

## **CURRO HOLDINGS LIMITED**

Incorporated in the Republic of South Africa  
(Registration number: 1998/025801/06)  
JSE Share Code: COH  
ISIN: ZAE000156253  
("Curro" or "the Company" or "the Group")

# **CURRO**

---

## **VOLUNTARY BUSINESS UPDATE AT AGM**

---

Following the the annual general meeting ("**AGM**") of the Company that will be conducted entirely by electronic communication today, 1 July at 14:00, a voluntary business update will be provided to shareholders by the CEO, Andries Greyling. A presentation relating to the voluntary business update is available on the Curro website ([www.curro.co.za](http://www.curro.co.za)). The salient points of the presentation are outlined below:

1. Curro schools re-opened on 1 June 2020, through a phased approach. At present the majority of learners have returned to school. Attendance is higher than expected, with on average more than 75% of learners present in the classroom. The extensive safety protocols developed, implemented and adhered to are holding up well and, although some positive COVID-19 cases have been identified, the schools have remained open as no contamination has occurred.
2. During the extended lockdown period, teaching continued through online or remote learning channels. Extra mural activities, mainly cultural and selected sport, were realigned to continue via online channels.
3. Overall, Curro's primary and high schools have experienced a benign decline of 468 learners (0.1% of the Grade 1 to Grade 12 total learner population) since March 2020. Pre-schools (learners from three months old to Grade R), where remote operations are understandably more complex, have seen a decline of 2 087 learners (18% of pre-school learners). New enrolments for June 2020 alone amounted to 513 learners for all grades. Further growth in new enrolments is expected, as other industry players are subject to greater operational and funding challenges.
4. For the period January to March 2020, collections were 23% higher when compared to the same period in the prior year. However, between March and April 2020, collections declined by 20%. During May and June 2020, a slight improvement was seen again. Taking all this into account bad debt provisioning and financial assistance will increase, but the extent thereof is still uncertain. Curro will provide additional information to shareholders in this regard if required.
5. Total COVID-19 specific financial relief provided to date (comprising of general temporary reductions in fees and financial support initiatives) is estimated at R70 million. No further COVID-19 specific financial relief is anticipated at this moment in time.

Some key business developments include:

- selected pre-school facilities (with a focus on specific standalone pre-school units) will be converted to primary or assisted learning schools;
- a focus on increased network security and improved access to low cost data through *inter alia* reverse billing and bespoke cellular data packages;
- the implementation of a hybrid model to combine classroom and online teaching and learning;
- the launch of an online school model for Grade 4 to 9 learners (to be phased in until Grade 12);
- the re-evaluation of certain capital investments; completion of 2019 projects and 2020 investment will amount to approximately R800 million;
- limited green field developments will be undertaken over the next year / period; and
- a number of favourable acquisition opportunities are under review.

### **Rights offer**

It is anticipated that the announced rights offer, to the extent of R1.5 billion, will be concluded by the end of August 2020. The proceeds will be used for potential acquisition opportunities and to proactively decrease debt in light of the current uncertain economic environment.

Management and the board have been pleased by the commitment and creativity that the executive heads, teachers and staff have displayed in charting operations over the challenging past months. We are confident that Curro will continue to effectively navigate its operations during the short-term uncertainty.

The fundamentals of the business are sound and the prospects for continued growth over the medium to long term remain strong.

Durbanville  
1 July 2020

Sponsor  
PSG Capital



PSG CAPITAL

Joint independent sponsor  
UBS South Africa

