invested in backup power alternatives (solar power and diesel generators coupled with batteries) to ensure continuous learning can take place.	R23 million The total generator operating costs for 2023.  R13 million A high-level estimate of diesel usage for electricity generation during 2024.  R80 million Spent on solar and backup battery systems, during 2023, to generate and store enough electricity to be more self-sufficient.  R40 million Additional Capex is planned for 2024.
	<b>Pest infestations:</b> Climate change resulting in an increase in pest infestations, such as rodents or insects, can lead to property damage, hygiene issues, health concerns, and the need for pest control services and repairs.	R592 000 per year The financial impact stems from an anticipated rise in the yearly expenditure, projected at 80 cents per square metre, due to escalated pest control measures.
	<b>Power surges or electrical system malfunctions:</b> Power surges or electrical system malfunctions can damage electronic equipment, disrupt operations, and require repairs or replacements.	Not quantified The financial impact is determined by the extent and costs of repairs, replacements, and potential revenue loss during the downtime and cannot be calculated at this time.

Risk	Description	Financial impact
<b>Regulatory risks</b> 	<b>Carbon pricing mechanism:</b> Compliance with current regulations is crucial for Curro to avoid fines and reputational damage. Non-compliance with alternative energy requirements and the carbon tax legislation can result in increased operational costs and impact the company's financial performance.	R94 385 The above single estimate was calculated by assuming that the carbon tax fuel levy is 10c/litre of diesel, and 9c/litre of petrol and the total fuel consumption in 2022 for Curro vehicles was c960 000 litres of petrol and diesel.
	<b>Increased stakeholder concern or negative stakeholder feedback:</b> Potential controversies related to climate-related events endangering the health or safety of Curro learners could lead to reputational damage and a decline in revenue if an increased number of learners choose to leave the school because of environmental reasons.	Not quantified
<b>Legal risks</b> 	<b>Energy Performance Certification for facilities bigger than 2 000 sqm:</b> Energy Performance Certification of Curro buildings larger than 2 000 sqm is required, both for new and acquired properties.	The financial implication of non-compliance is a fine of up to R5 million.
	<b>Enhanced emission reporting obligations:</b> An increase in obligations relating to emissions reporting due to greater investor requirements. Not meeting these obligations may have an impact on investment and reputation.	Not quantified
	<b>Exposure to litigation:</b> Non-compliance with environmental building standards can lead to penalties imposed by regulatory bodies, and it may lead to the need for redesigning or modifying the schools' infrastructure.	Not quantified
<b>Market risks</b> 	<b>Increased cost of raw materials:</b> Climate change and political instability affect the availability and cost of raw materials required for facilities management, resulting in increased procurement costs and delayed timelines.	R4 million The financial impact is based on estimated increased procurement costs of c5% on the annual maintenance capex.
	<b>Increased insurance premiums due to climate-related risks:</b> Rising insurance premiums for property, liability, and business interruption coverage due to climate-related risks.	Not quantified

\* All financial impacts and relevant assumptions are stated in the 2023 CDP disclosure report which is available on: [www.cdp.net](http://www.cdp.net).

# 3.5 SUSTAINABILITY

## Environmental opportunities

Risk	Description	Financial impact
<b>Resource efficiency</b> 	Reduced water usage and consumption by actively monitoring, reporting and interventions, which have been made possible through the installation of water metres at all schools.	With the c10% reduction of the current water utility operating expense, a saving of cR4 million was achieved in 2023/4.
	Move to more resource-efficient buildings with, for example, energy-efficient lighting and centralised air conditioning.	It is not possible to evaluate or estimate cost now since a Green Star Accredited Professional for Existing Building Performance will first need to assess all Curro's sites.
	Resource efficiency through the optimised usage of recycling.	Not quantified
<b>Resilience</b> 	Participation in renewable energy programmes and adoption of energy-efficiency measures. With the current power supply uncertainty in South Africa, Curro must continue to implement solar PV and battery storage solutions which ensures that schools can remain operational during load-shedding.	The savings potential for the solar installation per site is estimated to be between R60 000 and R200 000 per year. This will be dependent on the size and electricity consumption profile of the site. Curro aims to have solar PV installations at all sites in the near future and is currently investigating the viability of these opportunities.
	Build and design extreme weather-resistant infrastructure.	Incalculable
<b>Products and services</b> 	Development and/or expansion of low-emission goods and services. Curro develops digital curriculum content and continues to encourage learners to transition to 2-in-1 laptops and tablet devices. This presents an opportunity to shift towards lower carbon services by reducing paper consumption, previously a scope 3 emission captured in the carbon footprint, as schools embrace digital content and electronic devices.	<p>The potential estimated savings of this figure were calculated by estimating the minimum number of reams of paper consumed in one year by one school.</p> <p>Total savings: R66 000 per year per school (excluding labour).</p>

\* All financial Impacts and relevant assumptions are stated in the 2023 CDP disclosure report which is available on: [www.cdp.net](http://www.cdp.net).



## 3.6 FINANCIAL REVIEW

### Salient points

The key highlights of the group's 2023 financial performance are as follows:

- Weighted average number of learners were 1.8% higher in 2023 than for 2022 and at the start of 2024, learners increased further by 1.6% from the 2023 weighted average number of learners.
- Total tuition revenue increased by 11.9% due to the growth in learner numbers, coupled with price-mix across grades and annual fee increases.
- Total revenue increased by 14.6% to R4.8 billion, supported by a rise in ancillary revenue which was R120 million and 33.1% higher than in the previous year.
- EBITDA of R1 155 million was 24.7% higher than 2022.
- Recurring headline earnings of R426 million in 2023 increased by 29.1% compared to the 2022 financial year and headline earnings increased by 16.7% to R426 million.
- Recurring headline earnings per share ('RHEPS') of 73.2 cents was 32.1% higher than last year. Headline earnings per share ('HEPS') of 73.2 cents was 19.2% higher than 2022. Earnings per share ('EPS') was 7.0 cents for the current year compared to 40.1 cents in the previous year.
- Curro generated R875 million of cash from its operating activities, 9.4% higher than the previous year, net of substantially higher interest and tax payments of nearly R120 million more than last year.

In evaluating these results, shareholders should take the following into account, which also accounts for the key differences between RHEPS, HEPS and EPS:

- Curro recognised impairments of R378 million (2022: R127 million), net of tax, relating to lower-yielding school assets. This was based on the annual impairment assessment reviews of the business plans for each school.
- These non-cash impairment charges are included in the calculation of EPS but are added back for purposes of the calculation of HEPS and RHEPS and accounts for the key differences between RHEPS, HEPS and EPS in the 2023 and 2022 financial years.
- In addition, in the previous financial year, non-recurring subsidy income of R25 million and a reduction in deferred tax by R23 million (due to the change in the South African corporate tax rate) were included in the calculation of EPS and HEPS but were removed for purposes of the calculation of RHEPS.

### Key statistics

	2019	2020	2021	2022	% change '22 - '23	2023	CAGR
Revenue (R million)	2 944	3 094	3 543	4 156	15%	<b>4 764</b>	13%
Schools' EBITDA (R million)	873	886	1 013	1 195	21%	<b>1 448</b>	13%
EBITDA (R million)	693	686	789	926	25%	<b>1 155</b>	14%
EBITDA margin (%)	23.5	22.2	22.3	22.3		<b>24.2</b>	
Net interest expense (R million)	243	223	170	208	32%	<b>274</b>	3%
Recurring headline earnings (R million)	212	179	245	330	29%	<b>426</b>	19%
Recurring HEPS (cents)	50.0*	38.0	40.9	55.4	32%	<b>73.2</b>	10%
Capital investment (R million)	1 246**	650	929	1 115	(36%)	<b>715</b>	(13%)

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

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

### Simplified income statement (recurring basis)

R million	2019	2020	2021	2022	% change '22 - '23	2023	CAGR
Net adjusted revenue*	2 891	2 931	3 385	3 985	16%	<b>4 610</b>	12%
Expenses	(2 018)	(2 031)	(2 367)	(2 782)	14%	<b>(3 154)</b>	12%
Schools EBITDAR	873	900	1 018	1 203	21%	<b>1 456</b>	14%
Head office expenses	(174)	(199)	(224)	(269)	9%	<b>(293)</b>	14%
EBITDAR	699	701	794	934	25%	<b>1 163</b>	14%
Depreciation	(189)	(231)	(281)	(281)	10%	<b>(308)</b>	13%
Adjusted net interest expenses and rental**	(223)	(211)	(155)	(194)	32%	<b>(257)</b>	4%
Profit before tax (PBT)	287	259	358	459	30%	<b>598</b>	20%
Tax	(76)	(71)	(101)	(117)	37%	<b>(160)</b>	20%
Profit after tax (PAT)	211	188	257	342	28%	<b>438</b>	20%
Minorities**	1	(9)	(12)	(12)	-	<b>(12)</b>	-
Attributable earnings	212	179	245	330	29%	<b>426</b>	19%

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

\*\* Adjusted for Meridian Junior Debt

### Key drivers for performance

Income	2019	2020	2021	2022	% change '22 - '23	2023	CAGR
Gross average number of learners	57 597	60 777	66 447	70 724	2%	<b>72 031</b>	6%
Effective net number of learners*	51 490	50 524	57 397	62 197	4%	<b>64 516</b>	6%
Gross effective school fees (R million)	2 830	3 177	3 561	4 064	12%	<b>4 553</b>	13%
Discounts (R million)	(230)	(377)	(328)	(319)	1%	<b>(321)</b>	9%
Net school fees (R million)	2 600	2 800	3 233	3 745	13%	<b>4 232</b>	13%
Net bad debt and collection costs (R million)	(53)	(159)	(157)	(171)	(10%)	<b>(154)</b>	31%
Net school fees after bad debt (R million)	2 547	2 641	3 076	3 574	14%	<b>4 078</b>	12%
Ancillary income (R million)	344	290	309	411	29%	<b>532</b>	12%
Net adjusted revenue	2 891	2 931	3 385	3 985	16%	<b>4 610</b>	12%

\* Gross learners adjusted for the effect of discounts and bad debt related costs on school fees

## 3.6 FINANCIAL REVIEW

Key measures	2019	2020	2021	2022	% change '22 - '23	2023	CAGR
Gross effective average school fees per learner**	49 670	50 185	50 943	56 346	14%	<b>64 000</b>	7%
YOY increase in gross average school fees	7.7%	1.0%	1.5%	10.6%		<b>13.6%</b>	
Discounts and bad debt as % of gross school fees	10.0%	16.9%	13.6%	12.1%		<b>10.4%</b>	
Bad debt and collection costs as % of net school fees	2.0%	5.7%	4.9%	4.6%		<b>3.6%</b>	

\*\* Based on average learners for the year

Ancillary revenue (R million)	2019	2020	2021	2022	% change '22 - '23	2023	CAGR
Other school services	211	205	196	238	21%	<b>289</b>	8%
Enrolment fees	49	49	44	49	2%	<b>50</b>	1%
Other income	83	55	69	124	56%	<b>193</b>	23%
Total	344	290	309	411	29%	<b>532</b>	12%

### Average learner numbers

	2019	2020	2021	2022	% Var	2023	% Var	5 Feb 2024	CAGR
Curro, Curro Select and other	38 588	39 569	42 481	45 429	3%	<b>46 867</b>	2%	47 989	4%
Curro standalone	1 535	1 184	1 429	1 642	6%	<b>1 737</b>	(2%)	1 706	2%
Preschools and Assisted Learning									
Curro Academy	8 281	10 496	12 790	13 872	1%	<b>14 015</b>	-	13 948	11%
Meridian	9 193	9 528	9 747	9 781	(4%)	<b>9 412</b>	1%	9 516	1%
	<b>57 597</b>	<b>60 777</b>	<b>66 447</b>	<b>70 724</b>	<b>2%</b>	<b>72 031</b>	<b>2%</b>	<b>73 159</b>	<b>5%</b>

Over the past five years, the total number of learners has consistently increased, with an average annual growth rate of 5% since 2019. The decrease in Meridian's learner numbers between 2022 and 2023 primarily stems from the closure of one school in 2023.

### Fee increases

School fee increases are assessed per school and per grade, with consideration given to various factors including the existing fee structure, the demand for enrolment at the school, and the amenities and resources offered by the school. This meticulous approach ensures that any adjustments in fees are reflective of the specific needs and circumstances of each grade level within the school and its market.

Average revenue per learner is determined mainly by school-fee increases but is also affected by the mix of learner numbers on a per-school per-grade basis, as there are different school fees applicable to different grades.

For 2022 to 2023 the average school-fee increase was 8.7%. For 2023 to 2024, school fees increased by an average of 6.6% before the impact of grade and school mix, which resulted in an increase across the group of 6.0% at the beginning of 2024. The higher learner growth in lower fee high schools adversely impacted the fee mix in 2024.

### Bursaries and discounts (learner retention and relief)

Curro is dedicated to providing broader access to independent 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.

Discounts as a percentage of gross fees reduced from 2022 to 2023 and the ratio is expected to reduce further in 2024.

### Trade receivables

Gross trade receivables decreased by 11% to R438 million, from R491 million at the end of 2022.

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

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

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 decreased from R327 million at the end of 2022 to R244 million on 31 December 2023.

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 R128 million were provided for during the year (2022: R147 million) and the total expected credit loss provision and gross receivables reduced after account balances totalling R241 million was also written off against both balances and sold. The expected credit loss provision is now at 32% of the gross receivables, down from 49% in 2022. Total bad debts and collection costs as a percentage of revenue decreased from 4.1% in the previous year to 3.3% in 2023.

### Accounts receivable

R million	2019	2020	2021	2022	% change '22 - '23	2023	CAGR
<b>Gross balance</b>	<b>249</b>	<b>447</b>	<b>481</b>	<b>491</b>	(11%)	<b>438</b>	15%
Provision for excess credit losses	(69)	(215)	(246)	(242)	(43%)	<b>(139)</b>	19%
<b>Net accounts receivable</b>	<b>180</b>	<b>232</b>	<b>235</b>	<b>249</b>	<b>20%</b>	<b>299</b>	<b>13%</b>
Provision as % of gross balance	28%	48%	51%	49%		<b>32%</b>	

### Ancillary revenue

Ancillary revenue consists of the non-tuition fee revenue lines, being boarding school fees, aftercare, rentals, bus services and other income.

Ancillary revenue increased by 33% from last year, more than double the rise in tuition fees over the same period. Since 2019, ancillary revenue increased by 64%, whereas tuition fees increased by 60%. Following the pandemic, ancillary revenue has returned to a normalised state, with anticipated future increases likely to align more closely with the growth in fees.

## 3.6 FINANCIAL REVIEW

### Expenses

Curro has a relatively high fixed-cost base with 75% of its expenses made up by salaries and property-related facility costs.

Learner growth and school-based activity are the major drivers of operating expenses. Total operating costs increased by 12.9% from 2022, below the 14.6% increase in revenue. Curro's operating leverage will be a powerful driver of future profitability, relative to capacity utilisation.

### Employee costs

	2019	2020	2021	2022	YOY	2023	CAGR
Teacher salaries (R million)	1 022	1 097	1 300	1 470	9%	<b>1 605</b>	12%
Other employees (R million)	431	328	365	419	8%	<b>453</b>	1%
Total school employee cost (R million)	1 453	1 425	1 665	1 889	9%	<b>2 058</b>	9%
Centralised office (R million)	116	142	165	165	9%	<b>180</b>	12%
Total employee cost (R million)	1 569	1 567	1 830	2 054	9%	<b>2 238</b>	9%
Employee costs as % of revenue	53%	51%	52%	50%		<b>47%</b>	
Employee costs as % of total expenses	70%	65%	66%	64%		<b>62%</b>	
Number of teachers at end of year	3 230	3 425	3 579	3 835	3%	<b>3 935</b>	5%
Average cost/teacher (R'000)	331	331	363	383	7%	<b>408</b>	5%
Total number of employees at end of year	6 076	5 963	6 150	6 557	3%	<b>6 756</b>	3%
Average cost/employee (R'000)	268	260	298	313	6%	<b>331</b>	5%

Salaries are the largest expense for the business, at 62% of total expenses excluding depreciation (2022: 64%). 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 under utilisation is limited as far as possible.

### Other expenses

R million	2019	2020	2021	2022	YOY	2023	CAGR
<b>Non-discretionary expenses</b>	<b>410</b>	<b>499</b>	<b>552</b>	<b>638</b>	<b>14%</b>	<b>730</b>	<b>15%</b>
Facilities	210	289	308	352	12%	<b>395</b>	17%
IT expenses	38	47	59	68	40%	<b>96</b>	26%
Printing and stationery	31	25	31	35	7%	<b>37</b>	5%
Repairs and maintenance	21	27	32	44	18%	<b>52</b>	25%
Collection cost	13	17	26	29	10%	<b>32</b>	25%
Other non-discretionary	97	95	95	110	7%	<b>118</b>	5%
<b>Discretionary expenses</b>	<b>124</b>	<b>102</b>	<b>110</b>	<b>172</b>	<b>22%</b>	<b>210</b>	<b>14%</b>
Sport and culture	25	13	14	37	27%	<b>47</b>	17%
Curriculum	24	24	28	39	27%	<b>49</b>	20%
Marketing	29	36	35	43	19%	<b>51</b>	15%
Other discretionary	47	29	33	53	19%	<b>63</b>	8%
<b>Total</b>	<b>534</b>	<b>600</b>	<b>662</b>	<b>810</b>	<b>16%</b>	<b>940</b>	<b>15%</b>
<b>Ancillary services expenses</b>	<b>110</b>	<b>95</b>	<b>131</b>	<b>219</b>	<b>38%</b>	<b>303</b>	<b>29%</b>
	<b>645</b>	<b>695</b>	<b>793</b>	<b>1 029</b>	<b>21%</b>	<b>1 243</b>	<b>18%</b>

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 12.0%. If the additional running cost of electricity back-up through diesel generators is excluded, facility costs increased by 7.0% from last year.
- The IT expenses in 2023 increased mainly due to the conclusion of major implementation projects, resulting in the transition of anticipated licensing expenses from capital to operational costs, alongside additional licensing needs and cost-effective support license renewals for hardware.

#### Discretionary expenses

- These are variable expenses and although discretionary, these expenses enhance Curro's overall offering and deliver the high-standard school experience expected.

#### Ancillary services expenses

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

### Meridian business

Average learner numbers decreased by 4% from 2022 to 2023 mainly due to the closure of one school in the Meridian business and revenue increased by 5% on the previous year due to fee increases. Operating profit for the year under review was 27% higher than 2022.

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

	2019	2020	2021	2022	2023
Average learner numbers	9 193	9 528	9 747	9 781	<b>9 412</b>
Revenue (R million)	289	289	341	365	<b>385</b>
EBITDA (R million)	56	51	60	63	<b>78</b>
Depreciation (R million)	(10)	(8)	(9)	(8)	<b>(8)</b>
EBIT (R million)	47	43	51	55	<b>70</b>
Net interest (R million)	(26)*	(16)*	(12)*	(10)*	<b>(11)*</b>
PBT (R million)	18	27	39	45	<b>59</b>
Tax (R million)	(5)	(8)	(11)	(13)	<b>(16)</b>
Headline earnings (R million)	13	19	28	32	<b>43</b>
Equity and junior loans (R million)	413	413	413	413	<b>413</b>
Senior debt funding (R million)	230	216	193	170	<b>143</b>
<b>EBITDA margin</b>	<b>19%</b>	<b>18%</b>	<b>18%</b>	<b>17%</b>	<b>20%</b>

\* This excludes the amortisation of junior funding

# 3.6 FINANCIAL REVIEW

## Investment returns

The return on net assets ('RoNA') is calculated by measuring earnings before interest and tax ('EBIT') over average net assets invested (calculated as the average between the opening and closing balance of the year).

	2023		2022		2023		
	Campuses	EBIT (R'million)	RoNA	Eventual capacity utilised	EBIT (R'million)	RoNA	Eventual capacity utilised
Curro and Select	53	792	10.1%	62.9%	978	12.3%	64.5%
Developed	31	456	10.1%	59.9%	578	12.5%	60.9%
Acquired	22	336	10.1%	73.8%	400	12.0%	70.4%
Curro Academy	13	158	10.6%	58.2%	193	13.3%	58.8%
Meridian	6	67	10.5%	76.4%	82	11.8%	73.5%
Other school models	6	(27)	(7.1%)	62.0%	(18)	(4.2%)	66.8%
	<b>78</b>	<b>990</b>	<b>9.6%</b>	<b>64.6%</b>	<b>1 235</b>	<b>11.8%</b>	<b>64.3%</b>

Net assets include non-current assets, trade and other receivables, inventories, lease liabilities, contract liabilities, development and acquisition payables and trade payables. The table above excludes the head office cost. When head office is included the RoNA for 2023 is 7.6% (2022: 6.0%).

## 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, EBITDAR margins of 35% to 40% can be reached, although certain vintages may never reach this level.

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 Curro 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.



St George's Preparatory School

# J-CURVE

	Campuses		Schools		Average learner numbers		Learner growth		Schools' EBITDA (R million)		EBITDA growth		Schools' EBITDA margin		Built capacity utilised		Eventual capacity utilised		
	2023	2023	2023	2023	2022	2023	21/22	22/23	2022	2023	21/22	22/23	2022	2023	2022	2023	2022	2023	
<b>Developed</b>	<b>51</b>	<b>119</b>	<b>45 826</b>	<b>46 913</b>	<b>739</b>	<b>932</b>	<b>7%</b>	<b>2%</b>	<b>739</b>	<b>932</b>	<b>19%</b>	<b>26%</b>	<b>29.1%</b>	<b>32.1%</b>	<b>68.8%</b>	<b>68.6%</b>	<b>60.3%</b>	<b>61.1%</b>	
Dev 2009 & before <sup>1</sup>	4	9	4 305	4 437	91	117	2%	3%	91	117	5%	29%	29.5%	32.7%	73.0%	75.2%	72.1%	74.3%	
Dev 2010	2	6	2 183	2 190	51	65	(1%)	—	51	65	7%	28%	34.3%	39.1%	60.2%	60.4%	60.2%	60.4%	
Dev 2011	5	15	4 329	4 337	82	94	2%	—	82	94	14%	14%	30.0%	31.4%	61.9%	61.8%	58.4%	58.6%	
Dev 2012	2	6	2 146	2 159	34	45	3%	1%	34	45	11%	32%	25.4%	29.2%	79.8%	80.3%	74.3%	74.8%	
Dev 2013	4	12	6 266	6 294	141	162	—	—	141	162	3%	15%	37.5%	38.5%	67.4%	67.7%	65.2%	65.5%	
Dev 2014	4	9	2 773	2 792	23	34	9%	1%	23	34	43%	44%	16.0%	20.3%	72.7%	73.2%	71.2%	71.7%	
Dev 2015	6	15	7 172	6 902	78	103	3%	(4%)	78	103	22%	32%	23.7%	28.5%	67.3%	64.7%	61.1%	58.8%	
Dev 2016	4	8	2 009	1 997	51	59	10%	(1%)	51	59	84%	15%	33.9%	34.1%	51.2%	50.9%	46.4%	46.2%	
Dev 2017	3	8	4 089	3 890	79	91	4%	(5%)	79	91	17%	14%	37.8%	40.2%	75.7%	72.0%	67.3%	64.0%	
Dev 2018	4	8	1 651	1 910	13	31	(1%)	16%	13	31	—	—	16.6%	32.1%	47.6%	55.1%	43.7%	50.5%	
Dev 2019	7	13	5 660	6 023	85	105	22%	6%	85	105	39%	23%	32.1%	33.5%	78.3%	77.9%	53.2%	56.6%	
Dev 2020	5	9	3 243	3 951	11	30	40%	22%	11	30	33%	17%	8.9%	17.7%	97.2%	86.0%	43.2%	54.2%	
Dev 2023	1	1		31		(4)									31.0%			4.1%	
<b>Acquired<sup>2</sup></b>	<b>27</b>	<b>63</b>	<b>24 898</b>	<b>25 118</b>	<b>466</b>	<b>534</b>	<b>6%</b>	<b>1%</b>	<b>466</b>	<b>534</b>	<b>17%</b>	<b>15%</b>	<b>29.0%</b>	<b>29.1%</b>	<b>79.6%</b>	<b>76.8%</b>	<b>76.4%</b>	<b>73.2%</b>	
Acq 2012 & before	7	17	8 165	8 071	186	195	2%	(1%)	186	195	9%	4%	35.8%	34.3%	83.2%	80.8%	78.4%	77.5%	
Acq 2013	2	2	3 620	3 466	35	28	(1%)	(4%)	35	28	—	(18%)	23.3%	18.8%	77.8%	74.5%	77.8%	74.5%	
Acq 2014	2	6	2 348	2 237	60	65	(2%)	(5%)	60	65	14%	7%	29.8%	29.5%	67.6%	64.4%	67.6%	64.4%	
Acq 2015 & 2016	5	14	5 142	5 123	87	112	1%	—	87	112	14%	29%	25.0%	29.2%	78.1%	77.8%	72.0%	71.8%	
Acq 2018	3	6	1 990	1 872	59	52	(2%)	(6%)	59	52	9%	(12%)	43.3%	35.6%	82.2%	77.3%	58.1%	54.6%	
Acq 2019	4	8	1 601	1 609	27	34	18%	—	27	34	64%	26%	27.4%	29.2%	69.4%	68.1%	61.1%	60.6%	
Acq 2020	1	3	880	1 026	6	12	43%	17%	6	12	—	—	14.5%	22.7%	97.9%	98.7%	75.0%	87.5%	
Acq 2021	1	2	289	243	(5)	(6)	(3%)	16%	(5)	(6)	—	—	(28.4%)	(31.6%)	62.8%	52.8%	62.8%	52.8%	
Acq 2022	1	3	863	1 214	11	24	41%	—	11	24	116%	—	12.0%	16.7%	82.0%	85.6%	82.0%	85.6%	
Acq 2023	1	2		257		18				18			46.4%	87.1%				87.1%	
Property rental, royalties and other					(10)	(18)													
<b>Total Developed &amp; Acquired</b>	<b>78</b>	<b>182</b>	<b>70 724</b>	<b>72 031</b>	<b>1 195</b>	<b>1 448</b>	<b>6%</b>	<b>2%</b>	<b>1 195</b>	<b>1 448</b>	<b>18%</b>	<b>21%</b>	<b>28.8%</b>	<b>30.4%</b>	<b>72.3%</b>	<b>71.8%</b>	<b>64.6%</b>	<b>64.3%</b>	

1. 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. Curro Durbanville's new High School increased capacity in 2022.  
2. Acquired schools indicates the year the school was incorporated into Curro.

# 3.6 FINANCIAL REVIEW

## Cash flow

R million	2019	2020	2021	2022	2023
EBITDA	693	686	789	926	<b>1 155</b>
Non-cash items	21	28	32	58	<b>43</b>
Net finance costs	(204)	(200)	(127)	(152)	<b>(222)</b>
Taxation	(13)	(3)	(2)	(34)	<b>(82)</b>
Working capital movements	(23)	(3)	75	2	<b>(19)</b>
<b>Cash from operating activities</b>	<b>474</b>	<b>514</b>	<b>767</b>	<b>800</b>	<b>875</b>
Maintaining existing campuses	(241)	(200)	(228)	(244)	<b>(356)</b>
Expansion at existing campuses	(669)*	(435)	(449)	(587)	<b>(304)</b>
New school investments	(185)	-	(251)	(152)	<b>(39)</b>
Land banking	(24)	(12)	-	(5)	<b>10</b>
Acquisitions	(127)	(3)	(1)	(127)	<b>(26)</b>
Other investing activities	(46)	(271)	(240)	34	<b>37</b>
<b>Cash to investing activities</b>	<b>(1 292)</b>	<b>(921)</b>	<b>(689)</b>	<b>(1 081)</b>	<b>(678)</b>
<b>Cash generated from financing activities</b>	<b>741</b>	<b>491</b>	<b>(87)</b>	<b>254</b>	<b>(196)</b>
<b>Net movement</b>	<b>(77)</b>	<b>84</b>	<b>(9)</b>	<b>(27)</b>	<b>1</b>
Opening balance	92	15	99	90	<b>63</b>
<b>Closing balance</b>	<b>15</b>	<b>99</b>	<b>90</b>	<b>63</b>	<b>64</b>

\* Figure adjusted to exclude the other investing activities

Cash generated from operating activities increased by 9% to R875 million (2022: R800 million), which comfortably covered normal replacement and maintenance capital expenditure at existing campuses. The 9% growth is net of substantially higher interest and tax payments of nearly R120 million more than last year.

The group continues to increase capacity utilisation at existing facilities. Curro invested R715 million in the business in 2023 (2022: R1 115 million).

Meaningful capital expenditure is still required over the medium term to accommodate learner growth and expand facilities, but this can 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 are added depending on learner growth. 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 utilised its remaining assessed loss during 2022 and commenced with paying income taxation in 2022.

Curro plans to invest R700 million in 2024 in the maintenance, replacement and expansion of its schools.

## Capital structure and debt

### Debt measures

	Dec-19	Dec-20	Dec-21	Dec-22	Dec-23
<b>Net debt (R billion)</b>					
Excluding Meridian	3.5	2.2	2.3	2.8	<b>2.9</b>
Including Meridian	3.7	2.5	2.7	3.1	<b>3.2</b>
<b>Average net debt (R billion)</b>					
Excluding Meridian	3.0	2.8	2.3	2.6	<b>2.8</b>
Including Meridian	3.2	3.1	2.6	2.9	<b>3.2</b>
<b>Net debt/equity</b>					
Excluding Meridian	66%	30%	33%	38%	<b>41%</b>
Including Meridian	68%	36%	37%	43%	<b>45%</b>
<b>ISCR</b>					
Excluding Meridian	2.5	2.9	5.5	5.2	<b>4.9</b>
Including Meridian	2.3	2.6	4.0	3.9	<b>3.8</b>
<b>Average net debt/EBITDA</b>					
Excluding Meridian	4.6	4.4	3.1	3.0	<b>2.7</b>
Including Meridian	4.7	4.5	3.3	3.1	<b>2.8</b>

### 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 moderate. This is the preferred position in the short term, as it enables Curro to pursue and fund 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.

Net debt increases at the end of the year in order to fund capex for the increased future capacity required, which generally leads to additional cash flow in the following year. The table that follows indicates the history of EBITDA generation following the year that debt increased to fund capex:

R million	2019	2020	2021	2022	% change '22-'23	2023	CAGR
Net debt	3 692	2 520	2 660	3 127	3%	<b>3 236</b>	(3%)
EBITDA	693	686	789	926	25%	<b>1 155</b>	14%
Debt/EBITDA (trailing)	5.3	3.7	3.4	3.4		<b>2.8</b>	
EBITDA (following year)	686	789	926	1 155			
Debt/EBITDA (forward)	5.4	3.2	2.9	2.7			

- During June 2023, GCR Ratings upgraded both the long- and short-term national scale issuer ratings assigned to Curro by two levels, from BBB+(ZA) and A2(ZA), to A(ZA) and A1(ZA) respectively, with a stable outlook.
- Curro increased total net debt to R3.2 billion from R3.1 billion in 2022.
- Net finance cost in 2023 increased by R66 million to R274 million (2022: R208 million) as a result of higher interest rates and increased average loan value during the year.



## 3.6 FINANCIAL REVIEW

### Debt maturity profile

R million	2024	2025	2026	2027	2028
Meridian	51	40	64	79	95
Curro	10	439	1 200	1 300	-

### Impairments

Under the IFRS Accounting Standards, Curro must perform impairment tests on its cash-generating units, being its schools. Accordingly, management predicts future cash flows per school, based on the business plans for each school. The future cash flows are then discounted back to a present value at Curro's weighted average cost of capital of 15.6% (2022: 14.5%).

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.

Curro recognised a total non-cash and non-headline impairment expense of R465 million before tax (2022: R174 million), relating to twenty five campuses and certain land erven. 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.

### Dividends

It is the board's policy to pay 20% of recurring headline earnings as an annual dividend and the board resolved to pay a final dividend of 14.64 cents per share (2022: 11.08 cents) from income reserves for the year ended 31 December 2023. The dividend amount, net of South African dividend tax of 20%, is 11.712 cents per share.

There were 581 555 012 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 capital employed;
- improve the collection, integration and reporting of data in order to improve strategic and tactical decision-making, and
- enhance the procurement processes of the business.

### Outlook

Curro's results show fortitude in a strained economic environment. The extent to which learner numbers sustained and increased shows how much clients trust Curro in the quality education space. Reassuringly, the group increased its operating margin during this period and for the first time since its inception in 1998, Curro generated more cash from its operations than what was invested in capital expenditure. Curro is confident that this trend will continue.

The business is resilient and Curro is committed to high-quality learning and teaching whilst improving the return on capital employed.



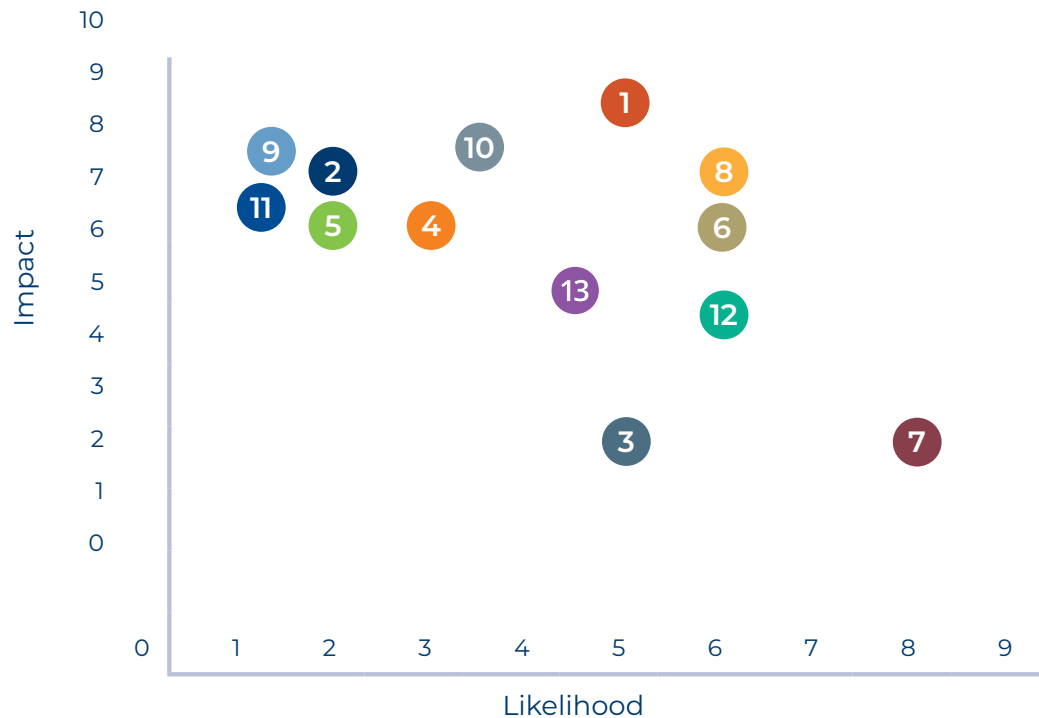
# 3.7 RISK MANAGEMENT REPORT

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 and the CCMD team for the primary and high schools (for compliance at school level). For construction-related matters, the head of facilities reports on a regular basis to the chief operating officer, who 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 2023.

## 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	<b>Reputational risk</b> 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"> <li>• safety and security;</li> <li>• academic quality;</li> <li>• stakeholder communication, and</li> <li>• transformation.</li> </ul> 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 mitigate this risk further.
2	<b>Curriculum risk</b> 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 to international best practice.
3	<b>Investment risk</b> <ul style="list-style-type: none"> <li>• A campus is not placed in an appropriate location and therefore does not grow as anticipated</li> <li>• Overpaying for an acquisition</li> </ul>	<ul style="list-style-type: none"> <li>• As a result of the demand for education, the market still offers significant growth opportunities.</li> <li>• Proper qualitative and quantitative due diligence, encompassing, inter alia, population trends, access routes and land assessments, ensures that the appropriate sites are selected.</li> <li>• 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.</li> <li>• As the portfolio of schools expands, the impact of the incorrect location of a single school will decrease.</li> <li>• Curro recognised impairments of lower yielding school assets.</li> </ul>
4	<b>Financial risk</b> <ul style="list-style-type: none"> <li>• Accurate historical and forecasted management information</li> <li>• Investment and expense management</li> </ul>	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	<b>Cash flow and funding risk</b> 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.

# 3.7 RISK MANAGEMENT REPORT

INDICATOR	RISK	RESPONSES
6	<b>Information technology risk</b> 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.	<p>Curro has built a nationwide area network with industry leaders in the field. Access is well-managed and controlled. Curro implements the best practice for the security risks of handheld electronic devices in order to further protect its information.</p> <p>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.</p>
7	<b>People management risk</b> <ul style="list-style-type: none"> <li>Recruiting the right skilled and experienced teachers</li> <li>Competitive employee remuneration</li> <li>Managing a growing workforce</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>All executive heads are experienced leaders. They receive human resource management support from Curro's contracted service provider and its own people management department.</li> <li>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.</li> </ul>
8	<b>Economic risk</b> Clients cannot afford to keep their children enrolled at the school	<ul style="list-style-type: none"> <li>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.</li> <li>Curro aims to provide a value-for-money service and gained market share from families flight to its quality offering.</li> <li>The Meridian, Academy and DigiEd schooling models offer school fees that are affordable in terms of independent schooling norms and competitive to comparable government schools.</li> <li>Curro expanded and sophisticated its debt collection processes in response to aging accounts.</li> <li>In addition, under Curro's 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 account balance may not be collected.</li> </ul>
9	<b>Safety risk</b> Facilities and other factors in the environment that can be harmful to Curro's learners and employees	<ul style="list-style-type: none"> <li>Consulting with health and safety professionals and adhering to the authorities' building standards for public buildings, which will also include a fire certificate.</li> <li>Policies are in place requiring appropriate conduct, duty, and care by employees.</li> <li>Schools are fenced off, with entrances controlled by security guards.</li> <li>Health and safety audits are conducted annually by independent service providers.</li> </ul>

INDICATOR	RISK	RESPONSES
10	<b>Water risk</b> Water usage at schools and municipal water supply to schools that run dry	<ul style="list-style-type: none"> <li>Water-saving/-usage awareness campaigns are run at schools.</li> <li>Schools have installed water measurement devices. Information gathered is used to carry out risk assessments to identify and quantify water usage and related risks.</li> <li>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.</li> </ul>
11	<b>IT security and governance</b> Increasing number of cyberattacks and continuous improvement of Curro's digital quotient	<ul style="list-style-type: none"> <li>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.</li> <li>Annual cyber and security audits are conducted.</li> <li>Continuous efforts are made to assess and improve data security and governance.</li> <li>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.</li> </ul>
12	<b>The impact of COVID-19</b> Prevent infections at our schools and the impact of the government lockdown and restrictions on the economy	<ul style="list-style-type: none"> <li>Reviewed various regulations carefully and developed benchmark Standard Operating Procedures ('SOPs'), which is strictly followed by all schools.</li> <li>Regular monitoring of the implementation of SOPs and careful tracking of infection risks.</li> <li>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.</li> </ul>
13	<b>Electricity risk</b> No electricity supply due to prolonged load-shedding and the prospect of a complete grid collapse	<ul style="list-style-type: none"> <li>Curro is in a unique position: the business is not a high electricity consumer overall, but its electricity consumption is particularly concentrated during a portion of the day.</li> <li>Curro has installed electricity metres at all facilities to track consumption and manage behaviour.</li> <li>Acquired large diesel generators to provide back-up power at each school where required.</li> <li>Installed battery and solar solutions which enable its schools to generate and store enough electricity to be reasonably self-sufficient during core operating hours.</li> <li>Curro will continue to invest in back-up power solutions in 2024 to mitigate operational risk and reduce energy dependency and cost over the long term.</li> </ul>



## 3.8 CORPORATE GOVERNANCE

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](http://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 to which there were no changes during the year under review. The primary responsibilities of the board are as follows:

- 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, people management, 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 2023 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 98 to 101), 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 based on 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.

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.

At the date of this report, the board comprises three executive and ten non-executive directors. The board includes six female independent non-executive directors. No individual has unfettered power on the board.

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. Santie Botha has notified the board and shareholders of her intention to stand down from the board and as chairperson upon the conclusion of the annual general meeting of shareholders to be held on 12 June 2024.

The board has elected Themba Baloyi to succeed Santie Botha as the chairperson of the board on her exit. Douglas Ramaphosa has been elected as the lead independent non-executive director. Professor Sibongile Muthwa will also retire from the board on 12 June 2024, having served for 11 years.

Subsequent to the year-end, Cora Fernandez and Lerato Molebatsi were appointed to the board as independent non-executive directors with effect from 1 February 2024. Busi Mathe was appointed as an independent non-executive director on 22 April 2024. As Cora, Lerato and Busi were appointed after the last AGM, their appointments will have to be confirmed at the forthcoming AGM.

The roles of CEO and chairperson are held separately.

The three executive directors are the CEO, Deputy CEO and CFO.

Abbreviated curricula vitae of the individual directors on the board are contained on pages 62 to 68 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 114 to 131 for details on how the performance of executive directors is measured.

The board has opted to meet quarterly and in addition has two strategy meetings per year. 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.

# 3.8 CORPORATE GOVERNANCE

## Director information

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

Name of director	Age <sup>1</sup>	Classification: independent non-executive   non-executive   executive	Period since appointment
<b>Santie Botha</b> (appointed on 09/07/2012)	59	Independent non-executive	11 years
<b>Nan Mankai</b> (appointed on 10/08/2018)	43	Independent non-executive	5 years
<b>Piet Mouton</b> <sup>2</sup> (appointed on 01/07/2009)	47	Independent non-executive	14 years
<b>Prof. Sibongile Muthwa</b> <sup>2</sup> (appointed on 01/05/2013)	61	Independent non-executive	11 years
<b>Douglas Ramaphosa</b> (appointed on 26/01/2018)	67	Independent non-executive	5 years
<b>Dr Chris van der Merwe</b> <sup>2</sup> (appointed on 30/12/1998)	61	Non-executive	25 years (founder)
<b>Themba Baloyi</b> (appointed on 01/11/2020)	47	Independent non-executive	3 years
<b>Cobus Loubser</b> (appointed on 01/01/2021)	47	Executive – CEO	3 years
<b>Marí Lategan</b> (appointed on 01/01/2023)	52	Executive – Deputy CEO	1 year
<b>Burtie September</b> (appointed on 01/01/2023)	37	Executive – CFO	1 year
<b>Lerato Molebatsi</b> <sup>3</sup> (appointed on 01/02/2024)	55	Independent non-executive	0 years
<b>Cora Fernandez</b> <sup>3</sup> (appointed on 01/02/2024)	51	Independent non-executive	0 years
<b>Busi Mathe</b> <sup>3</sup> (appointed on 22/04/2024)	43	Independent non-executive	0 years

<sup>1</sup> As at the date of posting of this annual integrated report.

<sup>2</sup> Retirement by rotation: up for re-election, refer to the notice of AGM (only relevant for non-executive directors). Refer to pages 62 to 68 of this report for the abbreviated curricula vitae.

<sup>3</sup> Appointed after the last AGM, therefore the appointments will have to be confirmed at the forthcoming AGM.

## Director attendance

Attendance at the 2023 board and committee meetings by members

Director	Board	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	
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	2/2		2/2
Dr Chris van der Merwe	3/4	1/2		2/2	
Themba Baloyi	3/4	1/2	2/2	2/2	
Cobus Loubser	4/4	2/2			2/2
Marí Lategan	4/4	2/2			
Burtie September	4/4	2/2	2/2		

## 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 may annually provide a general disclosure of 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 statutory committee in terms of the Companies Act that reports to the board. 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.



Curro Academy Parkdene

# 3.8 CORPORATE GOVERNANCE

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 2023 and key focus areas for 2024. Due to the changes in the board composition with two non-executive directors standing down and three new non-executive directors being appointed, the committees will be reconstituted from 12 June 2024, as indicated.

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 – 2023
<b>Audit and risk committee</b> (Consists of three independent non-executive directors)	Twice per annum	<ul style="list-style-type: none"> <li>• Cora Fernandez (chairperson)</li> <li>• Themba Baloyi</li> <li>• Douglas Ramaphosa</li> </ul> Refer to pages 62 to 68 for member profiles.  Invitees: <ul style="list-style-type: none"> <li>• Remaining board members</li> <li>• External auditors</li> <li>• Internal auditors</li> <li>• Head of IT (for IT item on agenda only)</li> </ul> Proposed committee from 12 June 2024: <ul style="list-style-type: none"> <li>• Cora Fernandez (chairperson)</li> <li>• Douglas Ramaphosa</li> <li>• Busi Mathe (appointed 22 April 2024)</li> </ul>	Two meetings were held and all those who were members at the time of each meeting attended.



Curro Barlow Park

Charter – summary of role and responsibilities	2023 performance and 2024 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"> <li>• Appointment of external auditors, the audit strategy and audit fees.</li> </ul> <p>Review and approve for recommendation to the board:</p> <ul style="list-style-type: none"> <li>• Audited financial results and statements and interim financial results.</li> <li>• Changes to risk appetite.</li> <li>• The arrangements for ensuring the integrity of information for internal decision-making, underpinned by the formal delegation-of-authority limits and framework.</li> <li>• Curro's going-concern status.</li> </ul> <p>Review and approve:</p> <ul style="list-style-type: none"> <li>• Use of the external auditors for non-audit services and fees in order to ensure their independence is retained.</li> <li>• 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 and 7.3(e)(i) of the Debt Listings Requirements.</li> <li>• Any material changes to the group's finance function.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p>Oversight of:</p> <ul style="list-style-type: none"> <li>• Assurance functions of the group, i.e. external auditor, internal auditors, finance function, information and technology governance, compliance governance and risk management.</li> <li>• Ensuring that the appropriate financial reporting procedures exist and are operating as contemplated in terms of paragraph 3.84(g)(ii) and 7.3(e)(ii) of the JSE Limited Listings Requirements and Debt Listings Requirements, respectively.</li> <li>• Risk management-related matters – refer to pages 98 to 101.</li> <li>• IT governance – refer to pages 52 and 53 for more detail.</li> </ul> <p>IT governance:</p> <ul style="list-style-type: none"> <li>• Review whether Curro's IT is aligned with the performance and sustainability objectives of Curro and whether the IT assets are managed effectively.</li> <li>• 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.</li> <li>• Monitor and evaluate significant IT expenditure.</li> </ul> <p>Compliance governance:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Management is responsible for ensuring compliance with legislation.</li> </ul> <p>Satisfy itself:</p> <ul style="list-style-type: none"> <li>• 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 3.84(g)(iii) and 7.3(e)(iii) of the JSE Limited Listings Requirements and Debt Listings Requirements, respectively.</li> </ul>	<p>2023 performance:</p> <ul style="list-style-type: none"> <li>• The committee believes it has fulfilled its role in accordance with its charter as summarised for the year ended 31 December 2023.</li> <li>• Refer to pages 6 and 7 of the audited financial statements ('AFS') published at <a href="http://www.curro.co.za">www.curro.co.za</a> for the audit and risk committee report.</li> <li>• 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 2023 this was noted as 'satisfactory'.</li> <li>• The external auditors have issued an unmodified audit opinion.</li> </ul> <p>Compliance governance:</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> <p>2024 key focus areas:</p> <ul style="list-style-type: none"> <li>• Continuing to aim to fulfil the committee's mandate.</li> </ul>

## 3.8 CORPORATE GOVERNANCE

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 – 2023
<p><b>Social, ethics and transformation committee</b></p> <p>(Consists of four members, three of whom are independent non-executive directors, and one executive director)</p>	Twice per annum	<ul style="list-style-type: none"> <li>Sibongile Muthwa (chairperson)</li> <li>Douglas Ramaphosa</li> <li>Cobus Loubser</li> <li>Lerato Molebatsi (appointed on 1 February 2024)</li> </ul> <p>Refer to pages 62 to 68 for member profiles.</p> <p>Invitees</p> <ul style="list-style-type: none"> <li>Nan Mankai (independent non-executive director)</li> <li>Marí Lategan</li> <li>Natasha Mkhize (Executive: Strategic Relations)</li> </ul> <p>Proposed committee from 12 June 2024:</p> <ul style="list-style-type: none"> <li>Lerato Molebatsi (chairperson)</li> <li>Douglas Ramaphosa</li> <li>Dr Chris van der Merwe</li> <li>Cobus Loubser</li> </ul>	Two meetings were held and all those who were members at the time of each meeting attended.
<p><b>Remuneration and nominations committee</b></p> <p>(Consists of three independent non-executive directors)</p>	Twice per annum	<ul style="list-style-type: none"> <li>Themba Baloyi (chairperson)</li> <li>Santie Botha</li> <li>Piet Mouton</li> </ul> <p>Refer to pages 62 to 68 for member profiles.</p> <p>Invitees:</p> <ul style="list-style-type: none"> <li>Cobus Loubser</li> <li>Marí Lategan</li> </ul> <p>Proposed committee from 12 June 2024:</p> <ul style="list-style-type: none"> <li>Piet Mouton (chairperson)</li> <li>Themba Baloyi</li> <li>Lerato Molebatsi</li> </ul>	Two meetings were held and all those who were members at the time of each meeting attended.

Charter – summary of role and responsibilities	2023 performance and 2024 key focus areas
<p>Review and approve for recommendation to the board:</p> <ul style="list-style-type: none"> <li>Curro's B-BBEE strategy, plans and transformation targets.</li> </ul> <p>Review and approve:</p> <ul style="list-style-type: none"> <li>Policies relating to the social and ethics mandate (inter alia, codes of ethics, whistleblowing, corporate citizenship policies, anti-bribery and corruption, environment, health and safety, transformation).</li> <li>King IV register for publication on Curro's website.</li> </ul> <p>Oversight of:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Monitoring of consumer and stakeholder relationships.</li> <li>Monitoring of compliance with legislative requirements as they pertain to the environment, health, public safety, labour and ethical practices.</li> <li>Monitoring of Curro's responsible citizenship and ethics management practices.</li> <li>Application of King IV.</li> <li>Compliance with the requirements of regulation 43 of the Companies Regulations (2011) in terms of the Companies Act.</li> </ul>	<p>2023 performance:</p> <ul style="list-style-type: none"> <li>Progress made in terms of Curro's transformation plan.</li> <li>Reviewing Curro's application of King IV and approving the disclosure register.</li> <li>Improved social support for bursary recipients and provided guidance to them on tertiary-education opportunities.</li> </ul> <p>2024 key focus areas:</p> <ul style="list-style-type: none"> <li>Evaluating the B-BBEE compliance certificate and determining the way forward.</li> <li>Ensuring continued adherence to health and safety protocols.</li> </ul>
<p>Review and approve:</p> <ul style="list-style-type: none"> <li>The remuneration policy, remuneration implementation report and levels of authority.</li> <li>Executive directors and exco members' remuneration and performance measures. Refer to pages 114 to 131 for the remuneration policy and implementation report.</li> <li>LTI share-scheme model, monitored share-option awards, loans of participants.</li> </ul> <p>Review and approve for recommendation to the board and shareholders:</p> <ul style="list-style-type: none"> <li>Recommendation of changes to the trust deed of the share incentive scheme.</li> <li>Non-executive directors' fees and changes thereto.</li> </ul> <p>Oversight of:</p> <ul style="list-style-type: none"> <li>Succession plans at executive level.</li> <li>Organisational leadership organogram.</li> </ul> <p>Reviewing and approving for recommendation to the board, changes to the composition of the board and its committees.</p>	<p>2023 performance:</p> <ul style="list-style-type: none"> <li>The remuneration and nominations committee believes it has fulfilled its stated objectives.</li> <li>Refer to the remuneration report on page 113 of this Annual Integrated Report.</li> </ul> <p>2024 key focus areas:</p> <ul style="list-style-type: none"> <li>Refer to the remuneration report on page 113 of this Annual Integrated Report.</li> </ul>

## 3.8 CORPORATE GOVERNANCE

The board's governance and management functions are linked through the CEO, Cobus Loubser, 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

Elizabeth Mpeke was appointed Company Secretary on 1 April 2023. 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 2023 audited financial statements of the company which is available for download on Curro's website at [www.curro.co.za](http://www.curro.co.za).





## 3.9 REMUNERATION REPORTS

### 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 remunerated-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 (independent non-executive director) and Themba Baloyi (independent non-executive director).

The group's chief executive officer ('CEO'), deputy chief executive officer ('DCEO') and chief financial officer ('CFO') attend meetings of the remcom by invitation, as and when required. The executive directors recuse themselves from meetings when a conflict of interest arises or when they are requested to do so. Curro's company secretary 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 met more than twice for the financial year ending 31 December 2023, and has fulfilled its responsibilities as set out in its charter and as further described in the remuneration policy.

At the Curro annual general meeting held on 14 June 2023, the remuneration policy received a 68.92% vote in favour thereof (with 31.08% against), and the implementation report received a 71.65% vote in favour thereof (with 28.35% against). Since these two non-binding advisory votes were not passed by the requisite majorities, the company was required to engage with its shareholders to address their objections and/or concerns.

On 19 July 2023, Curro issued an invitation to the shareholders who voted against the advisory endorsement of Curro's remuneration policy and the implementation report on the remuneration policy ('dissenting shareholders'), to engage with the company. Dissenting shareholders were invited to submit their objections and/or concerns in writing to Curro and the company offered to engage further with dissenting shareholders in response to their submissions. No written submissions were received from dissenting shareholders after the above invitation was extended, and accordingly no general engagement was scheduled as offered in the invitation.

Curro will continue to engage with shareholders biannually at its results presentations and roadshows and during other investor roadshows and meetings. The company remains available, between formal engagements, to receive investors' views on, inter alia, its remuneration policy and matters related thereto. Indeed, the remcom received feedback from certain shareholders on Curro's remuneration policy during the year, which it considered in the design of the incentive schemes for 2024.

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

- 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 crucial that the remcom ensures that the alignment between management and shareholders is optimally structured and served by effective long-term incentive schemes ('LTIs') that reward management for performance and retain scarce skills and experience.

The remcom is satisfied that the current LTI will sustain a strong culture of accountable co-ownership, which in turn drives long-term thinking with consistent high-value creation performance. Furthermore, this is a valuable retention mechanism for quality management.

### Key decisions during the year

In accordance with its charter, the remcom made the following key decisions during 2023:

- a) Reviewed and approved salary increases for the executive directors, exco members and the company secretary.
- b) Determined the key performance indicators of the short-term incentives ('STIs') for the 2024 financial year.
- c) Reviewed performance against the 2023 key performance areas and approved STIs for executive directors and exco members.
- d) Determined the key performance indicators of the long-term incentives ('LTIs') and approved LTI awards for executive directors and exco members during the year.
- e) Engaged with certain shareholders to consider their recommendations for the LTIs.
- f) Reviewed non-executive directors' fees for submission to the shareholders at the AGM.
- g) Reviewed the composition of the board and board committees and made recommendations for changes thereto to the board for approval, including recommendations to the board to appoint new non-executive directors.
- h) Reviewed the succession plan for executive management.
- i) Reviewed the committee's charter.

Refer to the corporate governance report on pages 108 and 109 for more details on the committee's functioning.

### Conclusion

The remcom has confidence that:

- it was objective and independent when it reviewed the remuneration policy;
- the policy approved in 2023 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 2024 include the following:

- Continuing to implement best-practice protocols in accordance with principles set out in this policy.
- Monitoring the performance conditions determined to be appropriate for the LTI and STI schemes and Curro's business model.
- Focused attention on strategic performance results to ensure that executives are meeting business objectives as set out at the annual board business strategy sessions.

The committee ensures and believes that the Curro remuneration policy and implementation report support the long-term business strategy of the company.



**Themba Baloyi**

Chairperson: Remuneration and Nominations Committee

# 3.9 REMUNERATION REPORTS

## Remuneration policy

### 1. Introduction

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

Curro is focused and determined to increase access to independent school education across Southern Africa. Human Capital is an instrumental component in achieving that goal, and accordingly, fair, and equitable remuneration remains a key focus area for Curro. On 31 December 2023 there were 6 756 employees, of whom 317 employees were head office staff. Total remuneration represented 47% (2022: 50%) of revenue generated and 62% (2022: 64%) of operating expenses respectively.

In line with the integrated reporting framework, Curro acknowledges that its human capital is an important part of Curro's six categories of the forms of capital. 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 in certain instances (see explanation below). Curro also offers other benefits, such as a positive working environment as well as training and skills development programmes that also make a positive contribution towards our competitive position and the B-BBEE-compliance requirements. Curro believes the aforementioned factors help 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 with the Curro group's long-term strategy and shareholder value creation.

Curro's remuneration policy consists of three components:

- i. A total cost-to-company package ('TCTC'), including benefits such as 13th cheques (guaranteed bonus portion – see below), maternity leave, provident fund contribution, death, disability and dreaded disease benefits and medical aid.
- ii. A short-term cash incentive scheme, linked to meeting the annual performance targets 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,



Curro Academy Mamelodi

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 to them and responsible to the company, its shareholders, and other stakeholders.

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 108 and 109 for details on the remcom's composition, purpose, role, mandate, meetings held and attendance.

### 2. Remuneration mix

The remcom ensures that the mix between remuneration components for executives is weighted towards variable pay in order to incentivise 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
<b>Executives</b>	Formulate, drive, and oversee implementation of strategy	Longest term	Cost-to-company package, *short-term incentive and share options
<b>Head office: professionals and management levels</b>	Operational	Short to long term	Cost-to-company package, **maximum 15th cheque as short-term incentive, selective share options
<b>Schools: management levels</b>	Operational	Short to long term	Cost-to-company package and 13th cheque, **discretionary bonus
<b>Other staff (head office and schools, including teachers)</b>	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 the following:

- 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 launched 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.

## 3.9 REMUNERATION REPORTS

Curro makes use of the following external remuneration benchmarks:

### School employees (about 95% of total employees)

- Teachers, specialist employees and management: competitors' salaries and/or state schools' salary statistics
- Other employees at schools: general market comparisons

### Head office employees (about 5% of total employees)

- Administrative employees and non-management employees: general market comparisons
- Specialised functions/professionals: industry-specific comparisons
- 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, exceptional performance 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, and 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 judiciously evaluated by and 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 2024:

#### STI targets (weighting % for each target)\*

- Achieve growth in recurring HEPS of at least 15% from the previous year (40% weighting for this target)
- Achieve at least 4.0% growth in organic average net learner numbers from 2023 to 2024 (40% weighting for this target)
- Personal KPIs (20% weighting for this target)

\* Above subject to an increase in HEPS

In addition to the performance measures above, the remcom set a stretch target for learner growth above 4.0%, with as much as an additional 25% being added to the executive incentives for achievement of up to 7.5% of growth in learners from 2023. The stretch target demands meaningful growth in the context of the prevailing challenging economic conditions and the absolute number of learners already enrolled in Curro.

#### Bonus weighting per executive

- |   |      |
|---|------|
| • CEO                                     | 100% |
| • Deputy CEO, CFO, operational executives | 80%  |
| • Other exco and opsco members            | 60%  |



# 3.9 REMUNERATION REPORTS

The remcom reserves the right to review the performance measures and targets if required relative to an uncertain environment and material extraneous factors. In addition, the remcom set a linear scale to determine incentives relative to targets, with a total business growth and performance of at least 70% of targets to qualify for any portion of incentives relating thereto, scaled to full incentives at full achievement of targets.

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 lever 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.

## 6. Long-term incentives ('LTI')

### Introduction

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 appreciation of contribution made by the participants.

Curro changed and improved the LTI scheme during 2021 and the company currently has two share option schemes in place. For ease of reference, we refer to the previous scheme as the Old LTI scheme and the incentive scheme implemented for executives in 2021 is referred to as the New LTI scheme.

Participants will benefit from Curro's share option schemes through 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 qualify to partake in the New LTI scheme waived their unvested remaining rights in terms of the Old LTI scheme. However, there are employees who are not 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 death. The shareholders approved certain changes to the rules of the share option scheme at the 2018 AGM that:

- 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;
- 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;
- grant the board the discretion to determine when options that have been awarded by the company will lapse, where the participant is guilty of misconduct or poor performance, and
- 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 scheme to 19 million shares.

### 6.1.2 Awards

Share options were awarded annually at the consideration 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, 2021, 2022 and 2023.

### 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 may be excluded from this measure.

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

# 3.9 REMUNERATION REPORTS

## 6.1.4 Loan funding

Until 2017, Curro provided loans to assist management in paying 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 2023 the remaining loan balance was R288 278.00 (2022: R329 429.00).

## 6.1.5 Forfeiture of unvested shares

The executive directors and other executives forfeited all of their remaining unvested share options awarded in terms of the Old LTI scheme during 2021 after the New LTI scheme was approved by shareholders and implemented, with new awards made in respect 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. The New LTI scheme uses 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 upon 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 third award on or about 24 March 2023 consisted of 0.77% of the 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.



Curro Midrand

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 as set out in the table below. The first award's first tranche vested on 31 March 2023 and the second, third and fourth tranches annually thereafter. The second, third and fourth awards vests on the same basis, from the second anniversary of the award and three anniversaries thereafter.

Award	31 March 2023	31 March 2024	31 March 2025	31 March 2026	31 March 2027	31 March 2028	31 March 2029
First award: 30 June 2021	25%	25%	25%	25%	n/a	n/a	n/a
Second award: 31 March 2022	n/a	25%	25%	25%	25%	n/a	n/a
Third award: 24 March 2023	n/a	n/a	25%	25%	25%	25%	n/a
Fourth award: 28 March 2024	n/a	n/a	n/a	25%	25%	25%	25%

The options are subject to the following performance conditions:

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

The performance conditions are dynamic because they are reviewed annually relative to the performance in the immediately preceding year. The basis for performance measurement in the future is therefore always against the most recent preceding year.

In order for participants to benefit, they have to meet their performance criteria and retain a meaningful portion of the vested shares over time. In all instances a minimum of 60% of shares received from the scheme must be retained to qualify for any option vesting over and above the specific tranche requirements.

#### a) Awards in 2021 and 2022

The performance conditions are weighted and will be measured as set out below for the first two awards in 2021 and 2022:

Performance conditions for 2021 and 2022 awards	1) Growth in recurring HEPS	2) Annual increase in RoCE <sup>1</sup>	3) Individual key performance criteria
Weighting:	60%	20%	20%
Minimum hurdle <u>before</u> any vesting:	GDP growth % + CPI % for the 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"> <li>• Net debt: EBITDA ratio to be maintained below 3.5x</li> <li>• RoCE in vesting year must be above RoCE in the base year when options were awarded, regardless of increase on immediately preceding year</li> </ul>	Subject to achieving like-for-like learner growth and achievement of personal KPIs

**Note 1 – Calculation of Return on Capital Employed ('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.

# 3.9 REMUNERATION REPORTS

## b) Award in 2023

The remcom set similar performance conditions for the third award made in March 2023, but increased both the weighting of the RoCE condition and its performance hurdle to incorporate a greater emphasis on business returns, as set out below. This followed from requests from certain shareholders that the long-term scheme should have a greater emphasis on the company's return on equity. However, given the long capital cycle of Curro and the material investment already made in its school assets, management's primary focus over the medium term should be on driving up earnings to increase return on equity.

Performance conditions for the 2023 awards	1) Growth in recurring HEPS	2) Annual increase in RoCE <sup>1</sup>	3) Individual key performance criteria
Weighting:	40%	40%	20%
Minimum hurdle <u>before</u> any vesting:	GDP growth % + CPI % for the 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 0.5% above hurdle	
Vesting subject to other conditions:		<ul style="list-style-type: none"> <li>Net debt: EBITDA ratio to be maintained below 3.5x</li> <li>RoCE in vesting year must be above RoCE in the base year when options were awarded, regardless of increase on immediately preceding year</li> </ul>	Subject to achieving like-for-like learner growth and achievement of personal KPIs

**Note 1 – Calculation of Return on Capital Employed ('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 Waterfall

## c) Award in 2024

The remcom carefully considered the suggestions from certain shareholders on how performance conditions should be set. It is satisfied that the annual recalibration of targets relative to the performance in the immediately preceding year is effective in keeping future targets relevant and sensible. The remcom adjusted the performance conditions for the fourth award made in March 2024 to further increase the weighting of the RoCE condition and introduced absolute performance hurdles to incorporate a greater emphasis on business returns, as set out below.

Performance conditions for the 2024 awards	1) Growth in recurring HEPS	2) Annual increase in RoCE <sup>1</sup>	3) Absolute increase in RoCE <sup>1</sup>	4) Individual key performance criteria
Weighting:	20%	40%	20%	20%
Minimum hurdle <u>before</u> any vesting:	GDP growth % + CPI % for the preceding year	Prior year RoCE	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 0.5% above hurdle	RoCE growth compared to fixed absolute targets as set out below, with proportionate (linear) vesting up to full vesting if RoCE - <ul style="list-style-type: none"> <li>exceeds 9.0% in 2025;</li> <li>exceeds 10.0% in 2026;</li> <li>exceeds 11.0% in 2027, and</li> <li>exceeds 12.0% in 2028.</li> </ul>	
Vesting subject to other conditions:		<ul style="list-style-type: none"> <li>Net debt: EBITDA ratio to be maintained below 3.5x</li> <li>RoCE in vesting year must be above RoCE in the base year when options were awarded, regardless of increase on immediately preceding year</li> </ul>	<ul style="list-style-type: none"> <li>Net Debt: EBITDA ratio to be maintained below 3.5x</li> <li>RoCE in vesting year must be above RoCE in the base year when options were awarded, regardless of increase on immediately preceding year</li> </ul>	Subject to achieving like-for-like learner growth and achievement of personal KPIs

**Note 1 – Calculation of Return on Capital Employed ('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.

### 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 for the first two awards 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 for the first and second awards.

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Growth in recurring HEPS			Improvement in Return on Capital Employed ('RoCE')			Personal KPIs		Total options
<b>Maximum options that can vest in this tranche:</b>			<b>Maximum options that can vest in this tranche:</b>			<b>Maximum options that can vest in this tranche:</b>		<b>10 000</b>
6 000			6 000			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	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			
9.0%	3%	4 500	5.7%	0.3%	2 000	Weak performance and no learner growth	NIL	
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.
- 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
<b>For all participants</b>		
Maximum approved limit of the Old LTI*	19 000 000	3.23%
Total maximum utilisation that might be required i.t.o. New LTI until 2030	30 210 000	5.14%
Total potential utilisation for Old and New LTI	49 210 000	8.37%
<b>Unvested on 31 December 2023</b>		
Old LTI	1 045 175	0.18%
New LTI	10 623 455	1.81%
<b>Per individual participant</b>		
Cumulative utilised Old LTI	2 228 299	0.37%
Total maximum that might be required i.t.o. New LTI until 2030**	12 084 000	2.02%
<b>Total potential utilisation for Old and New LTI</b>	<b>14 312 299</b>	<b>2.39%</b>

\*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 vested 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 noncompete 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 three 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 one other company with the prior approval of the chairperson of the board. Any remuneration payable for these duties will accrue to Curro where meetings are attended during business hours. In certain instances, incoming appointees may be awarded LTIs as a sign-on award.

# 3.9 REMUNERATION REPORTS

## 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 12 of the Notice of AGM for details on the proposed fees for 2024/2025, as set out below. Refer to the implementation report for the details on the non-executive directors' remuneration paid in the 2023 financial year.

The remcom conducted a market benchmarking exercise in 2022 and adjusted fees in that context in 2023. Accordingly, the fees for non-executive directors from 2024 are proposed to increase by approximately 5% in line with inflation, as follows:

Non-executive directors' fees (excluding value-added tax)	Annual fee 2024/2025
<b>Board</b>	
Chairperson of the board	R732 200
Lead independent director	R412 900
Board members	R332 900
<b>Chairpersons of the board committees</b>	
Audit and risk committee	R199 800
Remuneration and nominations committee	R121 600
Social, ethics and transformation committee	R121 600
<b>Members of board committees</b>	
Audit and risk committee	R106 600
Remuneration and nominations committee	R97 250
Social, ethics and transformation committee	R60 800

Notes:

- Fees are paid for services rendered as non-executive directors and are not based on meetings attended.
- Value-added tax (VAT) is payable thereon if the non-executive director is VAT registered.
- The lead independent director shall receive R80 000 per annum in addition to the board member's fee.

## 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, and
- 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, emails 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 2023

Human capital is a critical component of Curro's business success, as its people are key to the quality of education that Curro provides through its schools. Curro had 6 756 employees in 2023, and approximately 62% of operating expenses consist of remuneration for employees.

The remcom has achieved its objectives set out in the remuneration policy for 2022 and 2023. There were no material deviations from the remuneration policy.

### 1. Summary

	2021	2022	2023
<b>Total remuneration (R million)</b>			
Total number of employees	6 150	6 557	<b>6 756</b>
Guaranteed pay and company contributions	1 773	1 986	<b>2 164</b>
Short-term incentive	25	37	<b>42</b>
IFRS2 share-based payments expense	32	32	<b>32</b>
Total remuneration* (R million)	1 830	2 054	<b>2 238</b>
As percentage of revenue	52%	50%	<b>47%</b>

### Remuneration of executive committee

	2021	2022	2023
Number of employees	9	9	<b>9</b>
Guaranteed pay (R million)	21	22	<b>23</b>
Short-term incentive (R million)	9	10	<b>14</b>
IFRS2 share-based payments expense (R million)	9	22	<b>24</b>
Total executive cost (R million)	38	54	<b>61</b>
Short-term incentive as percentage of guaranteed pay	43%	44%	<b>61%</b>
Total executive cost as percentage of revenue	1.1%	1.3%	<b>1.3%</b>
Total executive cost as percentage of EBITDA	4.8%	5.8%	<b>5.3%</b>

Notes

\* Total remuneration includes total STIs accrued in the year 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 <sup>2</sup>	Gains on exercising of options	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>2023</b>						
JP Loubser	3 940	59	88	2 769	1 512	8 368
M Lategan <sup>1</sup>	2 801	16	63	961	806	4 647
BC September <sup>1</sup>	1 960	–	44	400	302	2 706
	<b>8 701</b>	<b>75</b>	<b>195</b>	<b>4 130</b>	<b>2 620</b>	<b>15 721</b>

1. Appointed on 1 January 2023.

2. Based on performance for the 2022 financial year.

Executive	Basic salary	Expense allowance	Pension contributions paid	Bonuses <sup>4</sup>	Gains on exercising of options	Total
	R'000	R'000	R'000	R'000	R'000	R'000
<b>2022</b>						
AJF Greyling <sup>3</sup>	3 524	124	103	1 721	–	5 472
JP Loubser	3 298	105	97	2 640	–	6 140
	<b>6 822</b>	<b>229</b>	<b>200</b>	<b>4 361</b>	<b>–</b>	<b>11 612</b>

3. Retired as CEO and resigned as director effective 1 January 2023.

4. Based on performance for the 2021 financial year.



## 3.9 REMUNERATION REPORTS

Following his retirement as CEO and resignation as director, Andries Greyling continued to be employed by the group until 28 February 2023 to assist during the handover process to the new leadership group. The remcom resolved that he would remain entitled to his basic salary until 28 February 2023. The remcom further resolved that, in the context of his good leaver status, he would be entitled to receive the STI cash bonus which accrued to him in the 2022 year and that he would be permitted to exercise a portion of his unvested LTI share options in the future, as detailed in paragraph 5 below. Subsequent to the 2022 year-end, a once-off payment of R10 million was made to Andries, in finalisation of his employment, which included his 2022 STI cash bonus referred to above and also related to the forfeiture and cancellation of the remaining majority of his unvested shares options. This payment was accrued for in the 2022 financial results.

### 3. Total-cost-to-company packages

Staff salaries have historically been increased with effect from 1 March each year. In the 2023 year, the group gave an increase of approximately 6%. Except for 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 2024 amount paid to the exco was R14.1 million (2023: R10.4 million), which was the bonus pool approved by the remcom in February 2024.

The remcom's approval process for STIs considered a review of the exco's achievement against the 2023 key performance indicators that were approved for that year in March 2023 and reviewed in February 2024 (once reviewed and/or audited information was available).

Executives met three out of the four key performance indicators that had been set for the 2023 financial year, being growth in recurring HEPS, an increase in EBITDA margin and the personal KPIs. Details can be found below.

Certain other employees, who mainly comprise various operational managers, executive heads and selected head office personnel, received a bonus in March 2024 based on specific outcomes achieved by the individual and their area of responsibility.

The exco's STI targets and results for the 2023 year are listed below:

- Achieve growth in recurring HEPS of at least 30% from 2022
- Increase EBITDA margin (as percentage of turnover) by 1.7% from the previous year
- Achieve at least 4.0% growth in organic average net learner numbers from 2023 to 2024
- Personal key performance objectives

The STIs for the individuals as set out in the 2023 remuneration policy for the 2023 financial year are set out below. This was paid in March 2024 and was accrued for in the 2023 financial statements:

Targets:	Allocation if target met	Minimum	Target	Actual achieved	Allocated bonus
<b>1. Recurring HEPS growth</b>	25%	21.0%	30.0%	<b>32.1%</b>	<b>25%</b>
Recurring HEPS (cents)		65.0	72.0	<b>73.2</b>	
<b>2. Increase EBITDA margin</b>	25%	1.2%	1.7%	<b>2.2%</b>	<b>25%</b>
- Margin for 2023				<b>24.5%</b>	
- Margin for 2022				<b>22.3%</b>	
<b>3. Growth in learner numbers</b>	25%	2.8%	4.0%	<b>1.6%</b>	<b>0%</b>
<b>4. Personal KPIs</b>	25%			<b>Yes</b>	<b>25%</b>
<b>Portion of full bonus</b>					<b>75%</b>
		<b>CEO</b>	<b>Deputy CEO</b>	<b>CFO</b>	<b>Other EXCO</b>
Total personal KPIs		25%	25%	25%	25%
Group targets achieved		50%	50%	50%	50%
<b>Total bonus</b>		<b>75%</b>	<b>75%</b>	<b>75%</b>	<b>75%</b>
Bonus weighting per executive (% of yearly salary)		100%	80%	80%	60% to 80%
<b>Bonus percentage of yearly salary paid in 2023</b>		<b>75%</b>	<b>60%</b>	<b>60%</b>	<b>45% to 60%</b>

## 5. Long-term incentives

### 5.1 Awards and forfeitures of options

The executive directors and other executives agreed to forfeit all their share options awarded in terms of the Old LTI scheme before the relevant vesting dates in 2021. No new share awards were made to directors in terms of the Old LTI scheme since 2020.

New awards were made in terms of the New LTI scheme on 30 June 2021 (the first award), on 31 March 2022 (the second award), on 24 March 2023 (the third award) and on 28 March 2024 (the fourth award).

As a consequence of Andries Greyling's retirement as CEO, the majority of his unvested LTI share options were forfeited and cancelled. The remcom exercised its discretion to permit the continued exercising of a portion of his unvested share options, in the context of his good leaver status, insofar as a portion of his options vested on 31 March 2023 and 31 March 2024. The vesting of these options remained subject to the same terms and conditions on which they were awarded.

### 5.2 Vesting and exercise of options for New LTI

The first award of options in terms of the new Curro Long-term Executive Incentive Scheme was made in June 2021 ('the first award'), with the first tranche of the award vesting on 31 March 2023. The participants in the New LTI achieved the performance conditions for the options to vest, which included exceeding the targeted growth in recurring headline earnings per share and the targeted increase in the return on capital employed. In total, 4 983 135 share options were awarded in 2021, of which 1 183 495 vested on 31 March 2023 (the first vesting). All options were exercised which realised gains for all participants of R9 574 475 in aggregate.



Curro Westbrook

# 3.9 REMUNERATION REPORTS

## 5.3 Summary of awards to directors

Details of share awards and forfeitures to executive directors in terms of the Old LTI and New LTI schemes 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 2023	Number of share options vested during the year	Number of share options awarded / (forfeited)	Closing balance of share options as at 31 December 2023	Gain on vesting of options**	Gains on unvested share options as at 31 December 2023***
							R'000	R'000	R'000
JP Loubser	2021/07/01	2026/03/31	NIL <sup>1</sup>	747 470	(186 867)	-	560 603	1 511 754	6 531
	2022/03/31	2027/03/31	NIL <sup>2</sup>	717 554	-	-	717 554	-	8 360
	2023/03/24	2028/03/31	NIL <sup>3</sup>	-	-	920 861	920 861	-	10 728
M Lategan	2021/07/01	2026/03/31	NIL <sup>1</sup>	398 651	(99 662)	-	298 989	806 265	3 483
	2022/03/31	2027/03/31	NIL <sup>2</sup>	382 695	-	-	382 695	-	4 458
	2023/03/24	2028/03/31	NIL <sup>3</sup>	-	-	736 689	736 689	-	8 582
BC September	2021/07/01	2026/03/31	NIL <sup>1</sup>	149 494	(37 373)	-	112 121	302 347	1 306
	2022/03/31	2027/03/31	NIL <sup>2</sup>	143 511	-	-	143 511	-	1 672
	2023/03/24	2028/03/31	NIL <sup>3</sup>	-	-	414 387	414 387	-	4 828
<b>Total</b>				<b>2 539 375</b>	<b>(323 902)</b>	<b>2 071 937</b>	<b>4 287 410</b>	<b>2 620 366</b>	<b>49 948</b>

\* Exercise price is the strike prices adjusted for corporate actions (rights issues and unbundling of shares).

\*\* There were gains on the exercise of options from the first award 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 2023 being R11.65. This does not take the status of performance conditions and the probability of non-vesting or forfeitures into account.

<sup>1</sup> First award in terms of the New LTI.

<sup>2</sup> Second award in terms of the New LTI.

<sup>3</sup> Third award in terms of the New LTI.

## 5.4 Gains on options that vested (R million) for Old LTI

	2019	2020	2021	2022	2023
Realised gains on vesting (all participants)	1	0	0	0	0
Realised gains on vesting (exco)	0**	0	0	0	0
Outstanding loans to participants*	9	0**	0***	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 R533 577

\*\*\* Rounded to million, actual amount is R403 484

# Rounded to million, actual amount is R329 429

## Rounded to million, actual amount is R288 278

## 6. Non-executive directors' fees

Non-executive directors' fees	2020	2021	2022	2023
Remuneration (R'000)	3 164	3 097	3 076	<b>3 370</b>
Growth	4.2%	(2.1%)	(0.7%)	<b>9.6%</b>

The fees paid to non-executive directors in the 2023 financial year included the following:

Name	2022 R'000	2023 R'000
SL Botha	700	<b>768</b>
ZN Mankai	447	<b>493</b>
PJ Mouton	365	<b>398</b>
SWF Muthwa	386	<b>421</b>
TP Baloyi	476	<b>519</b>
DM Ramaphosa	422	<b>463</b>
CR van der Merwe	280	<b>308</b>
	<b>3 076</b>	<b>3 370</b>



Curro Bankenveld 2024



# 4

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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CURRO  
Academy

## Every child matters

Celebrating 25 years in 2023, Curro is proud of its learner-centered approach. This has guided the group to harness capital and resources to offer exceptional, quality education to so many communities.

The 2023 matric class achieved excellent results and Curro is ambitiously expanding extramural opportunities to prepare versatile learners for a bright future.

## Financial results for the year

The group is pleased to report strong growth in revenue and profitability for the year. Recurring headline earnings for the year increased by 29% to R426 million (2022: R330 million) and the group's operating margin expanded to 17.8% (2022: 15.5%).

Curro's weighted average number of learners for 2023 increased by 2% to 72 031 learners (2022: 70 724) and revenue increased by 15% to R4 764 million (2022: R4 156 million).

Tuition fees increased by 12% due to the growth in learner numbers, coupled with price-mix across grades and annual fee increases. Revenue growth was supported by an increase in ancillary revenue, which was R120 million and 33% higher than in the previous year. Discounts granted decreased to 7% of tuition fees from 8% in the previous year.

Employee costs increased by 9% and other expenses by 21%. On a like-for-like basis, if the acquisitions of HeronBridge College in 2022 and Courtney House International School in 2023 are excluded, employee costs increased by 7% and other costs by 19%.

Other expenses increased in relation to the growth in the learner numbers and high levels of learner participation and engagement on campuses. Accordingly, the ratio of other expenses to revenue in the current year was higher than in the previous year, driven by additional extramural activity and increased costs associated with the growth in ancillary services.

The ageing and quality of outstanding debtors accounts continued to improve. As a result, the expected credit losses of R128 million provided for during the year is lower than the R147 million provided last year. The remaining debtor's book, net of the expected credit loss provision, consists of R175 million (2022: R137 million) of actively enrolled accounts and R124 million (2022: R112 million) of inactive accounts.

Schools' EBITDA (earnings before interest, taxation, depreciation, amortisation and head office expenditure) increased by 21% to R1 448 million in 2023, while group EBITDA (after head office expenditure) increased by 25% to R1 155 million (2022: R926 million).

Headline earnings and headline earnings per share ('HEPS') increased by 17% from R365 million to R426 million and by 19% from 61.4 cents to 73.2 cents, respectively.

Recurring headline earnings and recurring headline earnings per share ('RHEPS') increased by 29% to R426 million (2022: R330 million) and by 32% to 73.2 cents (2022: 55.4 cents), respectively.

Earnings per share ('EPS') of 7.0 cents for the year under review was impacted by impairment charges and decreased by 83% from the 40.1 cents in the previous year.

Curro recognised impairments of R378 million (2022: R127 million), net of tax, relating to lower-yielding school assets. This was based on the annual impairment assessment reviews of the business plans for each school.

These impairment charges are included in the calculation of EPS but are added back for purposes of the calculation of HEPS and RHEPS and accounts for the key differences between RHEPS, HEPS and EPS in the 2023 and 2022 financial years.

In addition, in the previous financial year, non-recurring subsidy income of R25 million and a reduction in deferred tax by R23 million (due to the change in the South African corporate tax rate) were included in the calculation of EPS and HEPS but were removed for purposes of the calculation of RHEPS.

## Funding and cash flows

Curro is in a healthy financial position after another credible operating performance and strong cash flows during the 2023 financial year.

The group generated R875 million in cash from its operating activities, 9% higher than in the previous year, despite higher tax and interest payments.

Total debt, net of cash and investments in money market funds, marginally increased from R3 127 billion on 31 December 2022 to R3 236 billion on 31 December 2023. During June 2023, GCR Ratings upgraded both the long- and short-term national scale issuer ratings assigned to Curro by two levels, from BBB+(ZA) and A2(ZA), to A(ZA) and A1(ZA) respectively, with a stable outlook.

The company acquired and cancelled 11.5 million of its shares for R102 million up to 31 December 2023 and plans to continue to buy back shares in 2024 from excess free cash flows.

## Investment

Curro's primary focus in the short to medium term is to support and increase the capacity utilisation of its existing facilities.

Curro invested R715 million in its business during the year, which includes the acquisition of Courtney House International School.

Other investing activities of R37 million in the statement of cash flows represent the aggregate net decrease in money market investments and other financial assets (2022: R34 million decrease).

## Dividend

The board has resolved to pay a final dividend of 14.64 cents per share (2022: 11.08 cents) from income reserves for the year ended 31 December 2023. The dividend amount, net of South African dividend tax of 20%, is 11.7120 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 581 555 012, and the income tax number of the company is 915/907/00/29.

The salient dates for this dividend distribution are as follows:

- Declaration date: Tuesday, 5 March 2024
- Last day to trade cum dividend: Tuesday, 9 April 2024
- Trading ex-dividend commences: Wednesday, 10 April 2024
- Record date: Friday, 12 April 2024
- Payment date: Monday, 15 April 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 10 April 2024 and Friday, 12 April 2024.

## Prospects

Curro had 73 159 registered learners on 5 February 2024, which increased by 1.6% from the 72 031 weighted average learners in 2023.

Curro's results show fortitude in a strained economic environment. The extent to which learner numbers sustained and increased shows how much our customers trust Curro in the quality education space.

Reassuringly, the group increased its operating margin during this period and for the first time since its inception in 1998, Curro generated more cash from its operations than what we invested in capital expenditure. We are confident that this trend will continue and that the group and its customers should benefit from a lower interest rate environment.

Curro will invest up to R700 million in capital projects during 2024 to maintain, replace and expand its facilities and accommodate the strong demand for high school tuition.

The business is resilient and Curro is committed to high quality learning and teaching as our first priority. We look forward to excellent academic results for the class of 2024.

On behalf of the board



**SL Botha**  
Chairperson

4 March 2024



**JP Loubser**  
Chief Executive Officer



## KEY RATIOS (unaudited)

	31 Dec 21	31 Dec 22	31 Dec 23	5 Feb 24
Number of campuses	76	77	78	81
Number of schools	178	181	182	189
Average number of learners	66 447	70 724	72 031	73 159
Average number of learners per campus	874	918	923	903
Number of employees	6 150	6 557	6 756	
Number of teachers	3 579	3 835	3 935	
Learner/teacher ratio	18.6	18.4	18.3	
Building size (m <sup>2</sup> )	772 251	789 296	798 005	
Land size (ha)	549	581	578	
Capital invested (R million)	929	1 115	715	



Waterstone College



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 140 to 147 of the Annual Integrated Report, which comprise the summary consolidated statement of financial position as at 31 December 2023, 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 2023.

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 requirements of the JSE Limited Listings 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 IFRS Accounting 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 audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 4 March 2024. 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 requirements of the JSE Limited Listings 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: Onalenna Halenyane**  
Registered Auditor

Stellenbosch, South Africa  
4 March 2024

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% Change	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
Revenue from contracts with customers (note 4)	14%	4 719	4 156
Other income <sup>1</sup>	n/a	45	–
<b>Revenue</b>	15%	<b>4 764</b>	4 156
Employee costs	9%	(2 238)	(2 054)
Expected credit losses on financial assets	(13%)	(128)	(147)
Other expenses	21%	(1 243)	(1 029)
Earnings before interest, taxation, depreciation and amortisation (Adjusted EBITDA) <sup>2</sup>	25%	1 155	926
– Schools' EBITDA	21%	1 448	1 195
– Head office's EBITDA	9%	(293)	(269)
Amortisation	6%	(70)	(66)
Depreciation	11%	(238)	(215)
Earnings before interest and taxation (Adjusted EBIT) <sup>2</sup>	31%	847	645
Interest income	8%	54	50
Once-off income	n/a	–	25
(Loss) / profit on sale of property, plant and equipment	n/a	(10)	1
Impairment of property, plant and equipment	144%	(397)	(163)
Reversal of impairment of property, plant and equipment	n/a	45	–
Impairment of intangible assets	225%	(26)	(8)
Impairment of goodwill	n/a	(87)	(3)
Finance costs	27%	(328)	(258)
<b>Profit before taxation</b>	(66%)	<b>98</b>	289
Taxation	22%	(66)	(54)
<b>Profit for the year</b>	(86%)	<b>32</b>	235
<b>Other comprehensive income</b>			
Net fair value gain on cash flow hedges	n/a	–	37
Exchange differences on translating foreign operation	n/a	2	(1)
<b>Total comprehensive income for the year</b>	(87%)	<b>34</b>	271
<b>Profit attributable to:</b>			
Owners of the parent	(83%)	41	239
Non-controlling interest	125%	(9)	(4)
	(86%)	32	235
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	(84%)	43	275
Non-controlling interest	125%	(9)	(4)
	(87%)	34	271

<sup>1</sup> This is indicated separately on the statement of comprehensive income as required by IFRS Accounting Standards, which necessitate distinct disclosure for income not tied to contracts from customers. Similar income streams were received in the past.

<sup>2</sup> Adjusted EBITDA takes a headline approach and represent EBITDA excluding impairment, bargain purchase gains, once-off income and profit or loss on sale of assets. Adjusted EBIT takes the same approach as for adjusted EBITDA.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	% Change	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
<b>Reconciliation of headline and recurring headline earnings:</b>			
Earnings attributable to owners of the parent		41	239
Adjusted for:			
Loss on impairment, net of deferred tax		378	127
Loss / (profit) on sale of property, plant and equipment		7	(1)
<b>Headline earnings</b>	17%	<b>426</b>	365
Change in tax rate		–	(23)
Once-off income		–	(25)
Taxation pertaining to once-off income		–	7
Non-controlling interest		–	6
<b>Recurring headline earnings</b>	29%	<b>426</b>	330
<b>Earnings per share (cents)</b>			
– Basic	(83%)	7.0	40.1
– Diluted	(82%)	7.0	39.9
<b>Headline earnings per share (cents)</b>			
– Basic	19%	73.2	61.4
– Diluted	20%	73.2	61.0
<b>Recurring headline earnings per share (cents)</b>	32%	<b>73.2</b>	55.4
<b>Number of shares in issue (millions)</b>			
– Basic		575.0	588.0
– Total issued at beginning of year		588.0	598.0
– Shares repurchased		(11.0)	–
– Treasury shares		(2.0)	(10.0)
– Diluted		575.0	588.0
<b>Weighted average number of shares in issue (millions)</b>			
– Basic		582.0	594.0
– Diluted		582.0	598.0
<b>Margins</b>			
– EBITDA margin <sup>2</sup>		24.2%	22.3%
– Schools' EBITDA margin <sup>2</sup>		30.4%	28.8%
– Operating margin		17.8%	15.5%

	Audited 31 Dec 2023 R million	Audited Restated 31 Dec 2022 R million
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>11 681</b>	11 689
Property, plant and equipment	10 543	10 487
Right-of-use assets	311	289
Goodwill	536	602
Other intangible assets	261	300
Other financial assets at amortised cost	25	3
Other financial assets at fair value (note 6)	5	8
<b>Current assets</b>	<b>553</b>	535
Trade receivables (note 5)	299	249
Other receivables	141	118
Inventories	17	14
Current tax receivable	3	3
Other financial assets at amortised cost	8	30
Other financial assets at fair value (note 6)	4	1
Investment in money market funds	17	57
Cash and cash equivalents	64	63
Non-current assets held for sale	76	40
<b>Total assets</b>	<b>12 310</b>	12 264
<b>EQUITY</b>		
<b>Equity attributable to owners of the parent</b>	<b>7 151</b>	7 270
Share capital	5 988	6 108
Other reserves	47	47
Retained earnings	1 116	1 115
Non-controlling interest	(23)	(14)
<b>Total equity</b>	<b>7 128</b>	7 256
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>	<b>4 420</b>	4 330
Other financial liabilities at amortised cost	3 276	3 211
Deferred tax liabilities	726	749
Lease liabilities	378	342
Development and acquisitions payables	10	–
Contract liabilities	30	28
<b>Current liabilities</b>	<b>762</b>	678
Other financial liabilities at amortised cost	41	36
Current tax payable	11	3
Lease liabilities	46	38
Trade and other payables	246	225
Provisions	40	36
Contract liabilities (mainly prepaid school fees)	359	327
Development and acquisitions payables	19	13
<b>Total liabilities</b>	<b>5 182</b>	5 008
<b>Total equity and liabilities</b>	<b>12 310</b>	12 264
<b>Net asset value per share (cents)</b>	<b>1 229</b>	1 224

	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
<b>Balance at the beginning of the year</b>	<b>7 256</b>	7 100
Total comprehensive income	43	275
Dividends paid	(65)	(49)
Non-controlling interest movements	(9)	(4)
Repurchase of shares	(102)	–
Purchase of treasury shares	(24)	(97)
Vesting of share options	6	–
Other movements	23	31
<b>Balance at the end of the year</b>	<b>7 128</b>	7 256

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	%	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
	Change		
<b>Cash flows from operating activities</b>			
Cash generated from operations	22%	1 198	984
Tax paid	141%	(82)	(34)
Net finance cost paid	46%	(222)	(152)
(Increase) / decrease in net working capital	n/a	(19)	2
<b>Net cash generated from operating activities</b>	9%	<b>875</b>	800
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(28%)	(649)	(901)
Business combinations (note 7)	(80%)	(26)	(127)
Development and acquisition proceeds / (investment)	n/a	5	(28)
Purchase of intangible assets	(13%)	(55)	(63)
Sale of property, plant and equipment	150%	10	4
Other investing activities	9%	37	34
<b>Net cash utilised in investing activities</b>	(37%)	<b>(678)</b>	(1 081)
<b>Cash flows from financing activities</b>			
Repurchase of shares	n/a	(102)	–
Purchase of treasury shares	(75%)	(24)	(97)
Proceeds from other financial liabilities	(66%)	1 090	3 220
Repayment of other financial liabilities	(62%)	(1 081)	(2 810)
Dividends paid to company shareholders	33%	(65)	(49)
Principal elements of lease payments	40%	(14)	(10)
<b>Net cash (utilised in) / generated from financing activities</b>	n/a	<b>(196)</b>	254
<b>Cash and cash equivalents movement for the year</b>	n/a	<b>1</b>	(27)
<b>Cash and cash equivalents at the beginning of the year</b>	(30%)	<b>63</b>	90
<b>Cash and cash equivalents at the end of the year<sup>^</sup></b>	2%	<b>64</b>	63

<sup>^</sup>Curro has additional liquidity resources amounting to R17m (December 2022: R57m) available in the form of its money market investments.



	% Change	Audited 31 Dec 2023 R million	Audited 31 Dec 2022 R million
<b>Average learners for the year</b>	2%	<b>72 031</b>	70 724
- Curro	3%	<b>62 619</b>	60 943
- Meridian	(4%)	<b>9 412</b>	9 781
<b>Revenue</b>	15%	<b>4 764</b>	4 156
- Curro	16%	<b>4 379</b>	3 791
- Meridian	5%	<b>385</b>	365
<b>Schools' EBITDA</b>	21%	<b>1 448</b>	1 195
- Curro	21%	<b>1 359</b>	1 120
- Meridian	19%	<b>89</b>	75
<b>Net head office expenditure</b>	9%	<b>(293)</b>	(269)
- Curro	9%	<b>(282)</b>	(258)
- Meridian	0%	<b>(11)</b>	(11)
<b>EBITDA margin</b>		<b>24.2%</b>	22.3%
- Curro		<b>24.6%</b>	22.7%
- Meridian		<b>20.3%</b>	17.5%
<b>Recurring headline earnings</b>	29%	<b>426</b>	330
- Curro	29%	<b>449</b>	349
- Meridian	21%	<b>(23)</b>	(19)
<b>Recurring headline earnings per share (cents)</b>	32%	<b>73.2</b>	55.4
- Curro	32%	<b>77.1</b>	58.6
- Meridian*	22%	<b>(3.9)</b>	(3.2)
<b>Earnings per share (cents)</b>	(83%)	<b>7.0</b>	40.1
- Curro	(76%)	<b>9.9</b>	41.3
- Meridian	142%	<b>(2.9)</b>	(1.2)
<b>Total assets</b>	0.4%	<b>12 310</b>	12 264
- Curro	(0.1%)	<b>11 495</b>	11 504
- Meridian	7%	<b>815</b>	760
<b>Total liabilities</b>	3%	<b>5 182</b>	5 008
- Curro	2%	<b>4 291</b>	4 198
- Meridian	10%	<b>891</b>	810
<b>Net asset value per share (cents)</b>	0.4%	<b>1 229</b>	1 224

\* Included in the Meridian results is an interest charge of R72m (December 2022: R63m) to shareholders in proportion to their shareholding.

## 1. STATEMENT OF COMPLIANCE

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements and the requirements of the Companies Act of South Africa. The Listings Requirements require summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards and Financial Pronouncements as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee 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 the summary consolidated financial statements were derived are in terms of the IFRS Accounting Standards and are consistent with those applied in the previous consolidated annual financial statements. The summary consolidated results have been prepared internally under the supervision of the Chief Financial Officer, BC September, CA(SA).

## 2. AUDIT OPINION

These summary consolidated financial statements for the year ended 31 December 2023 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.

The audited annual financial statements and the auditor's report thereon are available for inspection at the company's registered office and on the company's website at [www.curro.co.za](http://www.curro.co.za).

The auditor's report does not necessarily report on all of the information contained in this announcement or financial results.

## 3. ACCOUNTING POLICIES

The accounting policies applied in the preparation of the condensed consolidated financial statements are in terms of IFRS Accounting Standards and are materially consistent with those of the annual financial statements for the year ended 31 December 2023. For a full list of standards and interpretations that have been applied, we refer you to our 31 December 2023 annual financial statements.

#### 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

	31 Dec 2023 R million	31 Dec 2022 R million
<b>Included in revenue from contracts with customers:</b>		
Registration and tuition fees	4 604	4 113
Other income	147	106
Boarding school fees	76	70
Aftercare fees	77	63
Bus income	59	48
Recovery income	77	57
Rental income	–	12
Subsidy income	–	6
Discounts granted	(321)	(319)
Personnel	(101)	(96)
Bursaries	(83)	(85)
Other*	(137)	(138)
	<b>4 719</b>	<b>4 156</b>

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

#### 5. TRADE RECEIVABLES

	31 Dec 2023 R million	31 Dec 2022 R million
Gross trade receivables	438	491
Expected credit loss provision	(139)	(242)
Net trade receivables	<b>299</b>	<b>249</b>

The provision percentage decreased from the prior year mainly due to a portion of the long outstanding debtor's balances being sold during the year.

#### 6. OTHER FINANCIAL ASSETS / (LIABILITIES) AT FAIR VALUE

	31 Dec 2023 R million	31 Dec 2022 R million
Fixed-for-variable interest rate swap assets / (liabilities)	4	4
Investment in SA SME Fund	5	5
	<b>9</b>	<b>9</b>

The interest rate swap agreements are measured using mark-to-market rates by the issuer of the instruments, representing a Level 2 fair value measurement for financial reporting purposes.

#### 7. BUSINESS COMBINATIONS

Effective 1 January 2023, Curro acquired the entire business operations of Courtney House International School in Nieuw Muckleneuk, Pretoria for a total purchase consideration of R28 million combined.

	R million
<b>The following assets and liabilities were recognised:</b>	
Right-of-use asset	32
Intangible assets	3
Trade and other receivables	1
Cash and cash equivalents	2
Deferred tax liability	(1)
Contract liability	(5)
Lease liability	(32)
<b>Total identifiable net assets</b>	<b>–</b>
Goodwill	28
<b>Cash consideration paid</b>	<b>28</b>
<b>Net cash outflow on acquisition</b>	
Cash consideration paid	(28)
Cash acquired	2
	<b>(26)</b>

#### 8. RESTATEMENT OF PRIOR YEAR FIGURES

Provisions were previously incorrectly disclosed as part of trade and other payables, which have been reclassified to a separate line in the statement of financial position in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Such reclassification had no impact on previously reported assets, equity, or profitability; however, it had the following impact on the condensed consolidated statement of financial position:

	Dec 2022 R million	Change R million	Dec 2022 (Restated) R million
<b>Impact on the consolidated statement of financial position as at 31 December 2022</b>			
<b>Current liabilities</b>			
Trade and other payables	274	(36)	238
Provisions	–	36	36
<b>Net current liabilities</b>	<b>274</b>	<b>–</b>	<b>274</b>

# STATUTORY AND ADMINISTRATION

## Directors:

SL Botha\*\* (Chairperson)  
TP Baloyi\*\*  
M Lategan (Deputy CEO)  
JP Loubser (CEO)  
C Fernandez\*\*  
ZN Mankaj\*\*  
L Molebatsi\*\*  
PJ Mouton\*  
SWF Muthwa\*\*  
DM Ramaphosa\*\*  
BC September (CFO)  
CR van der Merwe\*

\* Non-executive

\*\* Independent non-executive

**Note:** C Fernandez and L Molebatsi were appointed to the Board of Directors effective 1 February 2024.

**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

**Group Company Secretary:** E Mpeke (1 April 2023)

## 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: 5 March 2024



Curro Somerset West

# ANNEXURE A | A BRIEF HISTORY

Curro's origins trace back to a small independent school that was envisioned by Dr Chris van der Merwe (Chris), Curro's former CEO, in 1998. Chris's vision was to create a school that would provide an exceptional education to learners in the intermediate phase (Grade 4 to Grade 7) in a converted house. Eduard Ungerer, one of Chris's business partners, as well as other founding members Loch van Niekerk, Eddie Conradie and Thys Franken, joined the venture. Soon after the school opened with 28 learners in a church in Durbanville, Cape Town, on 15 July 1998. Since then, Curro has grown into a leading independent school provider in Southern Africa, with the mission to make quality education accessible to all.

Curro's success has been built upon a strong foundation of strategic partnerships and a relentless focus on growth and expansion.

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, a subsidiary of Naspers Ltd, acquired 25% of Curro's shares, enabling the company to pursue its vision of establishing 20 campuses countrywide. When Naspers disposed of Educor in 2006, the founders of the company and Fef le Roux repurchased the 25% shares.

In 2009, PSG Group Ltd became a 50% partner of Curro, and the company began the development plan to have 40 campuses and 45 000 learners by 2020. In 2010, Paladin Capital (Pty) Ltd, a subsidiary of PSG, increased its shareholding to 75% to support the capital investment required for this expansion.

In 2011, Curro listed on the JSE (AltX) and soon after raised R318 million through a rights offer. The capital was used to expand the existing schools and to acquire Woodhill College, Embury College, and Rosen Castle, which laid the foundation for the development of preschools under the Curro Castle brand.

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

It was at that time that Curro joined forces with the Public Investment Corporation and Old Mutual, through the Schools Fund, to provide R440 million in capital for the development of a group of Meridian schools that would accommodate approximately 20 000 learners. In May 2013, Curro raised R606 million through a rights offer and private placement to expand its existing schools and to develop new ones in Ballito, Port Elizabeth, and George. The same year, Curro acquired Northern Academy, a school in Polokwane with approximately 4 000 learners, and Meridian Karino in Nelspruit, Mpumalanga. In addition, Curro issued R150 million in five-year bonds through a JSE-listed domestic medium-term note programme.

In 2014, Curro raised R600 million through rights offer to expand existing schools and develop new ones in Brackenfell, Secunda, Monaghan Farm, Kathu, Mahikeng and Soshanguve, and to acquire Waterstone College and Grantleigh. Two Meridian schools were developed through the Meridian joint venture, one in Cosmo City and one in Newcastle. Curro issued R125 million in five-year bonds through its JSE-listed domestic medium-term note programme and raised R450 million in financing through Standard Bank. The company also purchased seven additional sites for future development, and the year ended with approximately 28 737 learners and ten new campuses.

In 2015, Curro invested R1 billion in growth and expansion projects, partially funded through a rights offer to the value of R740 million. New schools were added to the group in Sitari Estate (Somerset West), Hillcrest, Waterfall Estate (Bryanston) and Douglasdale, and R646 million was invested in existing campuses, with R85 million going toward the acquisition of sites for future growth.

By the end of 2016, the group had 43 183 learners enrolled, with seven additional campuses developed during the year, resulting in the group having 115 schools. The new schools added to the group, to the value of R920 million, included Waterfall Primary School, Curro Century City High School, Curro Krugersdorp High School, Curro Castle Rivonia and Curro Rivonia Primary School, Curro Academy Wilgeheuwel Primary and High School, Curro Academy Clayville Primary School, and Curro Academy Pretoria Primary and High School. Curro also added a tertiary-education campus in Waterfall Estate. Three acquisitions took place during the year, namely Windhoek Gymnasium, Building Blocks and St Conrad's College.

During 2017, Curro invested R976 million in the construction of five new campuses and expansion on existing campuses. Expansion projects included significant expansions at Curro Roodeplaat, Curro Academy Wilgeheuwel, Windhoek Gymnasium, Curro Hillcrest and Curro Hermanus.

In the span of a few short years, Curro grew by leaps and bounds – expanding its reach and offerings to meet the evolving needs of learners across South Africa and beyond. In 2018, Curro made significant strides with the acquisition of Dot's Learning Centre, Cooper College, Baobab College and Northriding College, bolstering its already impressive roster of schools. The construction of six new campuses, totalling R398 million in value, brought the total number of campuses to 58 and schools to 138, providing even more learners with access to world-class education.

Curro continued to invest in its existing campuses, allocating R603 million into expansions at schools such as Curro Roodeplaat, Curro Academy Wilgeheuwel, Windhoek Gymnasium, Curro Midrand and Curro Heritage House, among others. By January 2019, over 57 000 learners were attending a Curro school, with organic and acquisitive growth contributing to this impressive figure.

In 2019, the company extended its brand offering with the launch of Curro Foreshore, a new tech-focused schooling model that emphasises essential subjects such as Mathematics, Science, Robotics and Coding. In addition, Curro Private College Rivonia opened its doors, offering the National Certificate Vocational as an alternative to the National Senior Certificate.

Despite the unprecedented challenges presented by the Covid-19 pandemic, Curro remained committed to its mission of providing high-quality education to learners. The company worked closely with the South African government to establish Covid-19 standards and protocols ensuring that its schools remained open and safe. Remote learning and other assistance were provided to learners where infrastructure was limited, and Curro Online was launched as a full virtual offering.

Through a rights offer, Curro raised R1.5 billion, demonstrating its commitment to innovation and growth. By 2021, Curro had incorporated St George's Preparatory School and introduced a digital wider subject choice offering, ending the year with 66 447 learners. By February 2022, the company had 70 408 registered learners across 76 campuses, with the launch of the new Curro Durbanville High School mega campus serving as a testament to its continued dedication to excellence in education.

Curro celebrated 25 years of education excellence in 2023. On 20 February 2023, Curro had 73 047 learners across 78 campuses. During 2023, Curro constructed two additional campuses in Namibia as well as a new DigiEd Campus in Gauteng (Curro Barlow Park). These schools opened their doors to new learners at the start of 2024. St George's Preparatory school in Gqeberha introduced a DigiEd high-school phase and Curro Brackenfell in the Western Cape extended their offering to high school learners in Grade 8, with further grades phasing in. Curro ended the year with 72 031 average learners.

Curro commenced the 2024 academic year with 73 159 learners across 81 campuses (189 schools).

Curro's journey demonstrates the power of visionary leadership, strategic partnerships, and a relentless focus on growth and expansion. As Curro continues to grow, it remains committed to providing exceptional education to learners across Southern Africa, unlocking opportunities and transforming lives for generations to come.



Curro Bloemfontein

# GLOSSARY

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
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	People Management
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 (SEIFSA), 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
RPC	Representative Parents Committees
PAT	Profit after tax
PIC	Public Investment Corporation
Pty (Ltd)	Proprietary Limited
Remcom	The remuneration and nominations committee to Curro Holdings Limited
SACE	South African Council for Educators
SEIFSA or Schools Fund	Schools and Education Investment Impact Fund of South Africa
SENS	Stock Exchange News Service of the JSE
SOP	Standard Operating Procedure
STI	Short-term incentive
TCFD	Task Force on Climate-related Financial Disclosures
TCTC	Total-cost-to-company
Umalusi	The Umalusi Council for Quality Assurance in General and Further Education and Training
UN SDG's	United Nations Sustainable Development Goals

# CORPORATE INFORMATION

## Curro Holdings Limited

(Registration number 1998/025801/06)

### General information (30 April 2024)

**Country of incorporation and domicile**

South Africa

**Nature of business and principal activities**

Independent schools and education services

**Directors**

**Executive**

Mr JP Loubser  
Mrs M Lategan  
Mr BC September

**Non-executive**

Dr CR van der Merwe

**Independent non-executive**

Ms SL Botha (chairperson)  
Mr TP Baloyi  
Ms C Fernandez  
Ms ZN Mankai  
Ms BS Mathe  
Ms L Molebatsi  
Mr PJ Mouton  
Prof. SWF Muthwa  
Mr DM Ramaphosa

**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

**Bankers**

Absa Bank Ltd  
First National Bank Ltd  
Standard Bank of South Africa Ltd

**Auditor**

PricewaterhouseCoopers Inc.

**Group Company Secretary**

Mrs E Mpeke (1 April 2023)

**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  
Suite 1105, 11th Floor Sandton Eye Building  
126 West Street, Sandton, 2196  
(PO Box 650957, Benmore, 2010, South Africa)

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25 YEARS OF EXCELLENCE



Contact details: 021 979 1204/5 | [engage@curro.co.za](mailto:engage@curro.co.za) | [curro.co.za](http://curro.co.za)

**CURRO**