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STADIO

— HOLDINGS —



INTEGRATED REPORT
2022

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01

Overview

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An overview of our integrated annual report, the year that's been and a brief look at our history

Highlights



REVENUE
R1 214 million
↑ 11%
R1 098 million



SEMESTER 1 STUDENT NUMBERS
↑ 11%
SEMESTER 2 STUDENT NUMBERS
↑ 8%

EBITDA¹ MARGIN
↑ 29%
from 28%

EPS
19.5 cps
↑ 31%
14.9 cps

CORE HEADLINE EARNINGS
R176 million
↑ 18%
R149 million

CORE HEPS²
20.7 cps
↑ 18%
17.6 cps

DIVIDEND PER SHARE
8.9 cps
↑ 89%
4.7 cps



86 Qualifications
31 Pipeline programmes

STADIO
Centurion
campus opened in
January 2022 – first
comprehensive
campus

STADIO Krugersdorp
Distance Learning
Logistics Centre
completed in early
2023

Staff Phantom
Share Scheme
introduced

Continued
refinement of
systems and processes
with **efficiencies**
starting to show

¹ Earnings before interest, taxation, depreciation and amortisation (EBITDA)

² Core headline earnings per share (Core HEPS)

About this report

STADIO Holdings Limited (STADIO Holdings) is proud to present its Integrated Report for the year ended 31 December 2022 (this Report). This Report incorporates information pertaining to STADIO Holdings, its three registered private higher education institutions; STADIO Higher Education, AFDA and Milpark Education, as well as its other subsidiaries (together **the Group**).

Integrated thinking is intrinsic to how we manage our business, to our internal strategy development, and to our reporting practices. The Board acknowledges that in order to create value for its stakeholders, it cannot follow a siloed approach. Integrated thinking allows us to be adaptable, whilst ensuring our strategy remains relevant and focused on the core aspects of our business that are required for growth and sustainability.

This Report is the outcome of a groupwide reporting process and has been prepared for the benefit of all our stakeholders (with a focus on providing relevant information to our investment community). It provides a holistic overview of the Group's strategy, our performance against this strategy for the year and overall creation of value for stakeholders during the year. This Report also looks at how risks were managed over the year as well as what risks exist in achieving our strategy and value creation for stakeholders over the short-, medium- and long-term.

REPORTING FRAMEWORKS AND COMPARABILITY

In compiling this Report, we have been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the International Integrated Reporting Council (IIRC) Framework, the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™), the Listings Requirements of the JSE Limited (JSE) and the requirements of the Companies Act of South Africa (the Companies Act). The sustainability aspects of this Report have been compiled with reference to the Global Reporting Initiative (GRI) Standards as well as the SDGs.

We use various icons throughout this Report to further assist users to understand our integrated thinking and to illustrate connectivity throughout the report, as detailed below.

OUR "WWS"

The Group stands firmly on its key focus areas of "WWS" – Widening Access; World of Work; and Student Centredness. Our WWS forms the basis of all our decisions and planning.

W Widening Access

W World of Work

S Student Centredness

OUR KEY STAKEHOLDERS

Our key stakeholders are detailed on page 18 and include:

-  STAFF
-  STUDENTS
-  INVESTORS

Other stakeholders of importance, also detailed on pages 18 to 19, include:

-  REGULATORY BODIES
-  ALUMNI
-  OUR WORLD
-  INDUSTRY

OUR OVERARCHING STRATEGIC PRIORITIES

-  Widen access for qualifying learners to higher education
-  Establish STADIO Higher Education, AFDA and Milpark Education as credible and respected higher education providers
-  Deliver acceptable growth targets and shareholder returns

MATERIAL MATTERS

We consider a matter to be material if it has, or may have, a material impact on our ability to execute our strategic priorities and to create value in the short-, medium- and long-term for our stakeholders. Our material matters are identified through engagement with our institutions, input from the Group's Risk Committee whereby risks and opportunities in our operating environment are assessed, as well as feedback from all our stakeholders through various engagements. Our material matters are assessed continuously and influence the overall strategic direction of the Group. Our material matters are detailed on pages 26 to 27 and include:

-  ECONOMIC ENVIRONMENT
-  ACADEMIC QUALITY AND EXCELLENCE
-  REGULATORY DELAYS
-  STUDENT VALUE PROPOSITION

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Group recognises the role it has as a responsible citizen and the key function that it can play in ensuring its graduates and students are socially conscious and aware, with an understanding of the risks, and the importance of, environmental, social and governance issues. We further aim to produce graduates who can be gainfully employed, or self-employed to assist in tackling the below SDGs, at a minimum.



FORWARD-LOOKING STATEMENTS

This Report may contain certain statements about the Group that may constitute forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Board cautions users that forward-looking statements are not a guarantee of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the Group operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Report.

APPROVAL AND ASSURANCE OF OUR REPORTS

The Audit and Risk Committee reviewed the 2022 Integrated Report and recommended it to the Board for approval.

The Board acknowledges its responsibility for overseeing the integrity and completeness of the 2022 Integrated Report and in doing so, has considered the Group's operating environment, strategy, and value creation model, as well as the unmodified audit opinion issued by PricewaterhouseCoopers Inc. on the consolidated Annual Financial Statements. Elements of the information included in this Report were verified by a combination of internal and external assurance specialists.

The Board has applied its mind to the 2022 Integrated Report and believes that this Report addresses all material matters that have, or could have, a material effect on the Group's ability to create value, and believes this Report presents a fair and balanced account of the Group's performance. The 2022 Integrated Report was approved by the Board on 28 April 2023.


Vincent Maphai
Chairperson

28 April 2023


Chris Vorster
Chief Executive Officer

28 April 2023

NAVIGATION OF OUR REPORT

This Report is an interactive pdf. It is best viewed in Adobe Acrobat – click to download the latest Adobe Acrobat Reader <https://get.adobe.com/uk/reader/>

NAVIGATION TOOLS

-  PREVIOUS PAGE
-  NEXT PAGE
-  RETURN TO PREVIOUS VIEW
-  RETURN TO MAIN MENU

A glossary of terms used throughout this Report is included on pages 146 to 148.

This Report will not be printed, but instead is available to all stakeholders on the STADIO Holdings' website, <https://www.stadio.co.za/recent-reports/>. This is in line with our continued effort to support environmental initiatives wherever possible. The consolidated Annual Financial Statements for the year ended 31 December 2022, which were approved by the Board on 14 March 2023, and all supplementary reports are also available on our website.

Chairperson's report



“The Group has made good strides in positioning itself as a first-choice institution”

Declared the
**Group's second
dividend**
of 8.9 cents
per share
(up 89% from 2021)

Opened
STADIO Centurion
campus, our **first
comprehensive
campus** to new students

EBITDA margin of
**29%, operating
efficiencies** are
starting to show

It is good to see the fruits of the Group's strategy beginning to show, with student numbers increasing to over 41 000 students in the second semester, and operating margins improving to 29% from 28% in 2021. The increase in student numbers is in part due to accrediting new qualifications or accrediting existing programmes to new sites of delivery. In 2022, we saw the School of Education open on the STADIO Bellville site and the STADIO Waterfall campus becoming a multi-school campus, as well as Milpark Education expanding its accounting offerings. In addition to offering new qualifications, we saw the Group's first comprehensive campus, STADIO Centurion, opening its doors to new students, and although the growth in new students on this campus was hindered, due to regulatory delays in accrediting new programmes to this site, we are excited to be able to offer more programmes on this campus in 2023 and are positive about the future of this vibrant new campus.

The Group acknowledges that COVID-19 was a catalyst for change and management assessed its COVID-19 amended practices to ascertain which changes should become part of normal operations going forward. Staff and students struggled to adjust back to the pre-COVID-19 way of operating and management, mindful of this fact, amended its practices and continued to use technology to assist in providing a blended contact learning approach at both AFDA and STADIO Higher Education. Milpark Education amended its strategy to pivot away from contact learning and focus on becoming a leader in online distance learning, and accordingly commenced its implementation of CANVAS, the Group's preferred learning management system. In addition, the Group's investment into, and alignment of, systems, infrastructure, processes

and policies within STADIO Higher Education, following the Business Transfer in 2020, began to see the expected efficiencies of operating as one higher education institution being realised.

During 2022, the Board agreed to construct the STADIO Krugersdorp Distance Learning Logistics Centre in its entirety, as opposed to constructing it in phases, as originally planned. The construction of the STADIO Krugersdorp Distance Learning Logistics Centre was completed in early 2023 and will be instrumental in effectively servicing the Group's distance learning students as the Group continues its quest to enrol 100 000 students, of which 80 000, at a minimum, will study via distance learning. Good customer service is critical in achieving this goal and the Group is committed to continuously improving its customer service which is highlighted through two of the Group's newly approved values of "Service" and "People-Focus". In addition, the Board approved *student experience* and *student retention* as two of its 2023 priority areas and is committed to improving its overall student value proposition.

In conclusion, the Group has made good strides in positioning itself as a first-choice institution for students by offering high-quality education which, at the most part, is at affordable prices, with access to excellent staff and resources, and a supportive learning environment. The Group has also strengthened its partnerships with industry stakeholders to ensure that its programs are relevant and meet the needs of the job market, as well as strengthening our international partnerships and collaborations.

I would like to thank my fellow Board members for their continued support, the management team and staff for their hard work and dedication in making this year a success, and finally our students, who without you, our institutions could not continue. I continue to believe in, and strive towards, the fulfilment of our mission of *empowering the nation by widening access to higher education*. It is through our efforts to widen access to higher education to more individuals, that we can play a meaningful role in the overall wellbeing of our country and contribute to tackling the many socio-economic challenges within South Africa. I look forward to seeing what the future brings for the Group and to witness our graduates becoming leaders within society.

Vincent Maphai
Chairperson

28 April 2023

The Group at a glance

OUR PURPOSE

To empower the nation by widening access to higher education.

OUR VISION

To be a leading higher education provider, offering qualifications aligned with the needs of societies, students, and the world of work.

The Group stands firmly on its key focus areas of “WWS”

- W** Widening Access
- W** World of Work
- S** Student Centredness

These focus areas are what the Group lives by and form the basis of all our decisions and planning.

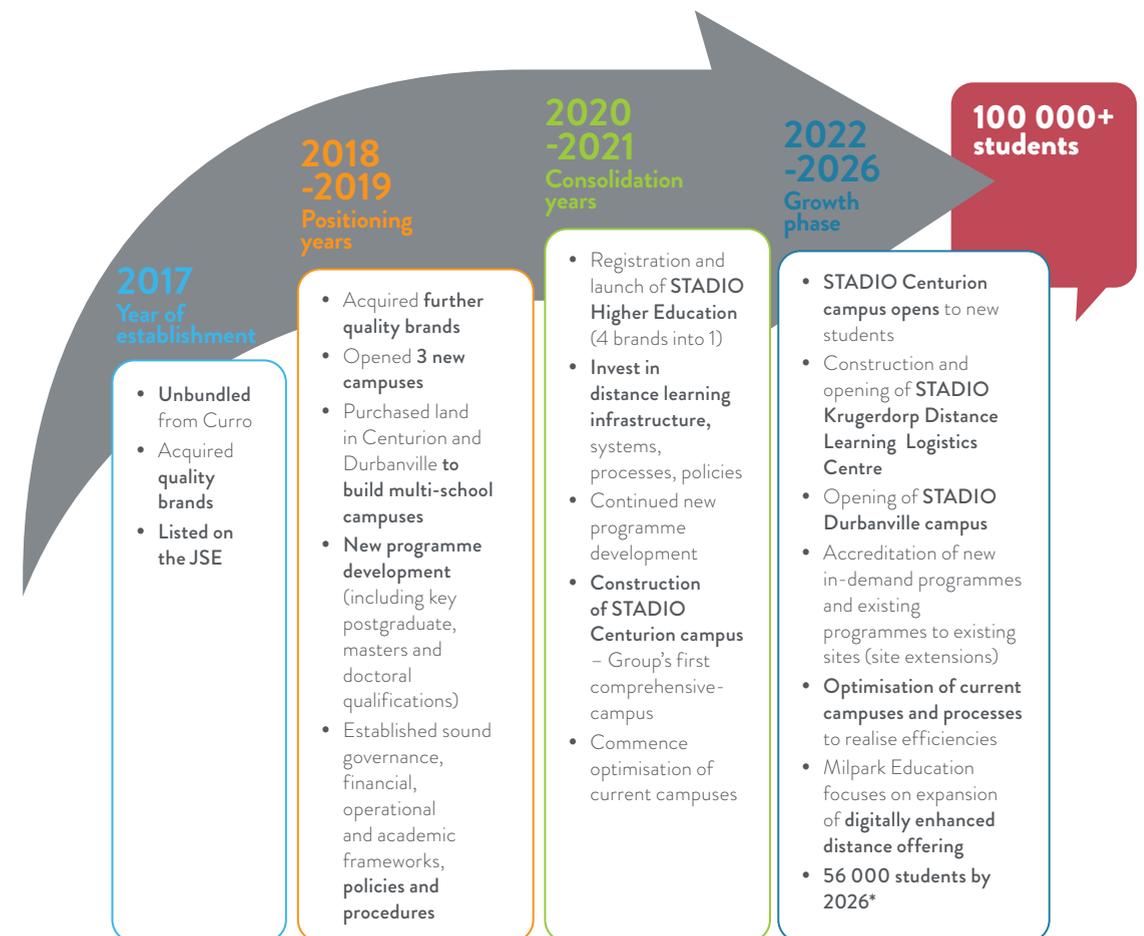
Underpinning our WWS is a commitment to our Values and their associated behaviour standards:



A SNAPSHOT OF OUR PERFORMANCE SINCE INCEPTION

The Group has come a long way since its inception, and despite the recent, and current economic and social challenges in South Africa, continues to go from strength to strength.

	Jan 2017	2017	2018	2019	2020	2021	2022
Student numbers	840	12 976	29 885	31 869	35 031	38 262	41 296
Revenue (Rm)	46	122	633	815	933	1 098	1 214
EBITDA adjusted (Rm)	11	0.5	129	196	253	310	357
Core Headline Earnings (Rm)	8	3	70	88	117	149	176
Core HEPS (cps)	1.7	0.6	8.6	10.8	14.2	17.6	20.7
Dividend per share (cps)	-	-	-	-	-	4.7	8.9
Return on equity (%)	-	-	4	6	8	9	10



* In accordance with Pre-Listing Statement

The Group at a glance continued

STADIO Holdings facilitates the widening of access to quality and relevant higher education programmes in southern Africa through its three prestigious higher education institutions, Milpark Education, STADIO Higher Education and AFDA.



The Group services around **41 000 students** across a diverse range of **86 accredited programmes**, ranging from **undergraduate** (higher certificates, diplomas and degrees) to **postgraduate** programmes (honours, masters and doctorates)

OUR INSTITUTIONS

STADIO Holdings acquired seven brands between 2017 and 2018, namely AFDA, CA Connect, Embury, Lisof, Milpark Education, Prestige Academy and Southern Business School. On 26 October 2020, the Group achieved a major strategic milestone by successfully consolidating four of our brands (Embury, Lisof, Prestige Academy and Southern Business School) into a single registered higher private higher education institution, STADIO (Pty) Ltd, also known as STADIO Higher Education (Business Transfer). The STADIO Higher Education brand was launched in October 2020, and 2021 saw STADIO Higher Education registering new students under this brand for the first time. Over time, the aforementioned Business Transfer is expected to unlock opportunities to actively deliver on the marketing, operational and regulatory efficiencies that arise from operating as a single higher education institution.

Following the Business Transfer, the Group owns three registered private higher education institutions from which it operates.

Refer to pages 36 to 49 for further information on our different institutions

TRACING OUR ORIGINS

STADIO Holdings started as a subsidiary of Curro Holdings Limited (Curro), a provider of pre-school and school-based education since 1998. In 2013, Curro acquired Embury, a registered private higher education institution offering accredited teacher-education qualifications. In February 2017, Curro unbundled its entire interest in STADIO Holdings to allow STADIO Holdings to focus on the opportunities presented in higher education and the role that STADIO Holdings can play in widening access to more learners to study beyond school level. STADIO Holdings listed on the JSE on 3 October 2017.

The Latin word "curro" can be translated into English as "I run" and the Italian word "stadio", can be translated into English as "stadium". In ancient Rome, long-distance races required athletes to run from stadium to stadium to reach the finish line. The progression from Curro to STADIO symbolises the fact that STADIO is the way in which the race for education will be continued. It also epitomises the ethos of "continuing" (lifelong) learning.

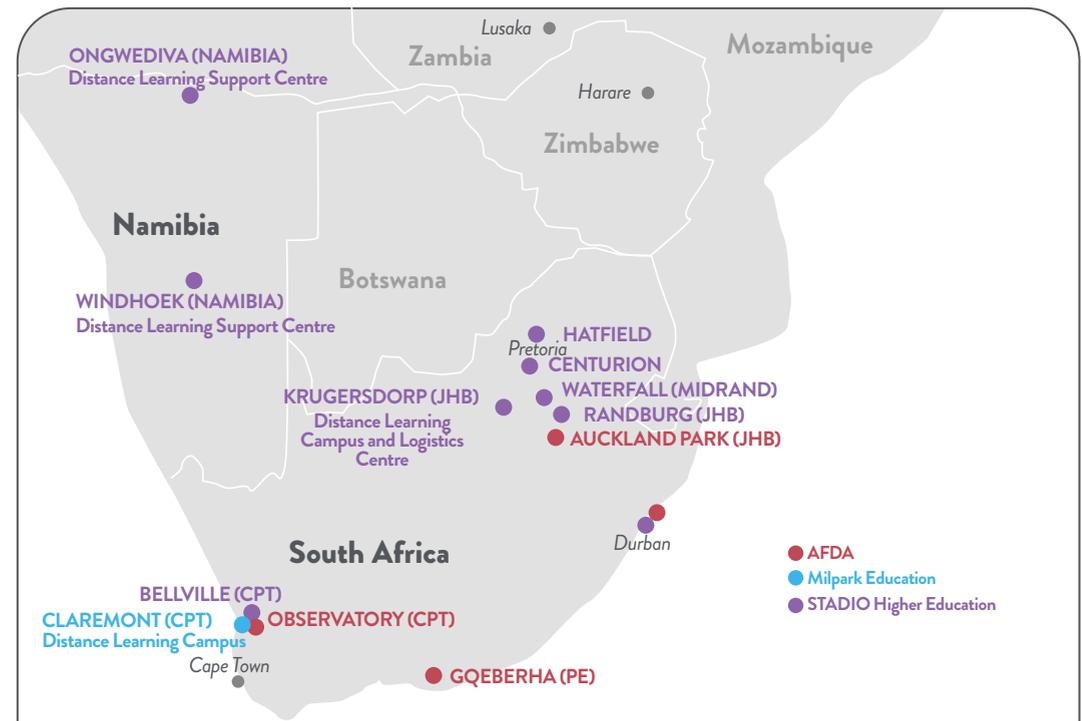
OUR VAST RANGE OF OFFERINGS

The Group services around 41 000 students across a diverse range of 86 accredited programmes, ranging from undergraduate (higher certificates, diplomas and degrees) to postgraduate programmes (honours, masters and doctorates) across both contact learning and distance learning modes of learning delivery. The programmes are fully accredited and registered with the same local authorities as public universities. They aim to provide graduates with a real chance of creating employment opportunities (entrepreneurship) or finding employment. The Group has a further 31 programmes in the process of development and/or accreditation and continually strives to identify new relevant programmes to offer, that will address the needs of our students as well as the world of work, to ensure our graduates are highly equipped and employable.

Schools of business, commerce & management	STADIO HIGHER EDUCATION MILPARK EDUCATION
School of education	STADIO HIGHER EDUCATION
Schools of film, media architecture, design & fashion	STADIO HIGHER EDUCATION AFDA
School of information technology	STADIO HIGHER EDUCATION
Schools of law & policing	STADIO HIGHER EDUCATION
Business school	MILPARK EDUCATION

School of **humanities** and School of **engineering** (coming soon)

FAR-REACHING FOOTPRINT



Our aim is to have

Our accredited sites and support centres are shown above, but our reach is far wider due to our distance learning offerings
– in 2022, 86% of our students study via distance learning

80%
Distance Learning students

20%
Contact Learning students

In addition, our campuses also serve as support centres for our distance learning students.

02

Our business

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- Our stakeholders 18
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- Our material matters 26
- Risks and opportunities 28

Insight into how we navigate our operating environment and related risks and opportunities through our business model and strategy to create stakeholder value



Our operating landscape and investment case

“ Education is the civil rights struggle of our generation requiring the biggest expansion of educational opportunity in modern history ”

– UN Special Envoy for Global Education Gordon Brown, UN Education Commission.

Whilst the early childhood development and basic education sectors are vitally important to laying the educational foundation for individuals, it is acknowledged that students who further their post-school education, obtain a wide range of financial, personal and other lifelong benefits. Similarly, taxpayers and society as a whole derive a multitude of direct and indirect benefits when citizens have access to post-school education and it is noted that an expanding post-school education system has become a norm of modernisation.

SOUTH AFRICA

In South Africa, the need for higher education is dire and the demand continues to outweigh the supply, with affordability and access being fundamental barriers. In 2020, the number of students at public universities who received NSFAS was 504 336, up 28% from 2019, where 393 767 students received assistance with NSFAS. Our students are not exempt from the impacts of the South African economy and our students or their families are directly impacted by the increase in inflation, fuel prices, food prices, interest rates and electricity costs. Coupled with the increased costs, the negative impacts of loadshedding on businesses, and effects on the ease of studying cannot be ignored. These factors also impact the growth prospects of the country and Stats SA noted that the South African economy had contracted by 1.3% in Q4, 2022, with a revised projected growth rate of 0.3% in 2023 and 0.7% in 2024.

- The unemployment rate in South Africa is 32.7%¹
- Graduate unemployment rate was at about 2.7%²

The Group responded to these challenges by keeping tuition fee increases to a minimum in 2022 and standing true to its commitment of widening access to quality higher education, by ensuring its qualifications remain affordable. The Group continues to seek out financing partners for its students and to engage with its students, entering into payment plans on a case-by-case basis, as necessary. In addition, the Group has laid a strong foundation through the investment in infrastructure, systems, policies and processes with a focus on achieving operational efficiencies. The fruit of this investment has started to show in 2022, with some efficiencies starting to be realised.

REGULATORY ENVIRONMENT

The Higher Education sector is highly regulated with public and private higher education institutions governed by the same regulators. The Department of Higher Education and Training (DHET) is responsible for overseeing the regulatory environment. Under the Higher Education Act of 1997, the DHET develops and implements policies and strategies for the higher education sector, as well as overseeing the quality assurance of institutions and programmes.

The Higher Education Act also establishes the Council on Higher Education (CHE) with the mandate, to *inter alia*, focus on the *quality* of provisioning of both public and private higher education, including the accreditation of programmes offered. The CHE also advises the Minister of Higher Education and Training on matters related to higher education, such as policy development and funding. The DHET is responsible to register all private higher education institutions and to maintain the register of approved private higher education providers.

In addition to the CHE, there are a number of other bodies that play a role in regulating higher education in South Africa. These include the South African Qualifications Authority (SAQA), which is responsible for the development and implementation of the National Qualifications Framework (NQF), and amongst others, the registration of all accredited programmes. Students studying at private higher education institutions do not qualify for the National Student Financial Aid Scheme (NSFAS), which provides financial assistance to eligible students.

All new programmes need to be accredited by 1. the CHE; 2. SAQA; and finally, 3. DHET before a new programme can be offered. Overall, the regulatory environment for higher education in South Africa is designed to ensure that institutions and programmes meet high standards of quality and that students have access to the resources and support they need to succeed.

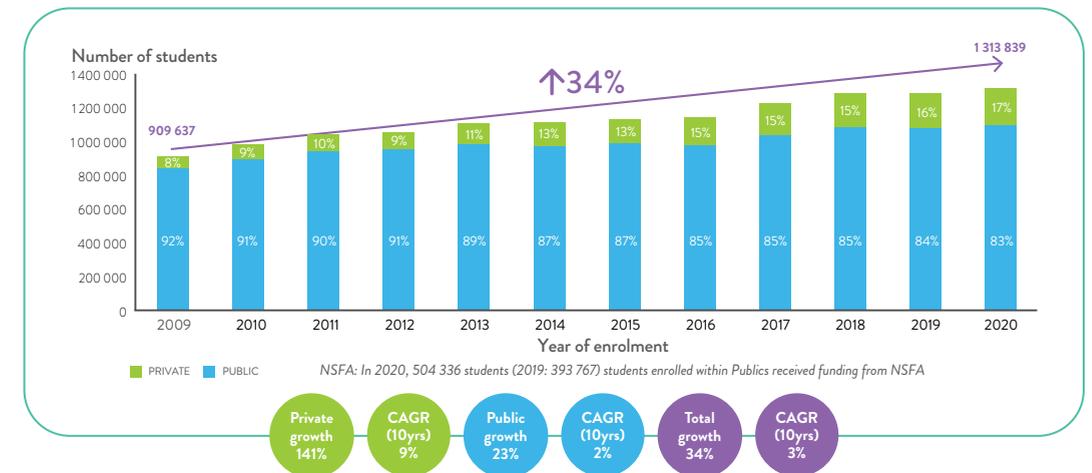
¹ Quarterly Labour Force Survey (QLFS) for Q4: 2022

² <https://www.statista.com/statistics/1314504/unemployment-by-education-level-in-south-africa/>

THE SIZE OF THE MARKET

- The higher education landscape comprises 26 public universities and 137 registered or partially registered private higher education institutions that are operating as at February 2023³
- The National Development Plan (NDP) aims to increase the number of students enrolled in higher education to 1.6 million students by 2030
- As an element of the national growth and development plan, DHET would like to see one million students in private higher education, by 2030⁴
- In 2020, 219 031 students were registered with private higher education institutions (up 5% from 2019)
- Private higher education institutions make up 17% of the total higher education market in South Africa (up from 15% in 2019). The global average is closer to 33%⁵

HISTORIC GROWTH IN ENROLMENTS



- **Future growth of student enrolments in South African public universities is constrained by:**
 - The enrolment cap that is applied to public higher education institutions by the DHET. This cap dictates the maximum number of students that may be admitted annually that will be subsidised by the state
 - Admission criteria at public universities excludes a vast number of students
 - First-year enrolment demand exceeds public university capacity
 - Government cutting NSFAS funding budget
 - Infrastructure provision under strain
 - High drop-out rates, low graduation rates and the long-time taken to graduate
 - Limited articulation possibilities between public universities
 - Increase in operational costs placing further pressure on government to increase funding to these institutions
 - Subject to intermittent student and staff protests

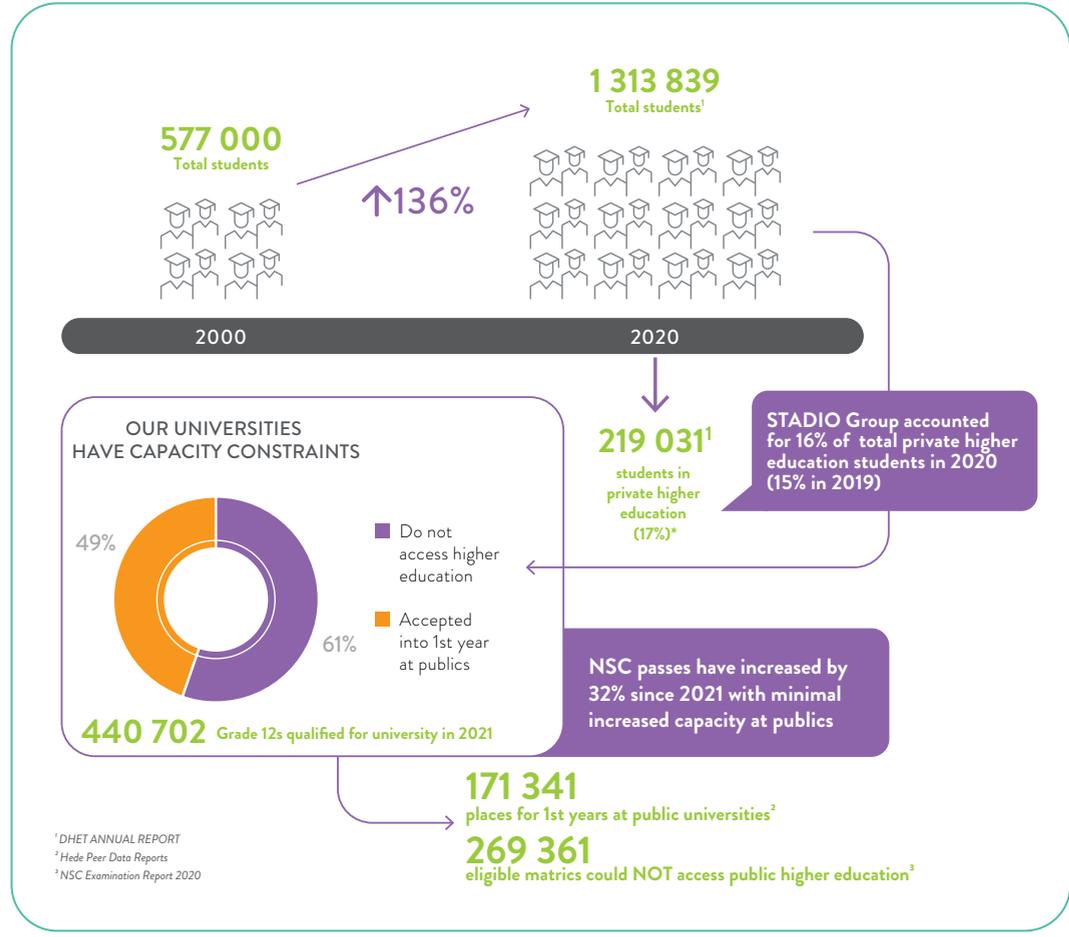
³ Register of Private Higher Education Institutions 21 February 2023

⁴ SOURCE: Information sharing workshop on the regulatory framework for private higher education institutions, 7 September 2017

⁵ <http://data.uis.unesco.org/>

Our operating landscape and investment case continued

THE MARKET CONTINUES TO GROW AND NEEDS PRIVATE HIGHER EDUCATION



WHY IS THE GROUP WELL PLACED?

- Taking into account the challenges faced by the public higher education institutions, and the changing higher education landscape, the Group believes it is an ideal partner to support and assist the state in addressing and mitigating its risks in public higher education and assisting in bringing higher education to more individuals.
- Furthermore, the Group believes that the South African market needs an institution for the “real world”. An institution that offers programmes which are relevant, flexible, aligned to the world of work and can meet the skills-gap whilst still meeting the high academic standards of a registered higher education provider.

The Group is a NEW VISION IN HIGHER EDUCATION

The Group meets South African students’ needs through offering:

- Three distinct brands:
 - STADIO Higher Education – a comprehensive higher education institution, with offerings across multiple schools, campuses, and modes of learning delivery
 - AFDA – number one film school in South Africa
 - Milpark Education – becoming the South African leader in distance learning online
- Affordable programmes
- Flexibility in a changing world
 - Multi-faculties, – schools, campuses and modes (including distance, contact and blended learning)
- Major focus on high quality qualifications that are relevant and aligned to industry and the world of work
- More “access programmes” for individuals not meeting the criteria to study a degree – providing a pathway into degrees, postgraduate and beyond
- Good international academic partnerships
- Stability

Among South Africa’s TOP 10 largest higher education providers in South Africa with over 41 000 students
(ahead of Wits, Free State, Stellenbosch and UCT)

WE’RE ON TRACK TO ACHIEVE OUR TARGET



The Group is well on track to meet its objective as set out in the Pre-Listing Statement of enrolling 56 000 students by 2026. Over time, the Group’s vision is to increase its reach to 100 000 students and more, of which 80% of students will continue to study through the distance learning mode of delivery and believes it can make a real impact to South Africa society as a whole as more individuals are educated, upskilled and can find employment or create employment opportunities for themselves and others.

Our stakeholders

As a higher education provider, we understand that our success is linked to our role and the impact we have on our stakeholders. Our stakeholders play an important role in our growth and development, and it is through their continued support that we are able to fulfil our mission and vision. The Group is committed to fostering an environment that promotes collaboration and engagement among all stakeholders and believe that our key

stakeholders of staff, students, and investors form a core community where the success of one stakeholder results in the success for another stakeholder. We are committed to generating value for all stakeholders by nurturing relationships, engaging in fruitful activities, contributing to their success, and striving to meet their expectations. We strongly believe that our ability to create and safeguard value hinges on these factors.



>> HIGH +

STAFF

- Our staff are the heart of our business. Their knowledge, skills and experience allow us to provide a high-quality offering to our students and other stakeholders.
- Our educators engage with our students in all fields of learning, and their quality directly contributes to the students successful learning and graduation.
- Our highly qualified and highly skilled leadership team, with expertise in education, academics, finance, business and entrepreneurship, are key in executing the Group's strategy and provides the Group with a strong competitive advantage.



>> MEDIUM +

INVESTORS

- Being a listed company, we are consistently balancing our goals of **WWS** with creating value for our shareholders.
- Our investors provide us with the financial resources to deliver on our strategic objectives and create shareholder value, whilst holding us accountable.
- The Group is focused on delivering acceptable growth targets and shareholder returns.



>> MEDIUM -

REGULATORY BODIES

- Government aims to have 1.6 million students in higher education by 2030 and yet has capacity constraints at its public institutions. The Group can contribute towards alleviating this short-fall by partnering with government and needs to be supported by its Regulators to achieve this.
- The accreditation of new high-quality academic qualifications that are relevant and aligned with the world of work, as well as new sites of delivery, are dependent on meeting the quality standards as required by the CHE and DHET.
- Some qualifications require compliance with certain regulated professional bodies such as SAICA, SACAP, to name a few.
- The Group is listed on the JSE and is committed to applying good corporate governance and the requirements of the Companies Act and principles and recommended practices of King IV™.
- We are committed to complying with regulatory and professional bodies, associations and government enforced regulations.



>> LOW +

OUR WORLD

- Our institutions are reliant on natural resources such as water, energy, clean air, and land (to name a few) to run their daily operations in a safe and healthy environment.
- The Group acknowledges the critical role it has as a higher education institution, in growing social and environmental awareness and understanding amongst our staff and students to assist in tackling environmental and climate related changes and issues in the world.
- STADIO Group's impact on the environment is not material, and the direct effects of climate related change on the Group is small, however, the Group is committed to continually seek ways to reduce its carbon footprint and impact on the environmental landscape in which it operates.
- Access to quality education and the development of individuals in South Africa and beyond is critical and the Group is committed to partnering with the state to alleviate the challenges experienced by public higher education institutions by making quality education more accessible, and programmes relevant to the world of work.



>> HIGH +

STUDENTS

- Students are central to our business, both in fulfilling our vision of empowering the nation by widening access to higher education, and in ensuring our business is financially sustainable by creating demand for our products and offerings.
- Around 86% of our students study by way of distance learning and are predominantly working adults.
- We continuously strive to make higher education more accessible to more students, always keeping students and their learning at the core of our decisions.
- We closely monitor student success and participation rates throughout the year to ensure support is provided as necessary, giving our students the best chance at success.
- We run student surveys on all modules and student experience is a key focus area for 2023.



>> LOW +

ALUMNI

- Our alumni are our marketing force and play an important role in providing honest and constructive feedback to the institution.
- We strive to be our students partner for life, and want are alumni to come back to the Group to study further, refer their families and friends.
- We continue to roll out the STADIO Khulisa Student Share Scheme for graduates which assists in empowering our alumni and creating a supportive and loyal alumni base.



>> MEDIUM +

INDUSTRY

- Industry relationships are critical in assisting us produce well-rounded graduates who are ready for the world of work. This is imperative with the unemployment rate in South Africa at around 33% according to Q4, 2022, Labour Report.
- We engage with industry to participate in new programme development, to seek integrated teaching and learning opportunities, and ultimately earning the industry's trust so that industry seeks out our graduates for employment.
- We perform a graduate desirability survey.

LEVEL OF INFLUENCE ON DECISIONS

- >> HIGH
- >> MEDIUM
- >> LOW

PERCEIVED RELATIONSHIP WITH STAKEHOLDERS

- + POSITIVE
- NEUTRAL

Refer to pages 56 to 77 for details on our engagements with, and value created for, our different stakeholders during the year.

Our business model

INPUTS

We use our six capital resources interchangeably and appreciate that there are trade-offs between them. These trade-offs are carefully considered to preserve and create stakeholder value.



ACADEMIC QUALITY AND INTELLECTUAL CAPITAL

- Three distinct registered private higher education institutions
- 86 accredited programmes across both contact and distance learning modes of delivery
- 31 pipeline programmes (including programmes in Law, Engineering and Information Technology) in the process of development and/or accreditation
- Various short courses
- Quality assurance structures
- Investment into learning management system (CANVAS) and other superior technology systems and solutions to support students and ensure operating efficiency, whilst also ensuring academic integrity (Proctorio)



HUMAN CAPITAL

- 1 024 employees (2021: 1 007 employees)
- Highly qualified and skilled leadership team, with expertise in education, academics, finance, business and entrepreneurship
- Robust Board of Directors



SOCIAL AND RELATIONSHIP CAPITAL

- 41 296 students
- Continued roll-out of STADIO Khulisa Student Share Scheme
- Bursaries and corporate and social investment
- Community engagement
- Staff phantom share scheme linked to dividend payout
- Staff study assistance programme



INFRASTRUCTURE CAPITAL

- STADIO Centurion opens – our first comprehensive campus
- 11 campuses nationwide
- Continued implementation of CANVAS
- Construction of STADIO Krugersdorp Distance Learning Logistics Centre



FINANCIAL CAPITAL

- Strong balance sheet with limited to no gearing (0% excluding IFRS 16)
- R87 million invested on infrastructure and capital assets (2021: 181 million)
- R148 million cash on hand (2021: R66 million)
- Revolving debt facility of R100 million available (with opportunity to raise an additional R100 million)
- R308 million operating cash flows (2021: R266 million)
- Dividend payouts commenced and continued



NATURAL CAPITAL

- Community engagement projects
- Promoting sustainable projects that benefit the environment and alleviate poverty
- Water and electricity saving initiatives
- Actively investigating solar power as a means of sustainability

Our various capital resources and inputs are allocated across our business activities and converted into our outputs. This allows us to measure and monitor progress against the Group's strategic objectives, ensuring we create value for our stakeholders and that we remain focused on our **WWS** whilst striving for 100 000 students over time, servicing 80% of these via distance learning.

BUSINESS AND VALUE CREATION ACTIVITIES

We create value through the growth and development of our three higher education institutions by:

- Developing new programmes in both contact and distance modes of learning
- Investing in IT infrastructure, systems and shared services
- Exploring geographic expansion through greenfield developments
- Providing strategic direction
- Drawing on expertise and synergies available within the Group

OUTPUTS

- Quality academic offering
- Broad range of qualifications across all modes of learning delivery
- Being a first-choice institution
- World-class infrastructure
- Construction of targeted comprehensive campuses in response to capacity constraints at public universities whilst optimising existing campuses
- Growth in student numbers
- Operating efficiency
- Good return on equity

OUTCOMES



WIDENING ACCESS

- Quality higher education is available to qualifying learners
- Flexible learning solutions for the working adult (study anywhere, anytime)
- Affordable products, product leaders and "access" qualifications available
- Supporting the government in reaching their national development plan goals of 1.6 million individuals in higher education by 2030
- Increased brand awareness



WORLD OF WORK

- On completing their studies, our graduates are equipped with the knowledge, understanding and skills to be employed, or start their own business (entrepreneurs)
- Industry seeks our graduates due to the relevance of the qualifications and the industry involvement and relationships formed
- Supporting the government in addressing the skills gap



STUDENT CENTREDNESS

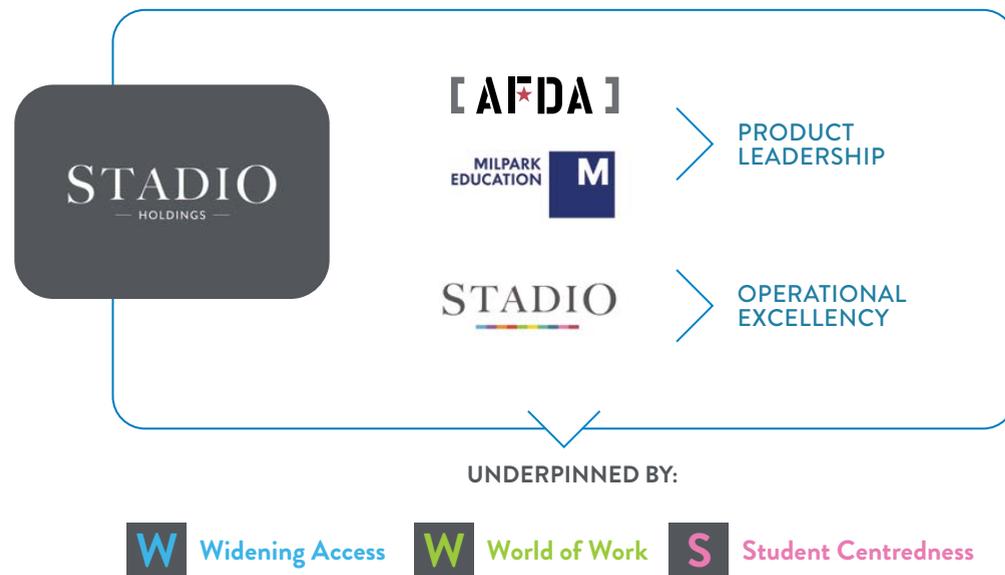
- Satisfied students (activities focused on student success, student wellness and student support)
- Average module success rate of 84% (2022: 82%)
- Average module drop out rates of 9% (2021: 7%) noting the higher number of distance learning students



Our strategy



THE GROUP IS REPRESENTED BY THREE DISTINCT HIGHER EDUCATION INSTITUTIONS, EACH WITH A UNIQUE CUSTOMER BASE AND PRODUCT FOCUS, AND THEREFORE, EACH WITH ITS OWN TAILORED STRATEGIC FOCUS. ULTIMATELY, THE OVERALL GROUP STRATEGY IS UNDERPINNED BY ITS KEY FOCUS AREAS OF **WWS** WHICH UNDERPINS ALL DECISIONS TO ENSURE WE CREATE VALUE FOR OUR STAKEHOLDERS.



THE GROUP'S BUSINESS AIM

The Group's business aim is to grow its student numbers to 56 000 students by 2026, with its long-term business aim to accommodate 100 000 students (i.e. approximately a 5% market share of the total South African Higher Education market), over both contact and distance modes of delivery, with 80% of students studying via distance learning. We are becoming a first choice institution, a real alternative to the public universities.

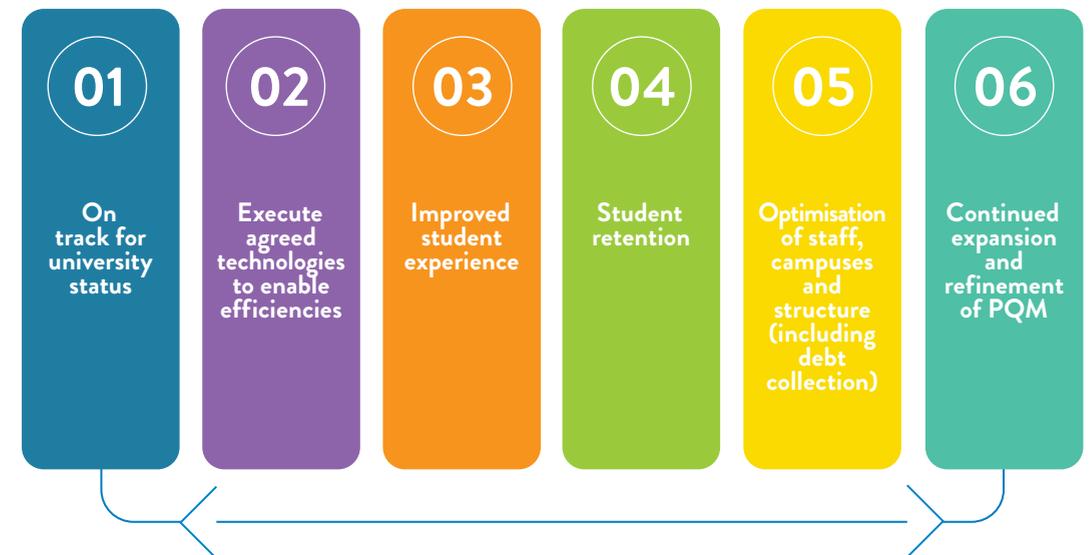
THE GROUP'S GROWTH STRATEGY

The Group's growth strategy to achieve its business aim includes:

- accrediting further "in-demand" undergraduate and postgraduate qualifications for both contact and distance learning modes of delivery across the various institutions as well as establishment of new in-demand schools;
- rationalisation of existing programmes and modules across the institutions;
- optimising the utilisation of all existing facilities nation-wide;
- promoting physical growth and infrastructure development;
- continued investment in operational infrastructure and shared services (including CRM (lead management system), ERP (finance, HR and procurement system), CANVAS (learning management system), utilisation of STADIO Krugersdorp Distance Learning Logistics Centre to accommodate large-scale student numbers, to promote best in class student/user experience and to seek out operational efficiencies;
- successful completion of CHE institutional audit to ensure the Group institutions are positioned for self-accreditation status as well as positioning for university status;
- investing in focused marketing and brand development initiatives, including the launch of the STADIO Khulisa Student Share Scheme;
- an increased focus on improving customer service; and
- expansion of the Centre for Lifelong Learning within industry and amongst students particularly focusing on short programmes and executive education.

THE GROUP'S 2023 FOCUS AREAS

In 2023, the Group will focus on the following priority areas:



Our strategy continued

DRIVERS OF PROFITABILITY

Key drivers of profitability include:

- growing student numbers across the Group in both contact and distance learning modes of delivery (this includes increasing new student numbers and ensuring adequate rollovers of existing students);
- effectively growing and operating new greenfield campuses, including consolidation of smaller “single school” campuses to larger comprehensive campus where required;
- maintaining acceptable salaries, operating cost and bad debt margins;
- enhancing operational efficiencies (including IT systems, property management and utilisation, marketing, finance, academic, regulatory and the like) and managing costs to acceptable levels; and
- ensuring that students fees are collected timeously and minimising bad debt.

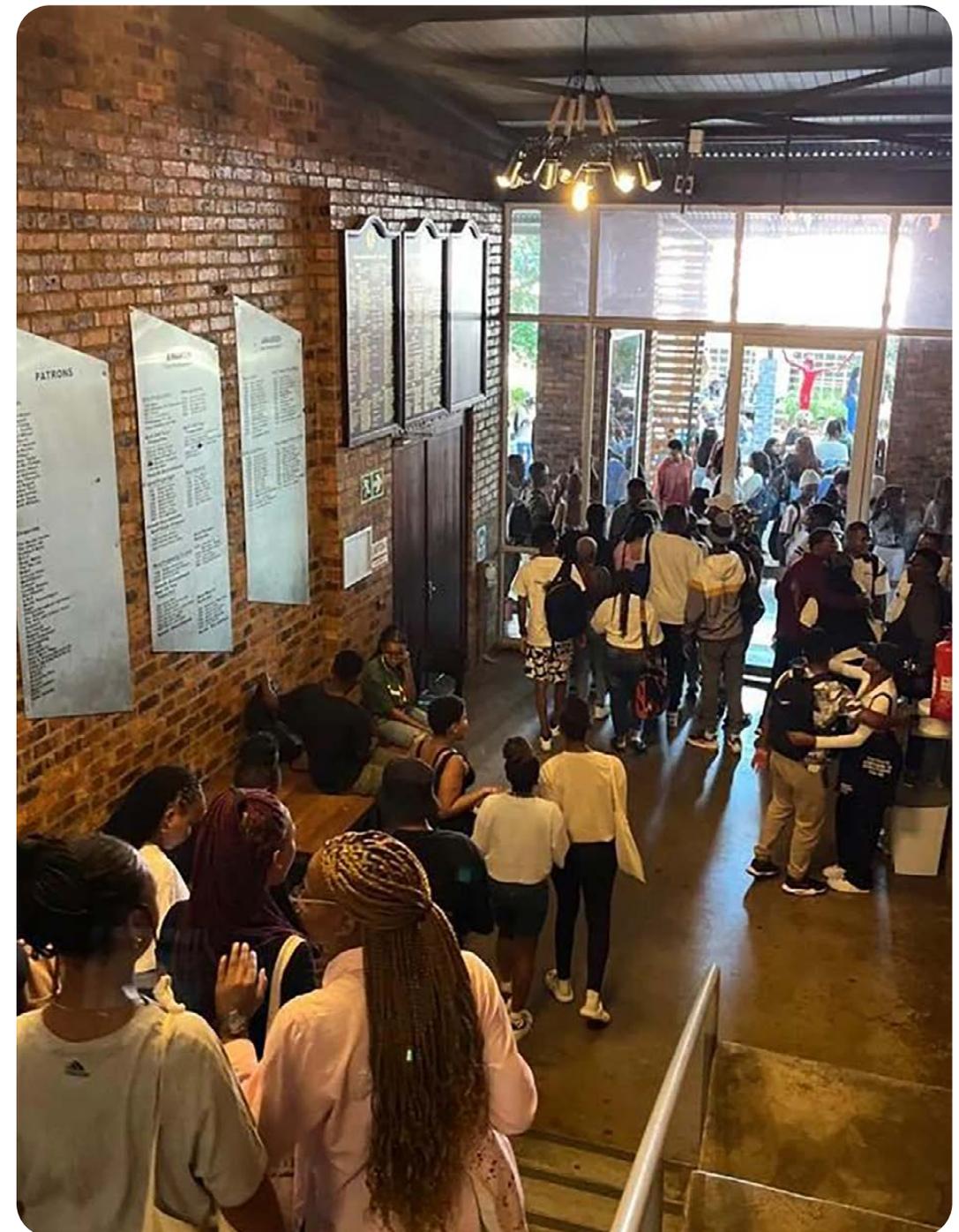
FUNDING REQUIREMENTS

Pursuant to the Group’s strategic growth requirements, in 2022, the Board approved the reduction in the debt facility from R200 million to R100 million with the option to increase the funding by an additional R100 million if required. At 31 December 2022, the Group had repaid all debt.

DIVIDEND POLICY

The Board has adopted a policy of declaring and paying dividends on an annual basis based on excess free-cash flow available considering the capital needs for future growth projects.

The Group declared a maiden dividend of 4.7cps in March 2022. During 2023, the Board declared a dividend of 8.9cps (i.e. 43% of Core Headline Earnings per Share (CHEPS) taking into account cash available and capital that may be required to fund its growth strategies. It is the intention of the Group to adopt a dividend policy of paying out dividends of up to 85% of free cash flow over time.



Our material matters

Set out below are the key items that we believe:

1

IMPACT OUR ABILITY TO EXECUTE OUR STRATEGIC PRIORITIES

2

IMPACT OUR ABILITY TO PRESERVE AND CREATE STAKEHOLDER VALUE

3

IMPACTED THE BUSINESS FOR THE YEAR ENDED 31 DECEMBER 2022

These material matters are identified through engagement and input from various stakeholders and are revised in response to changes in our operating landscape. Our material matters are assessed continuously and influence the overall strategic direction of the Group.

ECONOMIC ENVIRONMENT

Affordability remains the key matter that management and the Board need to manage in achieving the Group's vision of widening access to quality higher education. The South African economy continued to underperform in 2022. Students felt the pressure of less disposable income due to inflationary pressures, increased interest rates, fuel costs, food prices, unemployment, and loadshedding, coupled with the after-effects of COVID-19. This was further confirmed when Stats SA announced the economy had contracted by 1.3% in Q4 of 2022 and the expected growth rate for 2023 was also lowered. Affordability impacts the Group in various ways: 1. The number of student enrolments decline and 2. students are unable to meet their payment terms resulting in bad debts increasing, and collections decreasing.

The Group continues to seek responsible ways of making education affordable, as well as finding financing solutions for our students. We have partnered with Capitec, Student Hero, Fundi, and Manati to provide financing to our students. In addition, we continue to monitor all debt levels and ensure students that are struggling to make payments, are identified, and assisted with financing plans, where permissible. The Group revised its debt collection practices during 2022 by introducing payment terms for more students, allowing students to register with arrear balances (although strictly monitored within limits and strict criteria), and ensuring all payments are up to date in order to receive academic results and transcripts. Students who do not pay or engage with the institution are not allowed to re-register.



ACADEMIC QUALITY

The Group remains committed to academic excellence and quality which ensures we are the trusted partner for students and industry. We have invested in our policies and processes, as well as staff resources to ensure our academic quality meets our commitment to high quality learning. We engage with industry to ensure our qualifications are relevant and take into account the needs of the world of work, giving our graduates a better chance of securing employment upon graduating. Academic quality directly impacts our reputation amongst most of our stakeholders, specifically our students, industry, alumni, and regulators and remains integral to our overall student proposition. In addition, academic quality will ensure our institutions meet the academic requirements in the upcoming CHE audit, scheduled to commence in 2024, and will be key in achieving self-accreditation status and ultimately university status, once the regulations allow.

In this regard, STADIO Higher Education performed a successful self-evaluation (mock audit) against the CHE audit criteria. Where areas for improvement were identified, a plan was implemented to address these points. A mock audit will be performed at AFDA and Milpark Education during 2023.



REGULATORY DELAYS

Private higher education institutions are governed by the same regulators as public universities and the Group is reliant on the CHE, SAQA and DHET (Regulatory Bodies) to accredit new products and existing products to new sites of delivery. Programmes can take up to 24 months to be accredited. Without accreditation, the institutions may not market the programmes and yet needs resources in place, to achieve accreditation. Regulatory delays resulted in various programmes not being available to offer on various sites in 2022 and again in 2023. This impacts the Group's growth strategy and makes planning difficult.



STADIO HIGHER EDUCATION OPERATING AS A SINGLE INSTITUTION SINCE BUSINESS TRANSFER

In 2020, the Group transferred the businesses of Lisof, Prestige Academy, and SBS into a single registered higher education institution, STADIO (formerly Embury) (Business Transfer), becoming a comprehensive institution.

During 2022, STADIO Higher Education continued to align systems, processes and policies across the institution, as well as implement new systems. Change management is never easy and coupled with 2022 being the first year where operations returned to some form of normality, post-COVID-19, was challenging on our staff. Change management can cause disruption in the organisation with staff losing focus or staff wellness and morale being negatively impacted.

Management continues to focus on building the STADIO Higher Education brand and culture with the new STADIO Values and the 'STADIO WAY' agreed in 2022.

The Business Transfer was a critical milestone for the Group and key to the Group's strategy to unlock value in the medium to long term. Management believes this Business Transfer will unlock opportunities to actively deliver on the marketing, operational and regulatory efficiencies that arise from operating as a single registered higher education institution, and being a comprehensive institution, puts STADIO Higher Education in a good place to achieve university status, when regulations allow.



STUDENT VALUE PROPOSITION

Our students are at the centre of what we do and have high expectations of the higher education institution they choose to attend. They are also quick to hold the institutions to account should they not meet these expectations and will often turn to a public platform to highlight where the institution is failing, and therefore customer service is key.

The Group student value proposition encompasses the unique benefits and features that our higher education institutions offer to our students, with a focus on the quality of teaching, academic programmes, student support services, industry engagement, breadth of offerings, relevance, flexibility and ultimately, affordability. As mentioned previously, affordability is key and something that management consistently has to balance when making strategic decisions to create value for its various stakeholders.

Developing a strong Student Value Proposition is crucial for the Group to attract and retain students, and to differentiate ourselves from our competitors. Management and the Board recognises the importance of providing strong student value proposition and in 2023, *Student Experience* and *Student Retention* are two of the key focus areas approved by the Board.



Risks and opportunities

RISK MANAGEMENT

Effective risk management is an integral part of any business operation and the Group recognises that an integrated approach to strategy, risk, performance and sustainability is essential in creating value for its stakeholders.

The Group seeks to provide stakeholders with a transparent view of its risk management approach and how it is addressing the challenges posed by the higher education landscape. By demonstrating a proactive and comprehensive approach to managing these risks, the Group aims to build trust and confidence among its stakeholders, create long-term value for its stakeholders, and maintain its position as a leading institution in the higher education sector.

RISK GOVERNANCE

The Board is committed to applying the principles of King IV™ to instil good corporate governance practices across the Group, which includes effective risk management. The Audit and Risk Committee has been mandated by the Board to oversee the Group's risk management and they receive regular reports and updates on the key strategic risks of the Group.

The Risk Committee, an operational committee that reports into the Executive Committee (Exco), met quarterly and all meetings were attended by key representatives from all institutions around the Group. This committee has assisted in instilling a culture of risk awareness in daily operations and in sharing best practice from around the Group in terms of better controls and risk mitigation strategies. This committee assists in compiling the risk reports that ultimately get presented to the Audit and Risk Committee.

2022 FOCUS AREAS

During 2022, the Group continued to assess the likely impact of climate change on its organisation and the whole supply chain. To date, given the nature of the Group's offerings, management does not believe that climate related risks have a material impact on meeting the Group's strategic objectives. Management will continue to monitor this and continues to recognise the role it has as a responsible citizen and the key function that it can play in ensuring its staff, graduates and students are socially conscious and aware, with an understanding of the risks and the importance of environmental, social and governance issues.

In addition, due to the increased loadshedding in the country, the Group performed a scenario analysis to assess the impact of increased stages of loadshedding on its ability to continue its operations and the impact loadshedding may have on its key stakeholders. The Group believes it currently has sufficient alternative power to continue providing a high quality teaching and learning experience to its students. In saying that, the Group is cognisant of the negative impact loadshedding has on the overall economy and the knock on impact this has on the ability of its students to afford higher education.

As part of its strategy to mitigate any risks associated with loadshedding, as well as its commitment to become a greener organisation over time, the Group is actively exploring various solar solutions for a longer, more sustainable, solution.

STRATEGIC RISKS AND OPPORTUNITIES

Management reports the strategic risks identified (i.e. those risks that will impact on the Group's ability to meet its strategic objectives) to the Executive Committee, Audit and Risk Committee as well as the Board on a quarterly basis

Management reports on the associated opportunities that are present within each risk category. Good risk management includes acceptance of a certain acceptable risk level to ensure risks are mitigated, yet opportunities are equally identified and pursued.

The strategic risks managed throughout the 2022 year, and the associated opportunities, are disclosed on the following pages. The Audit and Risk Committee and Board have evaluated the risks in achieving its strategic objectives and has ensured that appropriate controls are in place to mitigate or reduce the risks to an acceptable level.

RISK MANAGEMENT PROCESS



RISK LEGEND

- MILD
- MINOR
- MODERATE
- MAJOR
- EXTREME

KEY PERFORMANCE AREAS

- KPA 1**
Widen access for qualifying learners to higher education
- KPA 2**
Establish STADIO Higher Education, AFDA and Milpark Education as credible and respected higher education providers
- KPA 3**
Deliver acceptable growth targets and shareholder returns

Risks and opportunities continued

Risk identified	Risk description	Link to strategic plan	Controls in place to mitigate risk	Inherent exposure	Residual risk	Change (2021 to 2022)
REGULATORY (External and internal risk)	<ul style="list-style-type: none"> Delays in accreditation of new programmes and sites continue to hinder growth opportunities and make planning difficult New CHE Quality Assurance and Institutional Audit Frameworks are designed for public institutions. Achieving self-accreditation status will be onerous for private HEIs 	 	<ul style="list-style-type: none"> Regular interaction with regulatory bodies to ensure that sites and programmes are accredited Quality assurance includes external expert reviews and internal dual oversight prior to submission for accreditation Proactive assessment of institutional preparedness for the CHE audits including mock audits and self-evaluation reports 			Unchanged
<p>OPPORTUNITIES: Early accreditation / successful site extensions will allow new programmes to be offered earlier. In addition, achievement of self-accreditation status will allow programmes to be accredited without the lengthy delays and is the first step to achieving university status, once regulations allow</p>						
TECHNOLOGY SYSTEMS (External and internal risk)	<ul style="list-style-type: none"> Cybersecurity threat increased due to the acceleration to online and increase in remote working with less secure internet connections Implementation of new IT systems do not meet the needs of the business or costs more than expected 	 	<ul style="list-style-type: none"> Implementation of data encryption tools and cybersecurity solutions IT Governance Risk and Compliance management committee established Roll out of centralised infrastructure and security management Prioritising systems development and integration as a strategic imperative based on detailed business requirement scoping Continuous analysis of processes and systems to ensure operating effectively 			Reduced (new technologies and user training implemented)
<p>OPPORTUNITIES: Effective IT systems should promote quality offering to students and bring about efficiencies</p>						
HUMAN RESOURCES (Internal risk)	<ul style="list-style-type: none"> Staff wellness and fatigue – adjusting to operations returning to “normal” since COVID-19, as well as continued change management (following the business transfer), and new system implementations Staff remuneration in comparison to universities’ remuneration structures (specifically in terms of job grading and incentives for research which are not available at private HE institutions which are teaching and learning focused and not research focused) as well as general harmonisation of remuneration across the Group Insufficient resources and skills impacting quality, service delivery, and institutional sustainability 		<ul style="list-style-type: none"> Staff climate survey completed, with actions implemented to address areas of concern raised 2022 strategic focus was on embedding processes and limiting change as far as possible Offering market-related remuneration combined with good working conditions to attract and retain the best academic and professional support staff, with a remuneration project team established to set out a harmonisation plan over the short and medium term. Roll-out of new STADIO values, whilst continuing to develop a strong, positive culture that is accepted by the majority (if not all) employees Providing opportunities, albeit below public university standards, for research incentives (research publications and research titles), and study assistance for staff and their families 			Unchanged
<p>OPPORTUNITIES:</p> <ul style="list-style-type: none"> STADIO Higher Education is in the process of creating an exciting culture and brand, one which staff will want to be associated with. Milpark Education is also in the process of repositioning itself and AFDA is a leader in its field. Staff are able to work remotely, which allows the talent pool from which to source staff and experts in the field, to be wider than strictly what is available in a geographical location. 						
SALES AND MARKETING (External and internal risk)	<ul style="list-style-type: none"> Lack of public awareness and/or misunderstanding regarding the status of private higher education Not responding timeously to student queries due to staff capacity and increased volume of queries over registration period 	  	<ul style="list-style-type: none"> Continued STADIO Higher Education brand building through solid digital and social media, radio and other marketing campaigns Conducting ongoing market research to identify and address public perceptions Allocating focused resources to both general brand awareness, targeted marketing activities and improved customer services 			Unchanged
<p>OPPORTUNITIES:</p> <ul style="list-style-type: none"> Continued refinement of the CRM system should allow STADIO Higher Education to process more applications more efficiently STADIO Higher Education has entered into a number of exciting partnerships, as an example, STADIO Higher Education is the official study partner for Western Province rugby, amongst others 						

Risks and opportunities continued

Risk identified	Risk description	Link to strategic plan	Controls in place to mitigate risk	Inherent exposure	Residual risk	Change (2021 to 2022)
FINANCIAL (External and internal risk)	<ul style="list-style-type: none"> South African economy contracted, impacting the ability of students to afford higher education Failure to achieve projected student numbers Increase in debtors' book and bad debts Large investments in capital projects with lower-than-expected capital returns Continued refusal by DHET to support students in private HE with funding 		<ul style="list-style-type: none"> Pricing products reasonably and competitively Keeping registration fee increases as low as possible Investigating financial support opportunities (including partnership with CAPITEC) for students Continuously monitoring debtors' collections and implementing new debt collection processes Tracking model ratios to ensure costs are contained within acceptable levels Investment Committee consideration and approval of all major/material projects and capital spend 			Unchanged
OPPORTUNITIES: – Student enrolments and debtors collection is better than expected						
OPERATIONAL (External and internal risk)	<ul style="list-style-type: none"> Organisational disruptions due to ineffective change management, the alignment of new processes and implementation of new IT systems Increased levels of loadshedding Future outbreaks of contagious diseases at pandemic levels leading to lockdowns or similar negative impacts 	 	<ul style="list-style-type: none"> Increased communication and focused workshops to continue effective implementation of change management and new IT systems Alternative power sources in place across all campuses (with further exploration into solar solutions) Institutions are adaptable with good practices and protocols in place due to COVID-19 			Reduced (2022 saw a return to "normality" following COVID-19)
OPPORTUNITIES: – Synergies and efficiencies resulting from the Business Transfer and operating as a single institution, STADIO Higher Education – Efficiencies by harnessing new AI based technologies						
ACADEMIC (Internal risk)	<ul style="list-style-type: none"> Failure to deliver high quality programmes Integrity of online assessments, especially in light of disruptive Artificial Intelligence and Machine Learning software being used by students Balancing the need for high end technologies with the cost of the new systems (need to provide affordable education which is accessible to students, whilst not compromising on quality and leaving no student behind. The reality is that regardless of the type of device students use, they still require connectivity and data, which come at a cost) Failure to adapt to a changing higher education landscape (different form of contact learning, remote learning, and learning through virtual augmented reality) 		<ul style="list-style-type: none"> Continuous monitoring of student success rates, dropout rates, and graduation rates with concomitant improvement plans (as required) Continuous monitoring of curricula, assessments, and teaching with formal remedial interventions for improvement Stakeholder participation and industry engagement in curriculum design and review, as well as learning and teaching ensure workplace relevance Return to venue based assessments in some instances Establishing international student exchange programmes, as well as collaborations with international partners Academic teaching and learning models in place which cater for the blended contact and online distance models of learning and teaching, at differing price points 			Unchanged
OPPORTUNITIES: – the new 'metaverse' of learning removes the barrier of entry for many students – micro-credentials and "just-in-time" learning presents an opportunity to enter a new market of premium short learning programmes.						

Risks and opportunities continued

Risk identified	Risk description	Link to strategic plan
COMPETITION (External risk)	<ul style="list-style-type: none"> Increasing number of registered private higher education providers (with the growing potential for international role-players to enter the market) Acceleration of distance/online learning (as a result of COVID-19) resulting in <ul style="list-style-type: none"> increased competition in distance learning (including in the public space) increased acceptance of distance learning as a mode of learning by students (and parents) – <i>the move from contact learning to distance learning results in a shortfall of projected fee income (distance learning is at a lower price point compared to contact learning)</i> Attractiveness of short-courses or non-credit bearing courses. (NB: This is also an opportunity) 	KPA 3

OPPORTUNITIES:

- Attractiveness of short-courses or non-credit bearing courses

POLITICAL (External risk)	<ul style="list-style-type: none"> Slow pace of political support for private higher education Continued emphasis on the cost of higher education (#FeesmustFall; #missingmiddle) 	KPA 1
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OPPORTUNITIES:

- private institutions are seen as more stable offering (less impacted by the #FeesMustFall movement as not eligible for NSFAS)
- reduction in NSFAS funding creates an opportunity for more students to study at AFDA, Milpark Education and STADIO Higher Education

REPUTATION (External and internal risk)	<ul style="list-style-type: none"> Institutions do not meet the expected standards of service delivery and quality Operating as a comprehensive institution means the reputation of one School is linked to other Schools within the institution and the impact of any negative comments is bigger (this is also an opportunity) Delays and service inefficiencies in responding to student complaints – students seek instant gratification and are not prepared to wait Inability to deal with rapid increase in student numbers – student support, infrastructure, etc, resulting in a delay in responding to student queries and applications and resultant increase in student complaints 	KPA 2
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OPPORTUNITIES:

- STADIO Higher Education is now a comprehensive institution, with multi-schools and multi-modes of teaching and learning. This assists in growing STADIO Higher Education’s reputation as a prestigious private higher education institution. Positive comments for one school within STADIO Higher Education is now associated with STADIO Higher Education as a whole. The above has a positive knock-on effect on the other associated institutions too
- Milpark Education students continue to receive top spots in the SAICA ITC Board exam, and AFDA students are highly sought after

Controls in place to mitigate risk	Inherent exposure	Residual risk	Change (2021 to 2022)
<ul style="list-style-type: none"> Ensuring niche and quality qualifications/programmes are offered Committing to responsible and reasonable pricing and promoting affordability of offerings Focusing on high-quality international partnerships and collaborations to promote global “competitiveness” Introducing partnerships with the public universities Enacting an effective marketing and sales programme Establishing a strategy for short learning programmes, through the Schools or in partnership with the Centre of Lifelong Learning 			Unchanged

<ul style="list-style-type: none"> Participating in all scheduled discussions to identify and shape new policy initiatives Sharing new ideas and engaging with relevant role-players regarding support for, and achievement of, the targets set out in the NDP Regular engagement with the SRC on all campuses to ensure open communication between the student body and institution at all times to ease any tensions Commitment to responsible and reasonable pricing 			Unchanged
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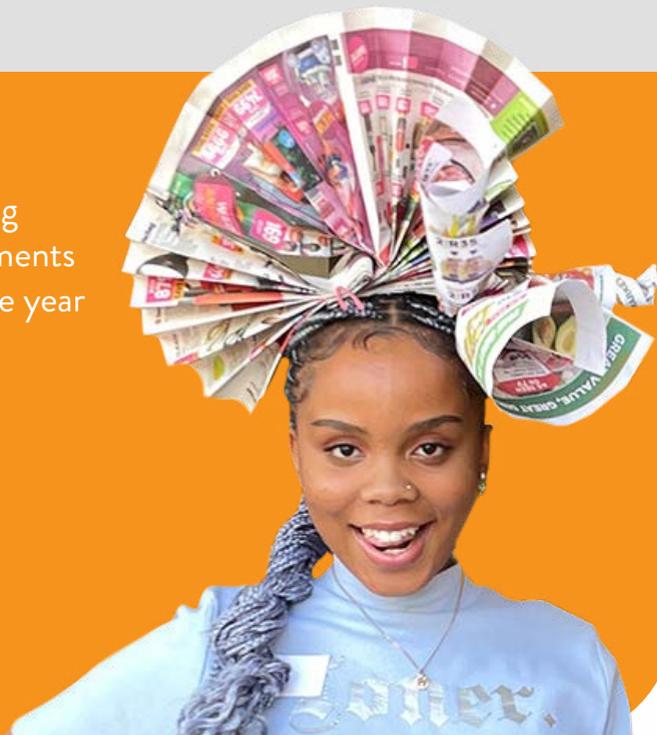
<ul style="list-style-type: none"> Customer service remains a focus area for all staff, driven from the CEO’s office Student experience and student retention are amongst the 2023 Board approved focus areas. Organisational commitment to student-centredness and ethical conduct of all role-players Organisational monitoring of “minimum standards of quality” through centralised quality and learner support committees Continuous monitoring of curricula by academic heads, as well as the institutional Senates Quality management at subsidiary Boards and STADIO Holdings Board Customer complaints escalation process established to address customer complaints timeously 			Reduced (emphasis on academic quality with centralised academic team)
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03

Our institutions

STADIO Higher Education	38
Milpark Education	42
AFDA	46

A look at our three institutions, recognising some of their achievements and challenges over the year



STADIO

— HOLDINGS —

...THREE DISTINCT INSTITUTIONS WITH DIFFERENT STRATEGIES



PRODUCT LEADERSHIP

Becoming the South African leader in online distance learning in Accounting and Financial Services



OPERATIONAL EXCELLENCE

A comprehensive institution with multi-schools, multi-modes and multi-campus



PRODUCT LEADERSHIP

Number-one film school in South Africa

STADIO Higher Education

STADIO HIGHER EDUCATION

26 000+ students

9 Schools

48 qualifications

8 campuses

Contact and distance learning

STADIO Higher Education (STADIO) is the Group's comprehensive institution. STADIO's focus is on inclusivity and quality, with STADIO set to transform the South African education landscape with its *new vision in higher education*.

2022 was an interesting year for STADIO, its staff and students. It was the first year that operations returned to normal following COVID-19, which took some adjusting for all parties. Despite this, STADIO continued to embed its footprint as a real alternative to the public universities and saw its total student numbers growing by 13% in the year, to over 26 000 students, of which around 89% studied via distance learning.

Since the Business Transfer in 2020, STADIO has focused on aligning and refining its systems, processes and policies and has made great progress in bringing about operational efficiencies and improving the quality of its offerings. The successful consolidation to one STADIO brand and doing things the "STADIO Way" continues to draw attention from shareholders, thought leaders and industry commentators, especially as STADIO moves from the foundation phase and into its growth phase.

STADIO offers 48 certificated qualifications across its various Schools, with 20 qualifications submitted for accreditation/ in process of registration or certification. STADIO has a wide breath of offering from access qualifications (higher certificates and diplomas) to post graduate qualifications (including doctorates and masters).

WHAT DO WE OFFER?

<p>1</p> <p>COMMERCE, ADMINISTRATION & MANAGEMENT</p> <p>Business is expanding and global processes are constantly evolving. These Schools employ a practical and skills-based approach to equip students for the future world of work.</p> <p>School of Commerce</p> <p>School of Administration & Management</p>	<p>2</p> <p>TEACHER EDUCATION</p> <p>Choose a career that will change the world. Become the Teacher.</p> <p>School of Education</p>	<p>3</p> <p>ARTS, FASHION & DESIGN</p> <p>Where curiosity meets creativity, these Schools teach you how to design for life through immersive academic and practical rigour.</p> <p>School of Fashion</p> <p>School of Media & Design</p> <p>School of Architecture & Spatial Design</p>	<p>4</p> <p>SCIENCE & TECHNOLOGIES</p> <p>This School focuses on innovation through real-life work practice, developing future leaders to create change in the world.</p> <p>School of IT</p>	<p>5</p> <p>LAW</p> <p>This School guides and empowers students on their journey to becoming academically sound and ethical jurists.</p> <p>School of Law</p>	<p>6</p> <p>POLICING & LAW ENFORCEMENT</p> <p>This School is highly specialised providing industry specific qualifications, within one of our countries vital sectors, law enforcement.</p> <p>School of Policing & Law Enforcement</p>
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School of Humanities and Engineering coming soon

Each of STADIO's qualifications is specifically designed to meet up-to-date industry requirements, and includes industry in all aspects of the qualifications, from input into the programmes design to including guest lectures and industry moderation. This means our students are enjoying relevant quality education, which significantly improves their chances of obtaining employment.

In the latest graduate desirability survey, 83% of respondents indicated that STADIO graduates are sufficiently equipped for the workplace

Whilst STADIO continues to focus on its shared vision and mission, during 2022 attention was given to establishing the STADIO values and defining for both staff and students what it means to do something the 'STADIO WAY'. These values are key for operational success and help create a cultural compass on the journey to achieve STADIO's overall mission of widening access to education. The values were defined as *SERVICE, QUALITY, INTEGRITY* and *PEOPLE FOCUS*.

These values were defined and created through an institution wide workshop and discussion process, and display the essence of how STADIO's people set the rules for play.

Through a strategic series of interactions with leaders and an integrated communications plan, these values will now be ploughed into the soil of STADIO and grow into all facets of the business.

These values remain underpinned by our key goals of

- W** Widening Access to Higher Education
- W** Aligning Qualifications with the World of Work
- S** Student Centredness.

STADIO Higher Education continued

2022 IN A NUTSHELL

2022 has not been without its challenges, as students grappled with continued uncertainty in this post COVID-19 landscape. The South African economic woes continued and students were not immune to the negative impacts of loadshedding, increased inflation, increased prices, as well as political unrest and challenges with transport. STADIO staff members have often found themselves having to deal with students at the coal face of these South African issues. Whilst South African's may pride themselves in their resilience, it has been key for STADIO to note that both staff and student alike, are grappling with the negative economic uncertainty. It is this shared experience which allows for the empathetic service which is a hallmark of STADIO's response to challenges.

2022 also saw many highlights. STADIO saw the scripting and production of the first STADIO television advert, created by members of STADIO's internal marketing team and featuring STADIO staff members. This advert flighted as part of STADIO's media plan toward Semester one of 2023 and marked STADIO's first foray into television advertising since its consolidation.



To view STADIO advert

STADIO successfully completed the build of the STADIO Krugersdorp Distance Learning Logistics Centre on the existing Krugersdorp campus, which opened in 2023. This logistics centre will enable STADIO to provide a higher level of service to its distance learners and allow STADIO to continue to scale to meet its distance learning requirements as we move to grow student numbers to 100 000 over time.

The newest additions to the Group is within the STADIO School of Architecture and Spatial Design, offering innovative and inspiring learning experiences in architecture, interior design, and spatial design. Two new contact learning higher certificates are now available – the Higher Certificate in Architectural Practice (endorsed by The South African Council for the Architectural Profession, SACAP) and the Higher Certificate in Spatial Design (backed by the African Institute of the Interior Design Professions, IID).

With a new BCom General degree (available both through distance or contact learning) with four areas of specialisation – Investment Management, Risk Management, Financial Management, and Economics – the STADIO School of Commerce has ensured students with an interest in business have a plethora of options available. Previously only available via distance learning, the STADIO BA in Law is now available as a contact learning qualification at the Waterfall Campus in Midrand too.

STADIO's digital badging programme, 'STADIO Stripes', is one of the first of its kind in the country. It aims to help better prepare students for the world of work by recognising their skills-based achievements in addition to the traditional academic qualification transcript. Contact learning students will be able to earn a skills 'stripe' after meeting stringent criteria in their courses, for example, computer skills or creative problem-solving skills. Stripes can also be used across any digital platform including a LinkedIn profile, be embedded on a website or blog, shared on social media, or added to a CV to further strengthen a graduate's chance of securing a job. In time, the programme will be expanded to distance learning students too.

As official Education Partner of the world's biggest mountain-bike race, the Absa Cape Epic, STADIO sponsored the women-led duo of Beauty Ngobese and Remofilwe Moeketsi last year, in the year 2022 this intrepid duo took up the challenge of Swiss Epic and emerged triumphant. STADIO is proud to celebrate these fearless women and their heroic achievements. Their inspiring journey was documented in a moving video.



Meet Beauty and Remofilwe

Our school sponsorship framework increased in 2022 as we partnered with the North-South Schools Rugby Tournament as co-headline partner. This Tshwane based tournament constitutes the blue-ribbon event of school's rugby annually. STADIO partnered with Hamiltons rugby to sponsor the STADIO Champion of Champions Tournament held in Greenside. This inaugural event was streamed live to over 300 000 viewers.

STADIO was proud to cement their role as the official education partner of the Blue Bulls and WP Stormers through an ongoing partnership, whilst offering qualifications to members of the Sharks Administration team and being a tertiary education partner of the Sharks Academy.

COO, Johan Human notes, "We take a profound interest in what our students need, and what our country and the world of work need. We offer higher education specifically designed to not just help individuals realise their dreams, but to help a nation grow."



WHAT OUR GRADUATES HAVE TO SAY

Our graduates continue to inspire us. Their success in their chosen fields and industries are evidence that our objective of ensuring our qualifications are aligned with the world of work is being realized. Each year STADIO supplies the world of work with skills it is seeking through its graduates and provides these same graduates with an opportunity to enter the world of share ownership and wealth creation through the STADIO Khulisa Student Share Scheme.

In 2022, an additional 2 149 graduates received shares through the STADIO Khulisa Student Share Scheme. The first short course on financial planning and investing was made available to all Khulisa graduates, and Khulisa shareholders also benefited from the dividend declared by the Group.



Milpark Education

MILPARK EDUCATION (MILPARK) IS SLOWLY EMBEDDING ITS NAME AS THE LEADER IN DISTANCE LEARNING ONLINE, SPECIFICALLY IN THE ACCOUNTING AND FINANCIAL SERVICES SECTORS.



WHO IS MILPARK AND WHAT DOES MILPARK OFFER?

Milpark Education is a registered institution in the higher education sector of South Africa. It currently offers 23 accredited programmes in higher education.

Milpark was established in 1997, becoming one of the first private providers of higher management education in South Africa. Milpark services the higher education needs of various corporate entities as well as public students, through the qualification offerings of five schools: the Business School; the School of Commerce; the School of Financial Planning and Insurance; the School of Banking and Investment; and the School of Professional Accounting (incorporating CA Connect).

Milpark's corporate offerings facilitate organisations in meeting their specific learning and development objectives, as well as regulated requirements, by creating tailored programmes and learning journeys, which are strategically aligned with the specific organisation's products and services, corporate culture and business landscape. This provides students with a deeper learning experience and facilitates the achievement of the desired learning outcomes.

MILPARK'S FLAGSHIP QUALIFICATIONS

- Doctorate in Business Administration (DBA)
- AMBA-accredited Master of Business Administration (MBA)
- Postgraduate Diploma in Accounting (PGDA/CTA)
- Postgraduate Diploma in Financial Planning (Accredited by the Financial Planning Institute of Southern Africa)
- Postgraduate Diploma in Business Administration
- Postgraduate Diploma in Banking
- Postgraduate Diploma in Investment Management
- Postgraduate Diploma in Public Administration
- Postgraduate Diploma in Risk Management
- Bachelor of Commerce – with a selection of Majors
- Bachelor of Business Administration – with a selection of Majors
- Undergraduate qualifications in banking, financial planning, short-term insurance, human resources management, accounting and management.

All of Milpark's programmes are offered through distance learning, with most flagship qualifications being offered as distance learning online (DLO), an enhanced digital form of distance learning.

BUSINESS SCHOOL

Milpark Business School (MBS) collaborated with international partners Saybrook University (USA), Pacific Oaks College (USA), and Woxsen University (India) for research and Faculty exchange. In addition, MBS collaborated with international bodies and associations such as the Austral Group (international study tour); PRME (Principles of Responsible Management Education); (Association of African Business Schools (AABS); Association to Advance Collegiate Schools of Business AACSB and Globethics.net. In April 2022 MBS also participated in World Creativity and Innovation week.

MBS continues to be the only AMBA accredited MBA in Africa for online learning, and, in 2022, a Milpark MBA student was a finalist in AMBA Entrepreneur of the Year 2022 Awards. PMR.africa placed Milpark third overall in South Africa for institutions offering the MBA, and first overall for institutions offering Executive Education.



SCHOOL OF COMMERCE

The School of Commerce won the Leading Supporter of Digital Learning category at the prestigious South African Board of People Practices (SABPP) awards ceremony held in October 2022. This is the fourth consecutive year, apart from during the pandemic when the event was postponed, that Milpark Education has been honoured for its learning offerings.

SCHOOL OF PROFESSIONAL ACCOUNTING

In 2022, Milpark formed the School of Professional Accounting, which offers the renowned CA Connect Postgraduate Diploma and the Bridging Course. As part of the School's commitment to community-based professional accounting education, a BCom Accounting degree is being offered in 2023, making professional accounting education more accessible for a much wider community of potential students. Our proven virtual learning environment will allow students to receive authentic and personal support throughout their educational journey.

The School's fast-growing PGDip (Accounting) (CTA), through its CA Connect brand, retained its status as the only fully online programme to be accredited by the South African Institute of Chartered Accountants (SAICA). **The School also achieved the highest pass rate of all distance/online institutions in SAICA's ITC, surpassing many contact institutions by a wide margin.** It is the biggest contributor to the CA pipeline in South Africa, and making inroads in neighbouring countries. In 2022, Milpark CTA students ranked first and fifth in the Institute of Chartered Accountants of Namibia (ICAN) exam.

The School of Professional Accounting also forged a new sponsorship partnership with SAICA through its Top 35 Under 35 competition. This year, our Student Experience Officer, Gareth Olivier, and Top 35 Under 35 2014 runner-up, served as a judge. The competition culminates in an awards evening that honours the many young professionals who make society better for the benefit of all.

SCHOOL OF FINANCIAL PLANNING AND INSURANCE

In the School of Financial Planning and Insurance, Milpark alumni were placed first, third and fifth out of all the students sitting for the March 2022 FPI Professional Competency Examination (PCE) for CFP® professionals. For the September 2022 FPI Professional Competency Examination for CFP® professionals, a Milpark alumnus took fifth place. Milpark is also exceptionally proud of one of our Post-graduate Diploma in Financial Planning alumni, who was awarded the Top PCE Candidate for 2022 by the FPI.

The School hosted (MIND) Milpark Insurance Nerd Day for the second consecutive year in July 2022. MIND continues to be a huge success, and it is gaining immense traction in the Financial Services Industry.



HIGHLIGHTS OF 2022

“ We believe that education needs to be accessible, equitable, and inclusive, so we foster an environment where everyone has the opportunity to learn and grow. To do this, we intentionally take a holistic approach to education, ensuring that we support each student on their learning journey based on their individual needs. This new vision promises to redefine our nation's expectations of higher education and open up new possibilities for students, staff, and clients alike.” A significant highlight of the Milpark calendar will be the celebration of the achievements of 2 500 graduates in April 2023. They will attend their graduation ceremonies in person, after three years of virtual graduations. ”

Milpark CEO, Andrew Horsfall.

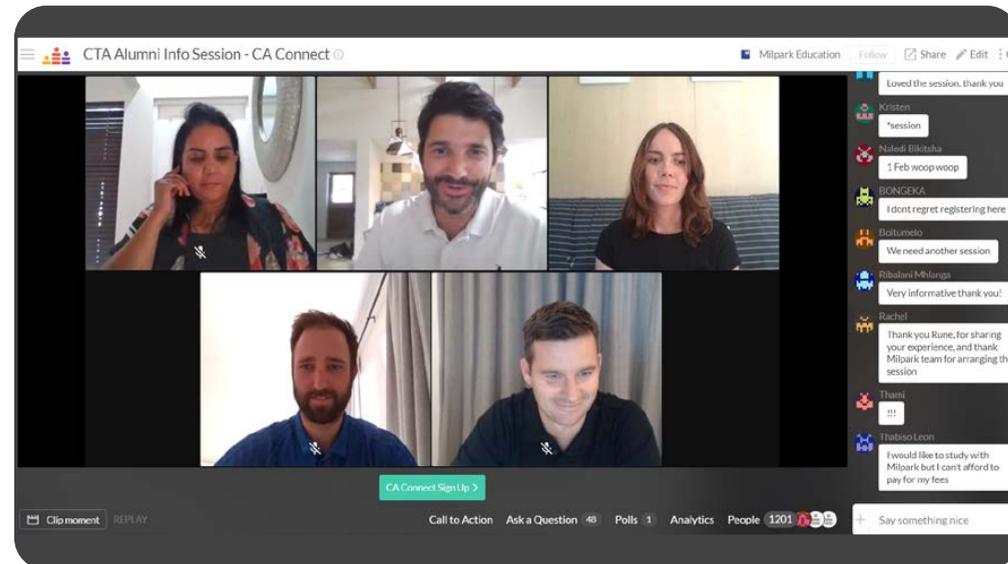
Milpark Education continued

MILPARK COMMUNITY AT LARGE

Milpark hosted a total of 39 Webinars in 2022, covering a broad range of topics, including:

- Ethics in Business
- The Hype and Promise of Smart Technologies – What must you believe?
- The importance of implementing a reward structure as part of a company's employee value proposition
- Tomorrow is Beautiful: Neuroscience, 4IR and the Life of Work Series
- The Johannesburg Chamber of Commerce Women in Business Series
- The Leaders of Africa Series
- How do we use psychometric testing for coaching post pandemic?
- Women in the Workplace Series
- Fraud Week Seminar
- Brand Reputation and Corporate Citizenship
- Second Annual Milpark Insurance Nerd Day

In addition, various information sessions were offered for Milpark qualifications.



In addition, various information sessions were offered for Milpark qualifications. See https://www.youtube.com/@Milpark_Education.

NOTABLE INSTITUTIONAL ACHIEVEMENTS

- Doctor of Philosophy degrees: Three faculty members graduated with PhDs (Cobus Oosthuizen and Chimene Nukunah, and Jamela Hoveni), and one development executive (Larysa Botha).
- PMR-Africa Golden Arrow award: Milpark ranked third overall in South Africa for accredited Business Schools offering MBA degrees.
- PMR-Africa Diamond award: Milpark ranked first overall in South Africa for Executive Education.
- The MBS became a member of the Association to Advance Collegiate Schools of Business (AACSB).
- Cobus Oosthuizen was elected to the PRME Chapter Africa Steering Committee.
- Jane Usher was elected to Woxsen University's (India) Internationalisation Advisory Board.
- Cobus Oosthuizen was elected to Woxsen University's Business School International Advisory Board.
- Gareth Olivier served as a judge for SAICA's Top 35 under 35 competition.
- CA Connect had the top pass rate for distance/online institutions in SAICA's ITC and is now the biggest contributor to the CA pipeline.
- All participants in our NPO My Career in Insurance were placed for work following the programme to help unemployed graduates.



ALUMNI ACHIEVEMENTS

- MBA alumna, Portia Lethlaphe, was promoted to Head of Product at Absa Home Loans.
- MBA alumnus, Joel Motaung, represented the African continent at the International Conference on Tourism and Business (ICTB) in Lucerne, Switzerland.
- PGDip in Financial Planning alumna Noël de Kock was in the Top 5 of the Financial Planner of the Year Awards for 2022.
- PGDip in Financial Planning Mulalo Nematahene alumna won the Diversity and Inclusion Award from the Financial Planning Institute.
- Bachelor of Commerce in Investment Management alumnus, Tebogo Kopela, was appointed as Global Shaper at World Economic Forum. He now works for Goldman Sachs, in the UK.
- In the March 2022 Financial Planning Institute Professional Competency Exam, Milpark alumni were placed first, third and fifth.
- In the September 2022 Financial Planning Institute Professional Competency Exam, a Milpark student was placed fifth.
- The award from the Financial Planning Institute for the highest marks obtained in Professional competency exams during 2022 (90.5%) went to a Milpark alumnus.
- First and fifth position of the Institute of Chartered Accountants of Namibia (ICAN) exams were Milpark Alumni.



AFDA

WHO WE ARE

2600+
STUDENTS

6500+
ALUMNI

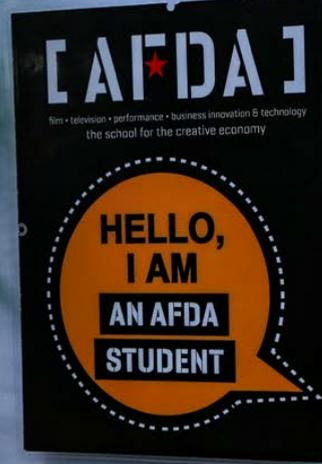
30+
AREAS OF STUDY

4
CAMPUSES

3
HIGHER CERTIFICATE PROGRAMMES

4
UNDERGRADUATE DEGREES

4
POSTGRADUATE PROGRAMMES



MESSAGE FROM OUR CEO

Teresa Passchier

In 2022 the AFDA business continued to experience good growth in student numbers. AFDA now boasts a student body of over 2 600 students across four campuses.

As we move forward into 2023, we look forward to expanding our big Johannesburg site into an AFDA mega campus! We will also start making moves toward opening a new AFDA campus in Pretoria!

I am extremely proud of the consistent growth of the AFDA business. Once again, this growth has shown the commitment of the institution to providing a world class, relevant, rigorous and stimulating learning experience to the customer, our AFDA student body.

We continue to strive toward concretizing AFDA as the leader, the largest and the most sought after private higher education provider in the creative arts in South Africa.

2022 STUDENT & ALUMNI AWARD-WINNING STREAK

WHAT WE OFFER

THE AFDA FILM SCHOOL

- HC in Film, TV & Entertainment Production
- BA in Motion Picture Medium
- BA Honours in Motion Picture Medium
- Master of Fine Arts

THE AFDA SCHOOL OF LIVE PERFORMANCE

- HC in Performing Arts
- HC in Radio & Podcasting
- BA in Live Performance
- BA Honours in Live Performance

THE AFDA SCHOOL OF BUSINESS & INNOVATION

- BCom in Business Innovation and Entrepreneurship
- Postgraduate Diploma in Innovation

THE AFDA SCHOOL OF CREATIVE WRITING

- Bachelor of Creative Writing



PROUDLY PART OF **STADIO HOLDINGS**

21 SAFTA AWARDS

6 TOP 10 RANKINGS

6 LOERIES

6 SIMON MABHUNU SABELA AWARDS

2 DIFF AWARDS

4 KYKNET SILWERSKERMFEES AWARDS

SAMAs Best Pop Album SHEKHINAH

FILM & TELEVISION



AFDA ALUMNI WINS 21 GOLDEN HORNS AT SAFTAs 2022

After receiving a massive 64 nominations for the 16th annual Saftas (South African Film and Television Awards) AFDA alumni picked up 21 Golden Horns at the Safta awards held virtually on 2 & 3 September.

AFDA STAFF, STUDENTS & ALUMNI BAG 6 SIMON MABHUNU SABELA AWARDS

Winners of the ninth Simon "Mabhunu" Sabela KZN Film and Television Awards were announced during the annual Durban International Film Festival on July 23 and AFDA staff, students and alumni walked off with 6 awards after being nominated for 16. AFDA Cape Town honours alumnus picked up the Best Feature Film Award for his horror film "Fried Barry" with AFDA Durban taking the other 5.



AFDA STUDENT FILM WINS AT DURBAN INT. FILM FESTIVAL

The AFDA Cape Town 2021 honours graduation film, "Where is Mr Adams?", directed by Cameron Murray and produced by Larise Krishnan continues its fantastic run on the national and international film festival circuit, this time walking off with the Best Student Film Award at the inaugural Isiphethu International Student Film Festival programme hosted by the Durban International Film Festival 2022.



FURTHER AFDA STUDENT, ALUMNI & INSTITUTION ACHIEVEMENTS 2022

- AFDA alumnus **Mandla N** reaps rewards at **SAFTAs**
- AFDA alumnus **King Shaft** wins Best South African Feature Film award at **DIFF awards**
- AFDA alumni win big at **Kyknet Silwerskerm Festival 2022**
- AFDA honours film "Delville Wood" wins at **Loeries Awards**
- AFDA students & alumni awarded top spots in 2021 **Loeries Official Rankings**
- AFDA lecturer **Abduragman Adams** receives **Ministerial Award**
- AFDA's first Artist in Residence **Vusi Africa** is king at 18th **AMA Awards**
- AFDA alumni share Best Actor Award at International **Pan African Film Festival in Cannes**
- AFDA alumnus **Walter Mzengi** wins **Netflix X UNESCO 'African Folktales, Reimagined'** Short Film Competition
- AFDA alumna **Liese Kuhn's** debut feature film wins at **JETS Initiative 2022**
- AFDA alumnus **Thabo Malema** wins at 17th **Naledi Theatre Awards**
- AFDA alumnus **Siya Mayola** wins at 57th **Fleur du Cap Theatre Awards**

MUSIC

AFDA ALUMNUS SHEKINAH WINS BEST POP ALBUM AWARD AT SAMAS

It was business as usual for AFDA alumna Shekinah at the South African Music Awards (SAMAs) held over the weekend at Sun City. After being nominated for two awards Shekinah walked off with the Best Pop Album award for her second album, Trouble in Paradise, which was released on the 6 May 2021.



OUR GLOBAL FOOTPRINT



THEATRE

AFDA JHB HONOURS LIVE PERFORMANCE WINS STANDARD BANK OVATION AWARD AT NAF!

Whistleblowers, directed by Rob Murray and Quintijn Relouw, has recently won a Standard Bank Ovation Award at the 2022 National Arts Festival (NAF).

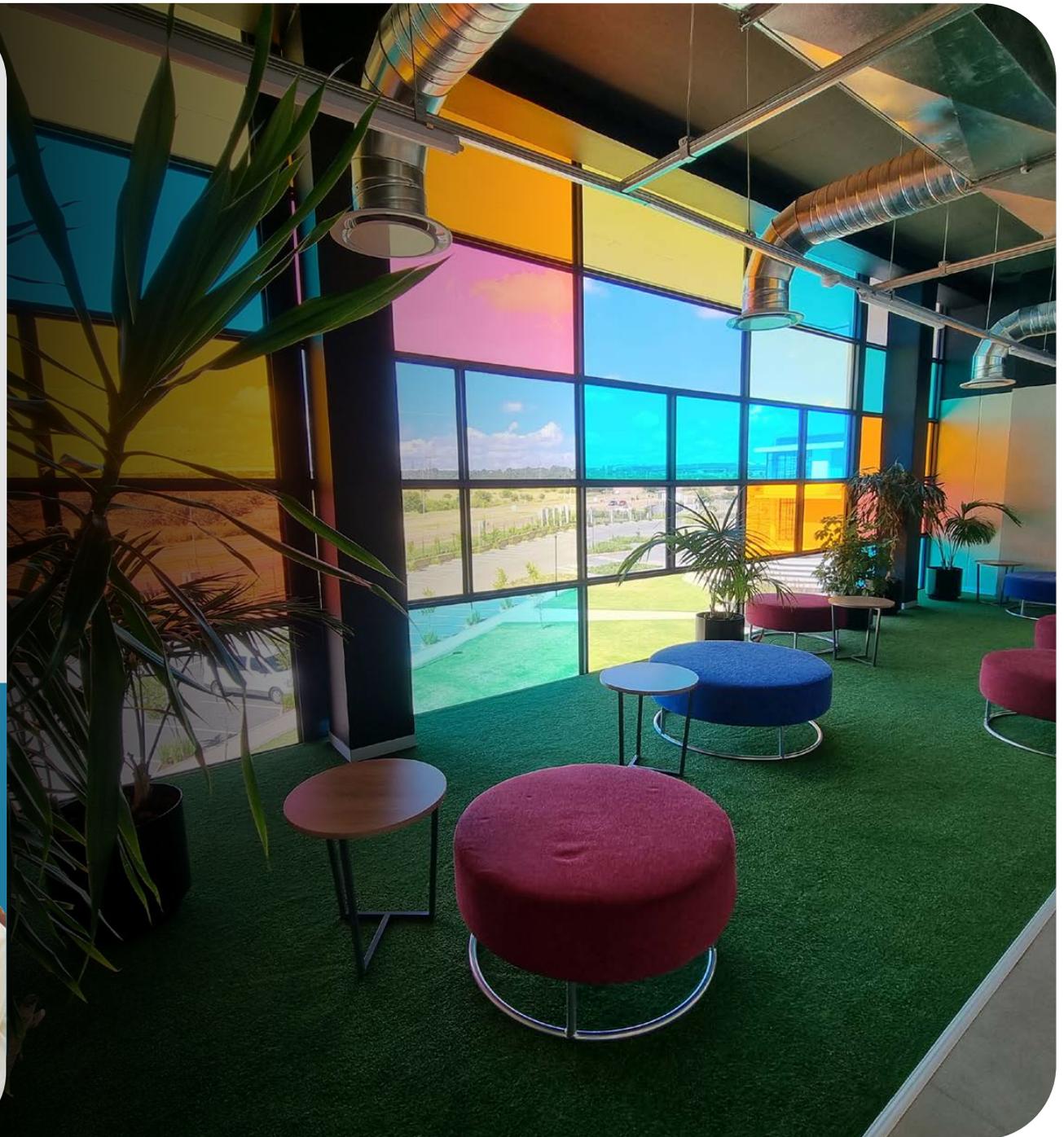


04

Our performance and value creation

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Reflecting on the Group’s performance against its strategic priorities and how value was created for our stakeholders



Chief Executive Officer's Report



“ We are committed to the quality and integrity of our offerings and continue to put in place resources and policies to refine and adapt to the ever-changing world ”

**Good growth
in new student
numbers**

Core HEPS

↑18%
to 20.7 cps
from 17.6 cps

**Return on Equity
increased to 10%**
from 0.1% in 2017

2022 was an interesting year for both staff and students. It was the first year that operations returned to normal following COVID-19, which took some adjusting as we returned to venue-based exams and assessments, and travel. The South African economy struggled to get going following COVID-19 and was further negatively impacted by loadshedding, with our students feeling the pressure of less disposable income due to inflationary pressures, increased interest rates, fuel costs, food price, and unemployment, to name a few.

Notwithstanding these challenges, I am proud of the solid results achieved by Group for the 2022 year, growing Revenue by 11%, increasing student numbers in the first semester by 11%, with an 8% increase in the second semester, growing profit after tax by 36% and Core Headline Earnings by 18%, and declaring our second dividend of 8.9 cents per share, up 89% since 2021.

It was exciting to start the year with the official opening of our first comprehensive campus, STADIO Centurion campus, in January 2022. Despite opening this campus with no new programmes, we enrolled ~400 students on this site. In 2022, further programmes were accredited and we are pleased to be able to offer these programmes in 2023, and can already see the benefit of doing so.

We rolled out the STADIO values during the year and continue to see ourselves as **a new vision in higher education**. We do not want to be just another higher education institution – we want to do things differently to ensure our qualifications and teaching remain affordable, flexible, relevant, and aligned to the needs of society and industry. We are committed to widening access to quality higher education and therefore inclusivity is important to us. We are also committed to quality and integrity of our offerings and continue to put in place resources and policies to refine and adapt to the ever-changing world, whilst never compromising on our commitments.

Some other achievements during the year include:

- Accreditation of six new qualifications to be offered in 2023 across Law, Education, IT, Accounting and Commerce
- Good growth in our new contact learning student numbers. New student numbers generally affect the total student numbers for the next three years and therefore new student number growth is important
- Good growth in AFDA's student numbers despite the challenging economic conditions, with AFDA's students and alumni continuing to win many awards and nominations across the industry
- In the recent SAICA ITC Board results, Milpark Education became the biggest contributor to the CA(SA) pipeline, with the most first-time writers and most first-time passes – well done Milpark Education!
- STADIO Higher Education awarded its first two 'Fellow of STADIO awards' to Dr Mathews Phosa, a South African businessman, and Mr Theo Ngobeni (aka Mr Slimfit), an icon in the fashion industry
- Completed the construction of the STADIO Krugersdorp Distance Learning Logistics Centre for opening in 2023
- Continued roll-out of the STADIO Khulisa Student Share Scheme in 2022, with 2 320 graduates receiving shares in STADIO Holdings to date
- Approved the Staff Phantom Share Scheme to be rolled out in 2023, whereby all staff will share in the Group's overall success through a payout that is directly linked to the Group's dividend
- Continued to refine processes and systems improving quality and bringing in efficiencies.

Affordability continues to be the largest risk in our business and management made some tough decisions during the year, decisions which I believe were right for the overall business. Certain students with large amounts outstanding on their tuition fees were excluded from returning in the second semester. Management engaged with all these students and entered into payment plans where possible, allowing students to return. In addition, the overall debt collection process was amended to allow more students to return to the institution with outstanding fees. Management proactively monitored debt levels and collection rates and was pleased to keep the overall loss allowance to 7% for the year. Management also actively sought additional funding solutions for students and looked to retain tuition fee increases aligned to inflation, despite little to no increases in fees in 2021.

In South Africa, a private higher education institution cannot call itself a university even though it is governed by the same regulations as public higher education institutions. In 2022, the Department released a draft institutional type framework noting what is required for an institution to achieve university status. STADIO Higher Education performed a mock-audit during the year, and management believe that STADIO Higher Education is well placed to achieve university status when the regulations allow.

The Group has a focus on community. Our key stakeholders of students, staff and investors all have a part to play in achieving the goal of widening access to higher education. I want to thank our board of directors, staff students and shareholders for their support during the year. A special thank you to my fellow Executive Committee, as well as all staff across the Group, for their continued hard work and efforts in making the Group a first choice institution, one I believe is becoming a real alternative to the public universities.

Chris Vorster
Chief Executive Officer

Performance against our 2022 strategic priorities

OUR VARIOUS CAPITAL RESOURCES ARE ALLOCATED ACROSS OUR BUSINESS ACTIVITIES ENSURING WE CREATE VALUE FOR OUR STAKEHOLDERS AND ACHIEVE OUR STRATEGIC OBJECTIVES.

FEEDBACK AGAINST OUR 2022 PRIORITY ITEMS

1.	Improve customer service and customer responsiveness	Q-desk and Zendesk were introduced by some of the institutions which saw customer service and customer responsiveness improve, with a decrease in complaints. The Group acknowledges, however, that customer service remains a critical area of focus and is constantly trying to improve this.	
2.	Embed current systems and processes, including teaching and learning norms	The Group slowed down changes during 2022 and focused on refining and embedding its systems and processes across STADIO Higher Education. The teaching and learning norms were defined and implemented, and the student journey was cemented.	
3.1	Successfully open Centurion mega-campus; and	STADIO Centurion mega campus opened in January 2022.	
3.2	Complete construction of STADIO Krugersdorp Distance Learning Logistics Centre (phase 1)	The Board resolved to complete the construction of the STADIO Krugersdorp Distance Learning Logistics Centre in one phase as opposed to over two phases resulting in overall benefits and reduced risk for the Group. The STADIO Krugersdorp Distance Learning Logistics Centre was completed in early 2023.	
4.1	Accreditation of new programmes and site accreditations	Successfully accredited new programmes, and existing programmes to new sites of delivery. 6 new programmes will be offered in 2023 as a result.	
4.2	Focused expansion of School of IT, across both modes of learning delivery; and	Successfully developed, submitted and received accreditation for various IT programmes.	

4.3	Establishment of School of Humanities	Regulatory delays resulted in the programmes only being accredited by CHE and SAQA in early 2023. We await final certification, and will offer these programmes from 2024 (although may offer the distance learning programme in semester 2 dependent on timing).	
5.	Activate the Compliance Risk Management Plan (CRMP) for the upcoming CHE Institutional Audits	STADIO Higher Education performed a successful mock audit. Where areas for improvement were identified, a plan was implemented to address these points. A mock audit will be performed at AFDA and Milpark Education during 2023. Overall, management is comfortable that the Group is well placed for the CHE audit and areas identified for improvement will only contribute to increasing the high-quality offering at the institutions.	
6.	Delivery of acceptable profit targets	The Group produced robust results, despite the challenging economic environment, increasing its EBITDA margin to 29% from 28% with Core Headline earnings up 18% from 2021.	

achieved in progress not achieved

PERFORMANCE AGAINST GROUP PERFORMANCE INDICATORS

- **Revenue** grew by 11% to R1.2 billion
- **Growth in EBITDA and EBITDA margin**
 - EBITDA increased by 13% to R351 million
 - EBITDA margin improved to 29% (up from 28%) indicating operational efficiencies are starting to be realised
- **Adjusted EBITDA** increased by 15% to R357 million (Adjusted EBITDA excludes onerous contract costs of R5.5 million in 2022)
- **Core Headline Earnings per Share** grew by 18% to 20.7 cents per share
- **Dividend per share** up 89% to 8.9 cents per share

STRONG 2022 PERFORMANCE DESPITE CHALLENGING TIMES

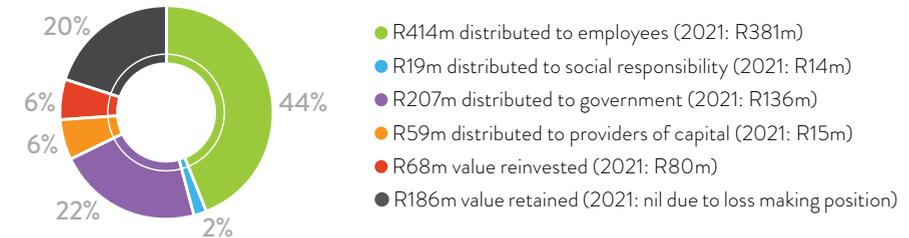
Our capitals and value created for our stakeholders

OUR BUSINESS MODEL STRIVES TO CREATE VALUE FOR OUR STAKEHOLDERS THROUGH THE CAREFUL CONSIDERATION OF OUR SIX CAPITAL RESOURCES.

WE USE THESE CAPITAL RESOURCES INTERCHANGEABLY AND APPRECIATE THAT THERE ARE TRADE-OFFS BETWEEN THEM. THESE TRADE-OFFS ARE CAREFULLY CONSIDERED TO CREATE AND PRESERVE STAKEHOLDER VALUE.

Refer to pages 18 and 19 for further info on our stakeholders and their importance to the Group.

VALUE ADDED STATEMENT



STAFF

HOW WE ENGAGE	MEASURES
<ul style="list-style-type: none"> Daily engagement and communication 	<ul style="list-style-type: none"> Performance development and evaluation Training outcomes and development spend Appropriate benchmarking and remuneration Research outputs Staff study assistance Staff Share Scheme introduced

STUDENTS

HOW WE ENGAGE	MEASURES
<ul style="list-style-type: none"> Social media and marketing campaigns Orientation Regular lecturer and student support engagements Virtual learning environments Graduations 	<ul style="list-style-type: none"> Number of students enrolled % module success rates Student retention and dropout rates Graduate desirability survey Number and range of accredited and pipeline programmes

INVESTORS

HOW WE ENGAGE	MEASURES
<ul style="list-style-type: none"> Regular financial results presentations and AGM Investor engagements and roadshows Stock exchange news system (SENS) announcements 	<ul style="list-style-type: none"> Achievement of strategic priorities Performance against budget and targets Gearing ratio Dividend pay-out ratio Return on equity

OUR CAPITALS

- ACADEMIC QUALITY AND INTELLECTUAL CAPITAL
- HUMAN CAPITAL
- SOCIAL AND RELATIONSHIP CAPITAL
- INFRASTRUCTURE CAPITAL
- FINANCIAL CAPITAL
- NATURAL CAPITAL

INDUSTRY

HOW WE ENGAGE	MEASURES
<ul style="list-style-type: none"> Engagement on programme development, moderation, lectures Teaching practice and internships 	<ul style="list-style-type: none"> Graduate employment survey Industry partnerships International collaborations B-BBEE score

REGULATORS

HOW WE ENGAGE	MEASURES
<ul style="list-style-type: none"> Regular communication Attendance of CHE meetings, conferences, workshops Collaboration on policies and papers Regulatory submissions as required 	<ul style="list-style-type: none"> Number of programmes accredited Time to accredit new programmes Auditors' report Compliance audits

ALUMNI

HOW WE ENGAGE	MEASURES
<ul style="list-style-type: none"> Regular Khulisa shareholder engagements Social media Communication and updates 	<ul style="list-style-type: none"> Number of graduates Number of Khulisa Student Share Scheme Engagements with the Khulisa Student Shareholders Number of returning students

OUR WORLD

HOW WE ENGAGE	MEASURES
<ul style="list-style-type: none"> Execution of our community engagement plan and CSR projects Committed to the environment and striving to become greener, whilst educating staff and students on the importance of protecting the world we live in 	<ul style="list-style-type: none"> Community engagement projects and collaborations CSR spend Recycling initiatives Electricity usage Alternative power sources

Our capitals and value created for our stakeholders continued

ACADEMIC QUALITY AND INTELLECTUAL CAPITAL



Our academic offering is core to who we are and we strive to deliver a quality academic product that promotes workplace relevance in all our qualifications and ensures our graduates are ready for the world-of-work.

In order to meet our students' and industry's needs, we require a range of quality, relevant curriculum, and programme offerings that, in most cases, are accredited, and in all instances, respected by students, industry and peers.

We use state of the art technology systems to enable interactive, flexible learning to enhance operating effectiveness and allow us to scale without compromising quality.

We also have the academic promise of "Students at the centre, learning at the core". We aim to support our students throughout their studies to allow them to obtain the knowledge and understanding to successfully graduate and achieve the academic outcomes required.



RESEARCH

As private institutions, we are focused on teaching and learning, whilst understanding the importance of research.

In 2022 we had

- **91** (49) research outputs
- **34** accredited publications

3 DISTINCT REGISTERED PRIVATE HIGHER EDUCATION INSTITUTIONS:



INTERNATIONAL ACCREDITATIONS:



SAME LOCAL ACCREDITATIONS AS UNIVERSITIES

Our academic strategy is focused on ensuring relevance and alignment with industry. We involve industry from programme development, lecturer participation up until external moderation. This ensures our graduates are equipped with the relevant skills needed to enter the world-of-work, whilst positioning our graduates as those individuals sought after by industry.



Reliant on Regulatory bodies for accreditation – recent delays have hindered growth strategies

- **86** accredited qualifications
- **31** pipeline programmes in development
- Distance learning, contact learning and blended learning
- Vast range of offerings in Accounting, Business, Commerce, Management, Financial Services, IT, Law, Policing, Education, Film, Creative Services, Media, Design, Architecture, and Fashion
- Humanities and Engineering to come
- From access qualifications to Doctorates
- Various short-courses

STUDENT WELLNESS AND STUDENT SUPPORT REMAINS IMPORTANT

- Partnership with South African Depression and Anxiety Group
- Bridging modules offered for basic literacies
- Student Support team on all campuses and actively engaging with students

INDUSTRY AND ACADEMIC PARTNERSHIPS

allows our brands to have a global footprint

19

ACTIVE PARTNERSHIPS IN 2022

7 498 Graduates

83.4% Avg Module Success rate

9% Avg Drop-out rate

INDUSTRY ACCOLADES

AFDA graduation films have won Simon Sabela Best Student Film Award **for 8 years running**

First STADIO Higher Education Doctorate **student to graduate in 2023 in minimum time**

Milpark Education's PGDA achieved **the highest pass rate** of all distance/online institutions in SAICA's ITC Board exam, surpassing many contact institutions by a wide margin.

Delville Woods AFDA Honours film **wins Loerie Award**

Milpark Education **ranked 1st overall** in South Africa for Executive Education at PMR-Africa Diamond award

STADIO Higher Education held **successful academic conference** titled **'Curriculum Reimagined for 21st Century Relevance'**

Our capitals and value created for our stakeholders continued

OUR HUMAN CAPITAL



“ It’s about getting the best people, retaining them, nurturing a creative environment and helping to find a way to innovate ”

– Marissa Mayer, former Yahoo CEO

We are education providers. The skills and expertise of our educators and academic staff, coupled with their ability to engage with students, is critical in facilitating the development of well-rounded graduates.

1 024 permanent employees

76% permanent employees hold postgraduate qualifications up to doctorates

9 staff received their PhD or Doctorates during the year

In addition to permanent employees, the Group makes use of temporary and contract staff, drawing on experts to assist as lecturers, facilitating assessments, programme and content development. The Group also engages with industry to provide input into programme development and provide guest lectures, conferences, and the like, ensuring our programmes remain relevant and in-demand, staying true to our “World-of-work” differentiator.

PEOPLE-FOCUS

We see ourselves as a “service” business and strive to provide excellent customer service in which we delight our students and stakeholders at all our touchpoints. One of the values approved for the Group in 2022 is “People-focus”, where we aim to positively impact the people we interact with. This refers to our engagements with all our stakeholders.

In 2022, a strategic focus point was “customer service”. We implemented Q-desk and Zendesk across some of the institutions, which assisted in addressing queries. It is acknowledged, however, that some of our programmes with larger volumes of students, did not meet the standard we set ourselves, and we continue to focus on improving our customer service.

The Group continues developing their People Strategy. This is an ongoing process and will be continually refined and adapted to meet the needs of the staff and institution.

During the year, both Milpark Education and STADIO Higher Education re-defined their institutional values and the associated behaviour standards associated to these. These included:

Milpark Education >				
	strive	learn	care	real
Stadio Higher Education >				
	service	quality	integrity	people-focus

AFDA’s values remain unchanged and include:

PASSION > SELF DISCIPLINE > INTEGRITY > RELIABILITY > HUMILITY

STAFF DEVELOPMENT

Professional staff development and training is critical to quality teaching and is an ongoing emphasis. We invest in our staff through staff training (both internal and external), supporting further studies, contributing towards professional membership fees, supporting CPD, mentorship, and the like.

In 2022, Milpark Education hosted 39 webinars, covering a broad range of topical subjects, including:

- *The Hype and Promise of Smart Technologies – What must you believe?*
- *The importance of implementing a reward structure as part of a company’s employee value proposition.*
- *Tomorrow is Beautiful: Neuroscience, 4IR and the Life of Work Series.*

STADIO Higher Education’s academic conference was titled ‘Curriculum Reimagined for 21st Century Relevance’ and was held at the STADIO Centurion Campus.

AFDA held an internal Research Conference which was structured around 4 themes namely: *Lessons learned from Covid and on-line teaching practice; Reflection on my teaching practice and the value of intrinsic motivation; The changing face of the creative economies in the South African context; and My best practice and why it works for students.* These themes required staff to reflect on their teaching and delivery of the curriculum.

Staff Study Assistance

Bursary Scheme implemented for staff

R520 million

contributed to salaries and wages

R3 million

on staff training and development

In 2022, the Staff Study Assistance Bursary Scheme was introduced for staff members, promoting continuous professional development and lifelong learning, ensuring our academic team, and other staff, remain the best qualified to present the teaching and learning programmes.

Performance Development is also critical to developing staff. In 2022, 50 individuals were selected to attend the Navigate Leadership Programme, covering key topics and skills necessary for leaders to lead in our everchanging landscape, providing tools to remain agile, take advantage of opportunities, successfully navigate challenges and manage teams effectively to promote growth.

Our capitals and value created for our stakeholders continued

STAFF ACHIEVEMENTS AND ACCOLADES

9 employees received their doctorates during the year

- AFDA lecturer Abduragman Adams receives Ministerial Award and recognised as both as a ‘talented actor and for his outstanding contribution in mentoring emerging actors in theatre, television and film’
- A number of Milpark Education’s staff selected to be members of sector advisory committees and or judges
- Dr Divya Singh nominated as Ambassador of the Magna Charter Observatory

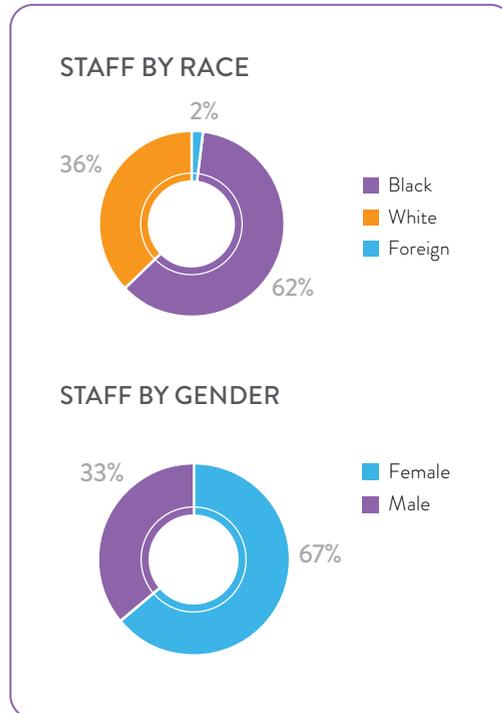
Staff accolades are important to recognise the achievements and hard work of our employees. Accolades also incentivise our employees to go beyond the ordinary and to be extraordinary. The awards for teaching and learning excellence and innovation in the areas of tuition, assessment, student support and overall scholarship were handed out at the annual STADIO Higher Education Academic Conference. AFDA staff were further recognised through numerous external film awards and Milpark Education staff were recognised through Milpark Education being ranked as third overall in South Africa for accredited Business Schools offering MBA degrees, first overall in South Africa for Executive Education, and having the top pass rate for distance/online institutions in SAICA’s ITC.

STAFF PHANTOM SHARE SCHEME

In 2022, the Board approved the Group’s first all inclusive staff phantom share scheme to be rolled out in 2023. Phantom shares are ring-fenced for staff and attract dividends linked to the overall dividend declared by the Group, aligning and motivating staff with the overall focus areas of the Group.

Staff Phantom Share Scheme launched for roll-out in 2023

STAFF DEMOGRAPHICS



The Group is committed to transformation and prides itself on inclusivity, always striving to open access to more students and more staff development, with no room for discrimination. During 2022, the Group made good progress against its Employment Equity targets and continues to strive to meet the targets set by the Board.

The Group believes in gender equality and does not discriminate on pay or position based on gender. Milpark Education held a webinar series during the year titled “Women in the Workplace” and STADIO Higher Education showcased various women positively impacting the business throughout August, “Women’s month”.



WOMEN IN MANAGEMENT



STADIO HIGHER EDUCATION

Focused on women within the institution, during the month of August, who made a positive impact within the school and industry

MEET SCHOOL OF ADMINISTRATION AND MANAGEMENT LECTURER, BERNADETTE KRUGER.

“I recently registered for the Doctoral degree, my ultimate dream, and the pinnacle of an academic career. As a firm believer in lifelong learning, I stopped believing in my dreams and never thought I would be accepted as a doctoral candidate. Never underestimate the power of your dreams and the support of special friends and family. I remember always admiring colleagues travelling overseas and presenting their research at conferences, only to present my research in Oxford, England. If you can dream it, you can be it. I, therefore, try to live according to the coaching of Dr Amy Boyd on the psychological process of writing the dissertation, that we must first ‘Be to Have’ instead of ‘Have to Be.’ Be that person you want to be and dream of being, even though she is still in the making.”

BERNADETTE KRUGER LECTURER: MANAGEMENT PRACTICE

Our capitals and value created for our stakeholders continued

OUR REMUNERATION PHILOSOPHY

The Group endeavours to offer market-related remuneration combined with good working conditions to attract and retain the best academic and professional support staff. We strive to be a first-class institution and believe that we attract individuals wanting to work and be associated with our institutions and to contribute to our mission and vision. Aligning the remuneration across STADIO Higher Education is an ongoing, and delicate, process. A working group was established and a corrective plan identified which will be implemented over the short-to- medium-term, commencing with the outliers and key individuals.

Refer to pages 128 to 140 for the Remuneration and Nomination's Report.

Our staff are crucial to the Group's success, and together with our robust Board of Directors, helped navigate the Group to a successful 2022. A big thank you to all our staff across the Group. Each person plays a specific role in achieving our overall mission and helping more individuals reach their higher education goals. We salute you!

OUR OPERATING LEADERSHIP TEAM



MR CHRIS VORSTER
Chief Executive Officer



MS SAMARA TOTARAM
Chief Financial Officer



DR DIVYA SINGH
Chief Academic Officer



MR JOHAN HUMAN
Chief Operating Officer



MS CHARISKA KNOETZE
STADIO EXECUTIVE HEAD
Distance Learning



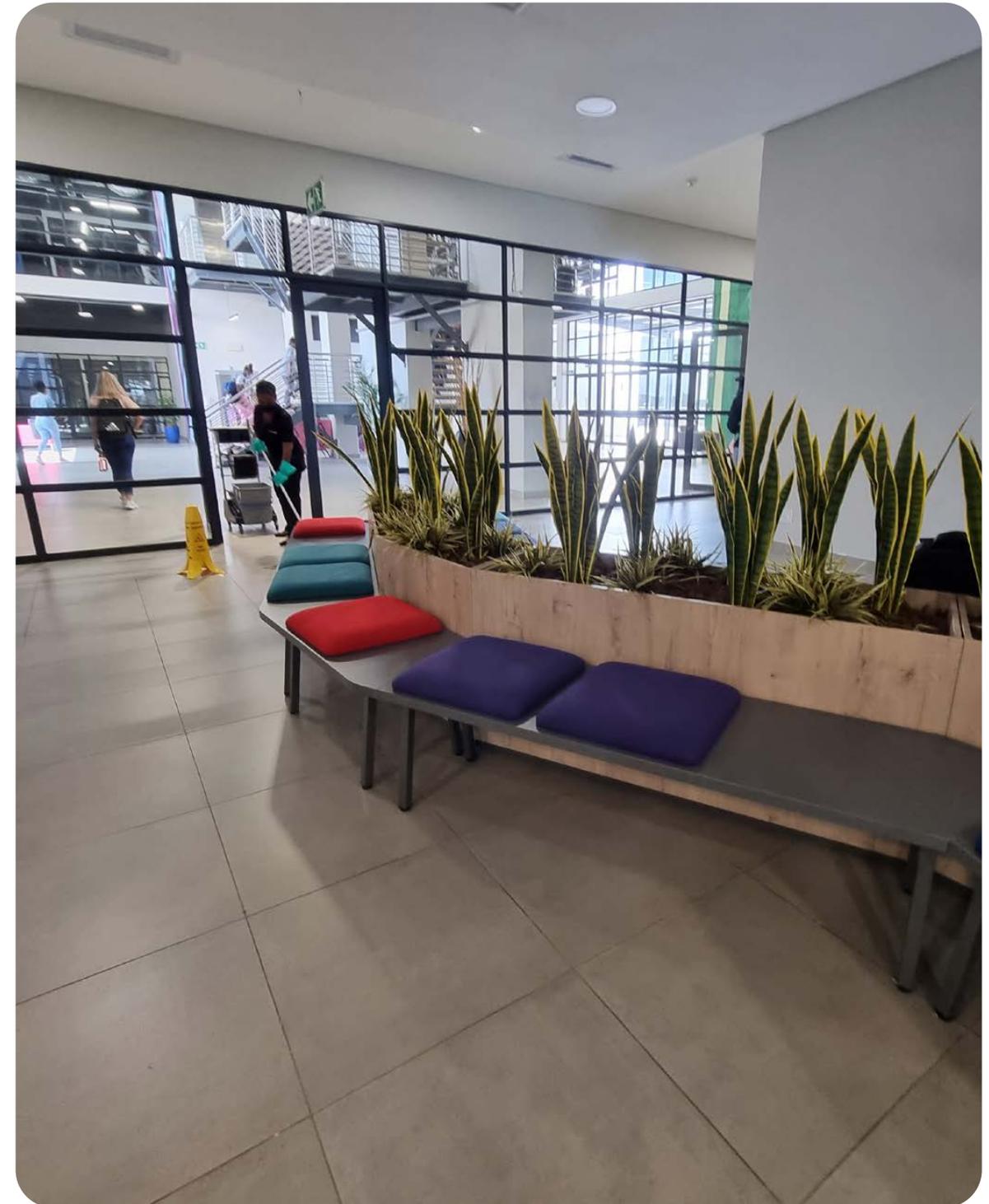
PROF PATRICK BEAN
STADIO EXECUTIVE HEAD
Contact Learning



MR ANDREW HORSFALL
Milpark Education CEO



MS TERESA PASSCHIER
AFDA CEO



Our capitals and value created for our stakeholders continued

SOCIAL AND RELATIONSHIP CAPITAL

“The function of education is to teach one to think intensively and to think critically. Intelligence plus character – that is the goal of true education” – Martin Luther King Junior



The Group believes in the power of education to transform our nation and is focused on widening access to quality education for qualifying individuals.

We rely on various relationships in creating and delivering our suite of academic offerings that are mutually beneficial to the world of work and society as a whole. We believe all our stakeholders have a role to play in widening access for more individuals to higher education: from increasing capacity at our institutions and our range of offerings; to supporting our students to be successful; to contributing through bursaries, internships and employing graduates. We actively look to create and foster relationships with our stakeholders to provide a holistic approach to our students and graduates.

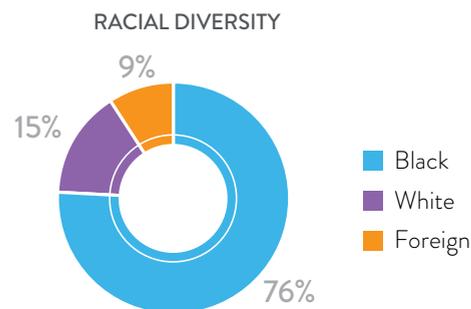
32.7%¹
Unemployment rate in South Africa

2.7%²
Graduate unemployment rate in South Africa

269 361 (61%)
Eligible Grade 12s could not be accommodated by universities in 2020 – this number grows annually and is further compounded annually

504 336 students
Enrolled in public universities received funding from NSFAS in 2020 (2019: 393 767)

OUR STUDENT MIX



Our three institutions have very different offerings, either offering niche programmes that are leaders in their field of expertise, or by offering a comprehensive range of programmes that are affordable, flexible and address the needs of **many working** adults and individuals looking to study or further upskill themselves. We offer programmes across distance learning, distance learning online and blended contact learning, and aim to reach over 100 000 students in time.

Included in the Group's offerings are a range of qualifications that aim to facilitate access to higher education. These include higher certificates and diplomas. These qualifications provide access to higher education for those students who do not qualify for degree entry. These access qualifications further allow a student to articulate to a degree or advanced diploma on successfully completing the respective access qualification.

The Group amended its approach to collecting outstanding fees to allow more students to continue to study.

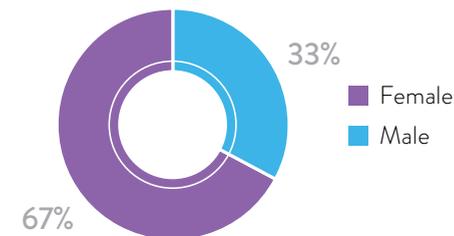
This change included:

- entering into payment plans with more students, allowing them extended terms over which to pay their outstanding fees; and
- increasing the arrear balance, within limits, that students were allowed to register with.

R31 million
spent on Bursaries and Discounts in 2022
(2021: R25 million)

The Group enrolled
41 296 STUDENTS
(2021: 38 262)

GENDER DIVERSITY

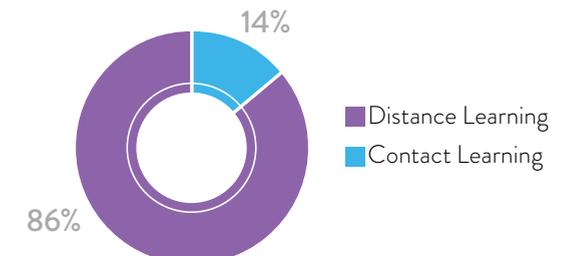


The Group adheres to the specific admission criteria stipulated by the Regulators, however, recognises that not all students who qualify for higher education hold the basic literacies required to succeed. STADIO Higher Education has therefore integrated fundamental literacies including academic reading and comprehension, numeracy skills and IT skills into all qualifications.

In addition to the above, the Group has formal bridging programmes in the Schools of Accounting, Commerce, Law, Media and Design, and Fashion to allow students with degree endorsement to access the qualifications even though they may not meet the institutionally set admission requirements.

South Africa's economy has faced significant challenges in recent years, and 2022 was another such year, with the impact being clearly felt by our students. Affordability remains one

MODE OF DELIVERY



of the Group's biggest challenges and we continuously strive to find funding solutions for our students. The Group engaged with students struggling to meet their payment deadlines and entered into payment plans to assist students where possible and continued to look to enhance relationships with organisations offering financing options for students such as the Group's partnership with CAPITEC Bank, piloting CAPITEC's Credit-for-Education Product, *Student Hero*, *Manati* and *Fundi* to name a few.

The Group's bursary trust, the **STADIO Kusasa Foundation**, a section 18 non-profit organisation, has approved its strategy and will begin actively seeking funding for our students going forward. We are thankful to the Jannie Mouton Foundation who have committed R2 million to the Foundation in 2023.

¹ Quarterly Labour Force Survey (QLFS) for Q4: 2022

² <https://www.statista.com/statistics/1314504/unemployment-by-education-level-in-south-africa/>

Our capitals and value created for our stakeholders continued

COMMUNITY ENGAGEMENT

Community engagement forms one of the three pillars of higher education in South Africa, together with Teaching and Learning, and Research. 2022 saw all the Institutions actively participating in community engagement either as part of the teaching curriculum or as individual community-focused projects. The Group wants to make a **social impact** with its community engagement and recognises the key roles its institutions can play in producing graduates who are socially conscious and aware. The Group has looked to integrate social impact into the curriculum and has identified social consciousness as one of our graduate's attributes.

During 2022, staff and students have engaged in a variety of activities working with and contributing to marginalised communities and others in need. Some such initiatives included:

- providing flood relief for the victims in KZN;
- A-care-demics continued their '67 minutes for Mandela' annual blanket donation amongst other initiatives;
- 2 320 graduates received shares in STADIO Holdings through the STADIO Khulisa Student Share Scheme;
- donations and contributions to orphanages, old age homes and libraries;
- providing bursaries to young rugby players;
- sponsoring two female cyclists in the ABSA Cape Epic cycling tour; and
- sponsoring the winners of the Exxaro Special Jersey award at The Absa Cape Epic, which is reserved for riders under the age of 26 who hail from previously disadvantaged backgrounds, access to any of its Distance Learning Programmes.

THE STADIO KHULISA STUDENT SHARE SCHEME

The STADIO Khulisa Student share scheme was launched in October 2021 and, in a revolutionary move, saw the Group purchase shares in STADIO Holdings for its NQF 8 graduates upon graduation. These graduates also receive access to a share portfolio managed by Investec Share Plan Services (Investec) and the JSE Investor Services who will provide further support for the graduates in their new investment journey.

Owning shares is new for many of our graduates and therefore the STADIO Khulisa Student Share Scheme aims to further equip our graduates with the knowledge and understanding of the world of shares and investing. In 2022, the first short online course was rolled out to the Khulisa graduates covering *the basic features of listed shares and what it means to be an owner of listed shares as well as introducing individuals to the field of personal financial planning, and how one views an investment in the context of one's personal finances.*

The CEO has held various shareholder engagements with the Khulisa shareholders, in which he provides them with an overview of the Group's performance and receives feedback from the Khulisa shareholders too.



The Milpark Business School offers a module titled *Community Engagement: Social Responsibility and Environmental Management* with the core purpose of this module being to ensure that the post-graduate students (specifically in the Post-graduate Diploma in Business Administration and Masters in Business Administration qualifications) explore the significance of social responsibility and environmental management from a corporate, government, individual and NGO perspective. This is in keeping with Milpark Education's philosophy of incorporating community outreach, community engagement and social responsibilities in our educational offerings, as they are the driving forces behind social, environmental, and economic sustainability. Students are made aware of the role and strategy of public-private partnerships to achieve integrated solutions for sustainability through the lens of social responsibility and environmental management. As part of the *Social Responsibility and Environmental Management* module, students are required to choose a company and a charity that aligns with that company, and then recommend an appropriate CSR strategy for the company to implement. For their summative assessment, students are required to complete an integrated presentation and assignment.

On 22 June 2022; the *Social Responsibility and Environmental Management* exam group presentations were held. Twelve groups of students made presentations on their selected charities. The presentations were adjudicated by three panels, which were comprised of internal staff, independent contractors and invited panellists from the corporate world. Ultimately, there was one charity that stood above the rest:

FEENIX PUBLIC BENEFIT ORGANIZATION.

Feenix believes that access to education should not be limited by financial means, and it exists to make a positive difference in the lives of young people by identifying and implementing collaborative solutions to the obstacles faced in accessing higher education. Student and funder communities are connected in a transparent and accountable manner that dissipates geographic and socio-economic barriers through the use of online digital technologies and crowdfunding to connect indebted university students with financing communities.

A panellist noted that the charity organisation's vision was in line with the Fourth Sustainable Development Goal: Quality education for all. This goal relates specifically to ensuring that all women and men have equitable access to affordable and high-quality technical, vocational and tertiary education, by 2030, as assessed by participation numbers and gender.

As an institution that sees the value in education and the difference it can make in people's lives, this is an initiative that Milpark Education is proud to support, and pleased to announce Feenix as the winner.

Milpark Business School's focus on delivering education that empowers and equips both current and future leaders to pursue ethical and sustainable business practices, as informed by the Sustainable Development Goals, in an evolving, continental, and global milieu. We encourage our students to continue engaging with the charities that they have chosen and building on the relationships they have already forged.



MILPARK BUSINESS SCHOOL EMBRACES COMMUNITY ENGAGEMENT AS PART OF THE CURRICULA

Our capitals and value created for our stakeholders continued

INFRASTRUCTURE CAPITAL



We require campus infrastructure to provide an environment conducive to learning in order to facilitate our contact learning students and provide support to our distance learning students, as well as infrastructure to efficiently facilitate the logistics of our distance learning students.

Our infrastructure capital consists of campuses, technology, and processes required to provide an environment conducive to teaching and learning.

We have world-class virtual learning environments across the different institutions, in CANVAS and Moodle. These learning management systems assist in providing a seamless learning journey for our students, allowing them to access student support, lecturers, course and institution information, as well as submit assignments and certain assessments.

We have 11 campuses across the Group consisting of our first comprehensive campus, STADIO Centurion, to smaller niche campuses, that focus on single Schools. In addition, we have distance learning support offices that provide support to our distance learning students. All our campuses double up as support centres for our distance learning students and some of them are used as assessment centres. The Group continuously looks at ways to optimise the current campuses, taking new programmes to existing sites and making single School campuses into multi-School campuses. During 2022, the Group also commenced its campus utility audits, a project to better optimise its campuses.

STADIO Centurion opened its doors to new students in January 2022 and showcases the Group's stance as a New Vision in Higher Education. It is a fresh and vibrant campus and, due to its size, can double up as a graduation venue, is used for conferences and has many other uses. 2023 also saw more programmes being offered from this site and therefore good growth in new student numbers on this campus. This will assist STADIO Centurion in working through the J-curve. STADIO Centurion has capacity for 5 000 students.



STADIO Centurion campus

STADIO Krugersdorp Distance Learning Logistics Centre



STADIO Krugersdorp Distance Learning Logistics Centre

In February 2023, STADIO Higher Education completed the construction of the STADIO Krugersdorp Distance Learning Logistics Centre. This logistics centre will facilitate the efficient distribution of the distance learning materials for our traditional distance learning students and enable the Group to cope with large volumes efficiently. In time, the Group will look to utilise the Logistics Centre to support all the institutions across the Group as needed.

The Group has made good progress on the plans for its STADIO Durbanville comprehensive campus. These plans will be submitted to the municipality for approval in early 2023 and final construction commencement date is awaiting final approval. The campus will not open before January 2025.

As part of the Group's strategy, the Group exited its Milpark Education Gauteng lease in 2021. This resulted in an impairment of R17 million being recognised in 2021 in respect of the onerous lease relating to the Right-of-use asset, and a further R3 million impairment relating to the associated maintenance and service costs for the Milpark Gauteng lease.

Value measures:

- Return on investment
- New student numbers
- Campus profitability

Dependencies:

- Regulator – site accreditations
- Regulator – site extensions to offer programmes on new sites

Capital invested (Rm)	Dec 16	Dec 17	Dec 18	Dec 19	Dec 20	Dec 21	Dec 22
Acquisitions	-	594	440	156	-	10	-
Infrastructure development and capital assets	73	272	26	168	98	181	87
Programme development	12	11	15	10	7	-	7
Total	85	877	481	334	105	191	93
Cumulative investment	85	962	1443	1777	1881	2 072	2 165

Our capitals and value created for our stakeholders continued

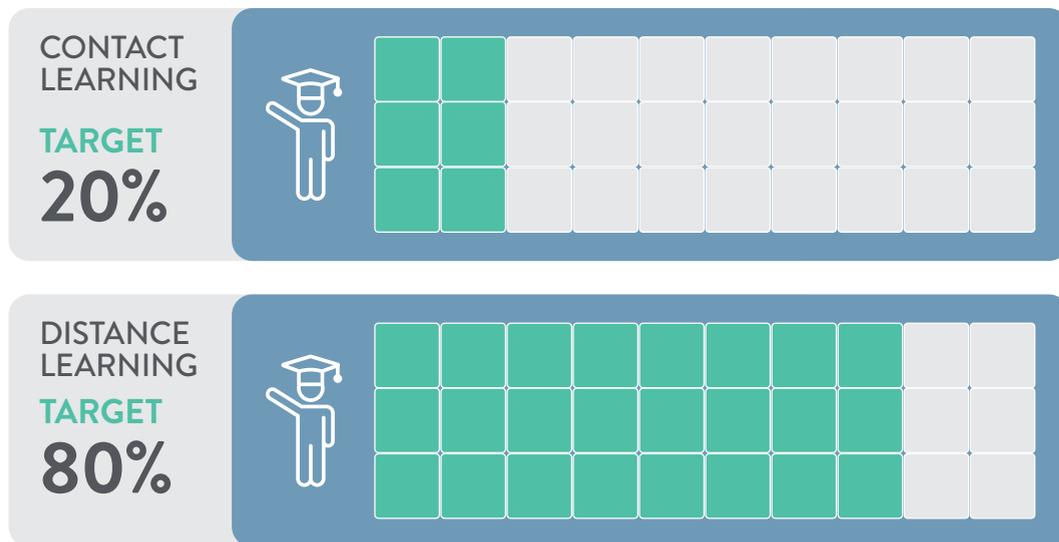
The Group's strategy is not to build a comprehensive campus in every city. Instead, the Group will look to optimise current campuses.

- Aim = **3 comprehensive campuses** (offering a full student experience):
 - STADIO Centurion (opened)
 - STADIO Musgrave (to take new Schools to this site)
 - STADIO Durbanville (to come)

During 2022, the Group rented additional space at its STADIO Bellville campus and AFDA Johannesburg campus to facilitate the growth at these campuses. In 2023, the Group is further exploring opportunities for the expansion of the AFDA Johannesburg campus.

The Group is a cash generative business and remains in a strong cash position with access to a debt facility. Any expansion can be funded through cash and minimal debt levels.

OVERALL, THE GROUP REMAINS A CAPITAL-LIGHT BUSINESS.



Currently the Group has 86% distance learning students and 14% contact learning students.

Our campuses are not found in an office block, but instead the Group looks to offer a **real student experience**, conducive to offering **quality** higher education, on all our campuses. We are also looking at introducing sport, in some instances, to offer a holistic student experience. In 2023, one of the Board approved focus areas is on enhancing student experience across all institutions and all modes of delivery.

LOADSHEDDING

Although loadshedding has impacted the Group, all campuses have alternative power sources (UPS/Inverter and generators) and are currently able to continue operating despite the power outages, without hindering the teaching and learning experience.

Energy saving audits were conducted on the Krugersdorp, Waterfall and Centurion campuses in 2021/2022, with audits of the Group's other campuses planned for 2023.

Both the Waterfall and Centurion campuses were constructed with energy saving approaches in mind.

Management is investigating solar energy solutions as an alternative power source that is ultimately a cleaner, cheaper and more sustainable solution.

We are conscious that the majority of our students study via distance learning and therefore have introduced additional measures to support our students who do not have access to alternative power supply at home or in the office, some examples include online lectures being available as recordings post the lecture, assessments being open for longer periods, and ensuring timetables are shared and communicated well in advance to allow good planning.

OPERATIONAL EXCELLENCE RELIES ON GOOD PROCESSES AND SYSTEMS TO ENABLE EFFICIENCIES

- The Group has invested in an ERP system which is currently being implemented across the Group. The ERP also instils a better control environment, and aids better overall financial governance
- STADIO Higher Education's CRM system facilitates large-scale applications and continues to be refined
- STADIO Higher Education aligned the student management system across all its contact learning campuses during 2022. It continues to scope the student management system to be developed and implemented for both distance learning and contact learning
- CANVAS and Moodle allows the Group to offer quality teaching and learning, as well as additional student support and access, supporting the Group's blended learning strategy from all devices
- Investing in shared services and standard operating processes to aid efficiencies
- Focus on customer service and responsiveness



STADIO Waterfall campus

Our capitals and value created for our stakeholders continued

FINANCIAL CAPITAL



We require shareholder equity, debt funding and internally generated cash flow to implement our growth strategy.

In 2022, despite a challenging environment, we had a successful year:

Semester 1 Student Numbers up 11% to 38 348 (2021: 34 494)

Semester 2 Student Numbers up 8% to 41 296 (2021: 38 262)

Revenue up 11% to R1.2 billion (2021: R1.1 billion)

Profit after tax up 36% to R186 million (from R137 million)

Earning per Share (EPS) up 31% to 19.5 cents per share (cps) (2021: 14.9 cps)

Core Headline EPS (CHEPS) up 18% to 20.7 cps (2021: 17.6cps)

Dividend per share up 89% to 8.9 cps (2021: 4.7 cps)

Return on Equity grows to 10% (2021: 9%)

CA Connect Final Settlement

In April 2022, the final cash settlement of R33 million was paid relating to the CA Connect transaction.

Overall, profit after tax attributable to the parent was impacted, effective 1 June 2021, due to the change in shareholding in Milpark Education from 87.2% to 68.5%, impacting EPS, Headline EPS and Core HEPS.

Refer to pages 84 to 92 for the CFO Report.

Value measures:

Performance against:

- Budget, targets and prior year
- Business KPA stretch targets
- Strategic growth objectives
- New student numbers
- Campus profitability
- Average revenue per student
- Return on Equity

29%
EBITDA margin
(2021: 28%)

R308 million cash
generated from operations
(2021: R266 million)

R148 million Cash
(2021: R66 million)

Rnil Debt
(2021: R15 million)

Revolving Credit Facility

The Group maintains a healthy balance sheet, with 0% Gearing (excluding IFRS 16).

The Group has a R100 million revolving debt facility, with access to an additional R100 million if needed.

2022 was the first year that operations returned “to normal” post COVID-19, resulting in a “normalisation” of operating costs, for example, the return to venue-based graduations and assessments, which were cost savings in the past. The cost savings realised in prior years due to a forced change in processes, because of COVID-19 regulations, were analysed to ascertain what efficiencies and changes in processes could continue as part of “business as usual” going forward.

The economic environment in South Africa continued to struggle in 2022 and was further impacted by increased levels of loadshedding, increased inflation, fuel prices, interest rate increases, to name a few. This added strain to our students and their ability to meet tuition payments.

The Group proactively managed collections and bad debt and agreed to amend their debt collection processes during the year to allow more students to study despite having outstanding debt balances. This allowance was done within strict parameters and all arrears continued to be actively monitored. Students who did not pay or engage with the institution were not allowed to re-register and continue with their studies. Students are further required to pay prior to graduating or to their transcripts being released.

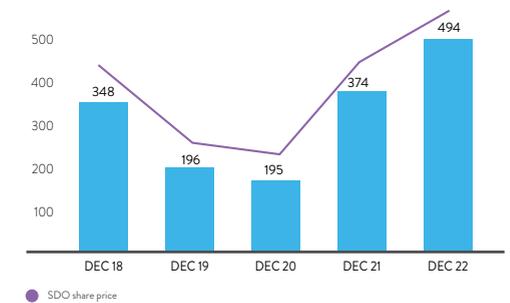
Facilitating student funding through partnerships with CAPITEC, Student Hero, Manati and Fundi.

Amended debt collection processes during the year to allow access to more students despite outstanding balances (within strict criteria).

8.9cps
SECOND ANNUAL
DIVIDEND DECLARED

43% of Core HEPS
Dividend payout
(move to 85% free cashflow in time)

SDO SHARE PRICE



25 031 shareholders
(2021: 13 556)

850 million issued shares
(2021: 848 million)

During the year, PSG Group, our largest shareholder, restructured their business and unbundled a portion of their shareholding in STADIO Holdings, increasing our shareholder base and providing some increased liquidity.

We value the support of our shareholders and seek to provide a sustainable profit whilst balancing the need to widen access to higher education.

In 2022, the Group entered into a repurchase scheme to repurchase R15 million of shares on the market to fulfil some of its obligations under the long-term share incentive scheme. The Group also increased its dividend to 8.9 cps. In time, the Group will look to payout 85% of free cashflow, however in the short-to-medium term, will continue to invest in future growth projects and therefore only distribute excess cash to shareholders considering future growth opportunities.

Our capitals and value created for our stakeholders continued

NATURAL CAPITAL



We require sustainable environmental conditions which are conducive to carrying out our operations.

The Group's current carbon footprint is not considered significant. We do, however, acknowledge the impact that climate-related risks and global warming will have on the world in its entirety, and therefore, we are not immune from the effects of climate-related change.

Recognising the importance of preserving our environment, the Group continues to make changes, where possible, to assist in reducing its carbon footprint where possible by:

- **Reduced printing:** all campuses have reduced print costs by using digital platforms for teaching and learning. In addition, the Group uses CANVAS, together with Moodle, to provide students with access to remote teaching and learning, as well as remote student support.
- **Recycling:** various recycling initiatives across offices and campuses.
- **Reduced travel:** virtual meetings where viable as well as remote working reduces the carbon footprint related to flights, as well as driving.
- **Energy:** During 2022 we commenced an energy audit across all our campuses and have begun interrogating our energy consumption, placing an emphasis on getting accurate information to allow meaningful reporting going forward. The energy audits of our remaining campuses will continue into 2023.
- **Water:** we encourage preservation of water at all our campuses, by staff and students.
- The Group is in the early stages of its evolution and continues to establish various systems and processes to capture the relevant ESG information for the organisation to enable it to report decision useful metrics going forward.



The Group recognises the key role that higher education institutions must play in educating and equipping individuals with skills to enter the working world as advocates for sustainable development, and climate-related risks – ready to find much needed solutions for the global challenges being faced as identified through the SDGs

The Group integrates various aspects of the SDGs into their curricula through dedicated modules such as:

- **Social Responsibility and Environmental Management** module that examines the social, ethical and environmental issues faced by business and all other kinds of organisations (see page 68);
- Design Thinking for Problem Solving module where students work with a Not-for-Profit or local organisations, identifying a local socio-economic challenge and develop a holistic and **long-term solution which specifically needs to address at least one or more SDG;**
- ZAZI Project module which aims to ensure that a student's journey focuses on the narrative of **holistic student empowerment** encompassing both discipline-based;
- STADIO School of Fashion Sustainability committee created;
- Various webinars covering a broad range of topics, including:
 - Brand Reputation and Corporate Citizenship
- Various students' Master's in Management dissertations and theses are aligned with sustainability or community, for example, *KA Mmakali: An evaluation of the impact of drought relief on the livelihood of communities: The case study of Okatale.*

MANAGING ENERGY INSECURITY

All campuses have been equipped with generators or UPS to mitigate against the risk of loadshedding and power outages, ensuring our institutions can continue to provide a quality service to our students, despite any such disruptions. Management are actively investigating solar solutions as a more sustainable solution going forward with a plan to implement solar on a phased approach across its campuses.

During 2022, R2 million was spent on diesel costs and servicing costs for the generators around the Group.

2.3m kWh
Energy consumption during the year



Climate-related governance

Given the nature of our offerings, the Board does not believe that climate related risks have a material impact on meeting the Group's overall strategic objectives. The Risk Committee continues to assess its climate-related risk and specifically performed scenario analysis testing on the impact of the various stages of loadshedding on the Group's operations, satisfying itself that the risk is suitably managed.

The Group supports the Task Force on Climate Related Financial Disclosure (TCFD) and is working on a plan to adopting the TCFD and complying with its recommended disclosures, over time.

Environmental impact assessments are performed on all greenfield sites. New buildings look to lessen our environmental footprint where possible, taking the expected environmental impact into account when finalising the design and building plans. Our two newest campuses, STADIO Centurion and STADIO Waterfall, were both constructed as "green" buildings, looking to preserve energy as far as possible.

The Floods in KZN did not impact our campuses and management are comfortable with the risk associated with flooding. The Group and Students held various initiatives to provide support and relief to victims of the floods.

THE ENVIRONMENTAL FOOTPRINT OF THE FASHION INDUSTRY HAS BEEN IN THE SPOTLIGHT IN 2022

STADIO School of Fashion recognizes the importance of sustainability in the fashion industry and has established a sustainability committee to implement various projects that promote sustainable practices on campus, looking to raise awareness about the importance of sustainability within the Fashion industry amongst its students. During 2022, the sustainability committee held the following activities during the open day in October:

- **Mending Workshop**, in which it taught students how to mend and repair their clothes instead of buying new ones.
- **Swap Shop** whereby students could exchange their clothes with other students, promoting the reuse of clothes and reducing waste.

To promote sustainable practices within the academic curriculum, the sustainability committee has identified specific modules and design themes to incorporate sustainability. For example, **Environmental Citizenship** is one of the four key design themes students can select and design for. **Sustainability** has been identified as one of four themes or focus areas which will inform the 2nd year fashion show garments.

Two industry partners have been identified to further support sustainable practices of the School of Fashion: **Clothes 2 Good** will provide upcycled fabric, and **Amnova** will host a 3D printing workshop for the students, creating 3D-printed accessories for their fashion show capsule collections.

STADIO Higher Education's sustainability committee is committed to promoting sustainable practices within the fashion industry and believe in the importance of investing in various projects and partnerships that positively impact the environment and empower their students to become responsible citizens who embrace sustainable practices and make a difference in their communities.



THE GROUP IS COMMITTED TO PRODUCE GRADUATES WHO ARE SOCIALLY-CONSCIOUS AND ENVIRONMENTALLY AWARE

Chief Academic Officer's Report



“ Quality is ubiquitous to the academic project, and a complementary emphasis on student support, student wellness, and student success epitomises the academic engagement undergirding, the commitment to access with success ”

84%
module
success rate

34
Accredited Research
Publications

1st
Doctoral student
graduates in
minimum time

The Group's academic oversight and responsibility covers our three registered private higher education institutions - STADIO Higher Education, Milpark Education, and AFDA, which, in line with the national regulatory framework, operate as discrete functional entities with no operational overlaps or sharing of resources.

LEARNING AND TEACHING

2022 was another year of disrupted planning and adjustment. While the academic project in 2021 focused significantly on supporting students and staff to adapt to the demands of teaching and learning during COVID-19, 2022 saw the lifting of the national shutdown and a return to campus for our contact learning institutions. It was, however, not a simple case of (pre-COVID) business as usual and in the academic portfolio, the return to campus was a difficult mind shift for many faculty and students. To accommodate the transition, the Group approved a flexible work model for staff and a blended learning model for contact learning students that would, however, assure quality and integrity, whilst staying true to the Group's commitment of ensuring that graduates are geared to the new post-COVID-19 workplace. With the emphasis on systems implementation and integration, the academic teams had the opportunity to innovate and experiment with new technologies and teaching methods as they navigated the post-pandemic world adopting a blended mode of delivery and flipped classroom approach to pedagogy. Formalised lecturer consultation hours were introduced to allow students to retain the benefits of personalised one-

on-one sessions to ask academic-related questions, as well as "learning circles" or small group tutorials to provide for small group learning engagements.

While acknowledging the advantages of online teaching, there remains intrinsic and extrinsic challenges that need to be resolved, for example, bandwidth and connectivity constraints for staff and students, the limitations of loadshedding, keeping students engaged while online, and developing staff competence in offering online classes.

Our three Institutions have implemented academic staff development programmes to ensure that staff are able to effectively respond to the new developments, the curricula remains fit for purpose, and the quality of the academic offerings is maintained. Various training programmes were rolled out, including, but not limited to, best practice for venue-based and online (synchronous and asynchronous) learning settings, a certificated programme on assessment practices, and trainings that guided staff in working with CANVAS, the Group's world-class learning management system. Professional staff development and training is critical to quality teaching and is an ongoing emphasis. In 2022, the Study Assistance Bursaries Policy was implemented for staff of STADIO Higher Education, prioritising academic staff, where necessary.

All our institutions place the necessary emphasis on quality assurance, curriculum relevance and reform, and curriculum transformation. Integrity of the academic assessments received increasing attention as the global higher education sector tackled the increasing levels of academic fraud and cheating flowing from the emergency remote (online) assessment practices dictated by the COVID-19 pandemic. AFDA is less prone to these challenges with its applied, project-based approach to assessments. Milpark Education used online proctoring to counter this risk and is planning

further improvements in 2023 to deal with identified challenges including *inter alia* loadshedding. STADIO Higher Education implemented alternate assessment practices such as projects, continuous assessments, and presentations, and during the second semester, re-introduced venue-based examinations as a response to academic credibility and assuring authenticated assessments.

The sluggish economy was a factor in both student numbers and dropout rates with many students desperate to complete their studies but without the wherewithal to continue. 2022 also saw students registering for fewer modules as they adjusted to the post-COVID-19 realities. While there were some challenges experienced by both staff and students, the Group Institutions adapted remarkably well to the post-pandemic world, demonstrating their agility, grit, and resilience ... and for that we salute them!

STUDENT SUCCESS AND GRADUATION RATES

The Group acknowledges the role that student support plays in student success. A common challenge identified across the institutions, particularly amongst school leavers, is the students' lack of preparedness for higher education. Fundamental literacy diagnostic and bridging programmes are in place to facilitate supporting students, and in 2023, STADIO Higher Education plans a dedicated bridging the gap intervention to promote the commitment of access with success. At AFDA, academic development is engineered into the teaching programme. These programme enhancements are offered to students at no additional cost.

Chief Academic Officer's Report

continued

The success of the academic programme across the Group is managed through ongoing monitoring and biannual reporting of module success rates, dropout rates, and overall graduation numbers to the Board.

Overall year-on-year comparative data for the last four years indicates:

STUDENT CENTREDNESS

	2019	2020	2021	2022
Overall Module Success Rates	80.63%	83.23%	81.58%	83.86%
Overall Module Dropout Rates	7.5%	4.3%	6.8%	8.7%
Graduation Numbers	7 294 students	8 224 students	8 705 students	7 498 students*

* The results of the special concession exams are still outstanding and will increase the graduation numbers

SOME OTHER NOTEWORTHY STUDENT SUCCESSES INCLUDE:

PRME Global Africa Sustainability Award
– 2nd overall

AMBA's 2022 Excellence Awards
– MBA Entrepreneur of the Year

Financial Planning Institute Top Candidate
– Milpark alumnus

Board Exams for Certified Financial Planning (CFP)
March: Milpark alumni ranked 1st, 3rd, and 5th
September: Milpark alumni ranked 5th

Fashion Film selected for **London Fashion Film Festival I**

SA Fashion Week, including 1 student graduating in 2023

Graduate Fashion Week International, Mumbai
– showcasing his 3rd year design range.

80-year-old pensioner enrolled for LLB
– he sits on the Boards of two major companies and serves as Chairman of several Pension Funds.

Staff and students won: **21 SAFTA Golden Horn Awards**; and **6 Simon Mabunu Sabela Awards**

AFDA student earned a place in the **2022 Class of 200 Most Influential Young South Africans**
– Mail & Guardian

The STADIO Higher Education Doctoral programme has produced exceptional results. Recognising the onerous nature of doctoral studies, the programme is built on a team of expert supervisors with an intense student support programme. For the 2021-2022 registration periods, 51 students were registered, with a 0.1% dropout rate. To date, 46 students successfully defended their proposals and moved on to the thesis-writing stage. Significantly, three students will submit their theses for examination within the minimum allocated time for the qualification, and it is certain that at least two students will graduate in 2023.

STADIO Higher Education launched the Fellow of STADIO Awards in 2022. The award honours members from the wider community who contributed to the achievement of the Institution's vision, mission, values, and commitments. In 2022 two awards were made to Dr NM Phosa, a South African businessman, and Mr Theo Ngobeni (aka Mr Slimfit), an icon in the fashion industry.

Quality is ubiquitous to the academic project, and a complementary emphasis on student support, student wellness, and student success epitomises the academic engagement, undergirding the commitment to access with success. The student journey and transition through higher education is centred around a constructive learning experience as well as equipping students with key 21st century skills required for the world of work. The Group understands that it will be known by the graduates it produces and there is a deliberate positioning of holistic development and gradueness in our Institutions' approaches to learning and teaching. The Group remains committed to student centredness and proactively identifies students-at-risk.

Mental health and wellness are increasingly highlighted as an emerging concern in higher education, both nationally and globally. The students at our Institutions continue to benefit from the Group agreement with the South African Depression and Anxiety Group (SADAG), which offers 24/7 support and counselling. Recognising the impact of mental health and wellness on student success, the trusted SADAG-STADIO Group agreement will continue but was further supplemented by internal institutional arrangements, for example educational psychologists and/or counsellors appointed, and STADIO Higher Education has a further agreement with Zwonaka, a social services centre that provides additional support to the adult learners in distance learning. In 2022, STADIO Higher Education achieved its goal to establish a fully functional Centre for Student Support on every Campus.

The institution of Student Representative Councils (or in the case of STADIO Higher Education, Campus Student Forums) as well as regular student surveys ensures that the student voice is heard. Improvement Plans built on the feedback from the surveys promote responsiveness to, and continuous improvement of, the student experience.

The Group is committed to offering qualifications which combine discipline knowledge and applied skills with workplace readiness. The Group further prides itself on graduates who are prepared for the 21st century workplace but equally understand the importance and value of social responsibility

and citizenship. STADIO Higher Education appointed external consultants to conduct its second Graduate Desirability Survey, gauging employers' perceptions of STADIO graduates.

83%

of respondents indicated that STADIO graduates are sufficiently equipped for the workplace.

The reasons advanced by respondents were formulated as committed, hardworking, employable (within South Africa and abroad), demonstrating a strong work ethic, and for taking initiative.

Employer confidence in Milpark Education and AFDA graduates is equally high, evidenced by the year-on-year return business from Milpark Education's corporate clients, as well as Milpark Education's reputation in the PGDA, and the high profile that many AFDA students enjoy in the entertainment industry, which is testimony to the quality of the graduates it produces.

GRADUATE EMPLOYABILITY

The Group prides itself on ensuring it produces graduates who are employable and equipped for the world of work. The Group partners with professional and industry bodies and specialists on its formal programmes by involving industry in the development of some of its curricula, in providing input into assessments, and/or in hosting seminars and webinars for students with industry experts. These engagements advance students' understanding of applied learning, prepare them for the expectations of industry, and generate possible networks and work opportunities for students.

The annual Graduate Employability Survey at STADIO Higher Education enables the Institution to track graduate admission and access to the world of work, as well as to identify opportunities and challenges that graduates may experience.

RESULTS OF THE STADIO HIGHER EDUCATION GRADUATE EMPLOYABILITY SURVEY

- Employment Success Rate ↑ from 62% (2021) to 74% (2022)
- Permanent Employment Rate ↑ from 61% to 68%
- Employed within 2 Months ↑ from 46% to 54%
- Would Recommend Qualification → from 92% (2021) to 92% (2022)

Chief Academic Officer's Report

continued

PROGRAMME AND QUALIFICATION MIX

86

certified programmes

In 2022, the DHET presented the draft Policy for the Recognition of South African Higher Education Institutional Types for comment. STADIO Higher Education has declared its intention to pursue university status when the regulations allow. One of the criteria highlighted in the draft Policy is programme scope and range. As a comprehensive higher education institution, STADIO Higher Education is making good progress in this regard, offering both contact learning and distance learning programmes across 8 established Schools with two new Schools planned to be implemented in 2023 (a School of Arts and Humanities, and a School of Architecture and Spatial Design). During 2023 STADIO Higher Education will commence preparation for the much-anticipated School of Engineering.

31

pipeline programmes (in development or awaiting accreditation)

Both Milpark Education and AFDA pride themselves on their niche, specialised and focused offerings.

Several programmes offered received international accreditation including the MBA (Association of MBAs), the CFP designation, and the School of Fashion (British Accreditation Council).

RESEARCH, COMMUNITY ENGAGEMENT, AND INTERNATIONALISATION

34

Accredited Research Publications

Scholarship in the Group continues to focus materially on quality teaching and learning. While research is not a key focus area, its importance and relevance for higher education and particularly, quality teaching is unequivocally acknowledged, especially with the growing emphasis on postgraduate programmes in the Group. During 2022, three staff members were appointed to the editorial Boards of international journals, and two staff members received the accolade of Extraordinary Professor and Research Professor respectively at public universities.

In addition to accredited research outputs (as defined in the DHET Policy), staff have been active in new knowledge development and innovative industry practices pertinent to the professional workplaces. Business and applied articles in industry-based journals are encouraged as they ensure that staff are up-to-date and relevant to the world of work.

36

Conference Papers

19

Active International Partnerships

STADIO School of Education and Queen Maud University College (QMUC) in Norway is an ongoing collaboration focused on Early Childhood Development, which is supported by Erasmus+ Mobility Funding. In 2022, the School and QMUC successfully applied for an UTFORSK grant issued by the Norwegian Directorate for Higher Education and Skills which will run from January 2024 to December 2026.

2022 saw all our Institutions actively participating in community engagement either as part of the teaching curriculum or as discrete projects in addition to learning and teaching. The shift from community engagement to engaged scholarship is understood with varying levels of maturity and will receive more focus in 2023. Refer to page 69 for further information on the Social Responsibility and Environmental Management module at Milpark Education, which continues to deliver a significant contribution every semester, positively engaging with charities and various organisations.

Internationalisation is growing slowly with an emphasis on partnerships that will be mutually beneficial and value-adding. The focus is on academic and curriculum engagements (for example, co-badged modules), student and staff exchanges, and research.

ACADEMIC GOVERNANCE

There are no identified areas of academic governance failure. Academic governance is strictly managed through a robust committee structure, which reports to the Institutional Executive Committee and the respective Boards.

All institutions submitted their 2021 Annual Reports timeously and the DHET raised no matters for attention. No student complaints were logged and/or remain outstanding with the Council on Higher Education. The CHE site visits to the Centurion Campus (STADIO Higher Education) and Cape Town Campus (Milpark Education) were successfully completed. In 2023, AFDA has a scheduled site visit from the CHE, as its plans for a new teaching site, to extend its current Johannesburg campus.



Chief Financial Officer's report



“The Group continues to strategically position itself to meet the growing demand for higher education”

Revenue
↑ 11%
to R1.2 billion

CORE HEADLINE EARNINGS
↑ R176 million
from R149 million,
despite change in
Milpark Education shareholding

CASH GENERATED FROM OPERATIONS
↑ R308 million
from R266 million

YEAR UNDER REVIEW

The Group is pleased to report a robust set of results for the period ended 31 December 2022, driven by strong performance of its underlying higher education institutions, STADIO Higher Education, AFDA and Milpark Education.

COMMENTARY ON INSTITUTIONS

STADIO Higher Education continued to optimise its offerings both on its contact learning campuses throughout the country as well as positioning its distance learning offerings for growth. Specific focus has been placed on new programme development, as well as streamlining its processes and systems in line with its strategy of operational excellence. Phase II of the STADIO Centurion campus was completed at the end of June 2022 and the STADIO Centurion campus is now fully operational, with new qualifications to be offered from this campus in the future. STADIO Higher Education has also embarked on the expansion of the STADIO Krugersdorp Distance Learning Logistics Centre which will allow STADIO Higher Education's distance learning offerings to scale. STADIO Higher Education accredited new qualifications in information technology, education, law, commerce and architecture during the year. The institution showed excellent growth for the year particularly in the distance mode of delivery, with good new student enrolments on the contact learning mode of delivery, strongly positioning the business for future growth.

Milpark Education strengthened its position in the online distance learning space with a focus on the commerce and accounting disciplines. Milpark Education is in the process of transitioning away from offering contact learning qualifications to focus on digitally enhanced online distance learning offerings.

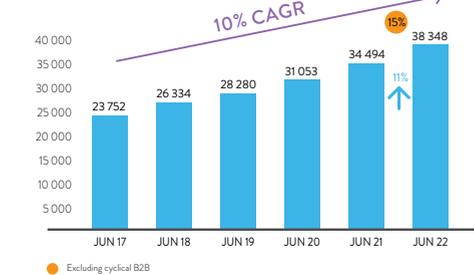
The Postgraduate Diploma in Accounting (PGDA) and PGDA Bridging programmes continued to deliver solid growth for the year. During the year Milpark Education accredited the Bachelor of Commerce in Accounting to expand its reach in the commerce and accounting disciplines.

In the prior year, Milpark Education concluded the early settlement agreement in respect of the acquisition of the CA Connect business (Early Settlement Agreement). The Early Settlement Agreement included the issue of R100 million of Milpark Education shares to the CA Connect shareholders, resulting in a change in the non-controlling interest in Milpark Education in June 2021 from 12.8% to 31.5%. STADIO Holdings effective shareholding in Milpark Education is currently 68.5%. In April 2022, the Group paid the final R33 million cash owing to the CA Connect shareholders as settlement of the final outstanding tranche.

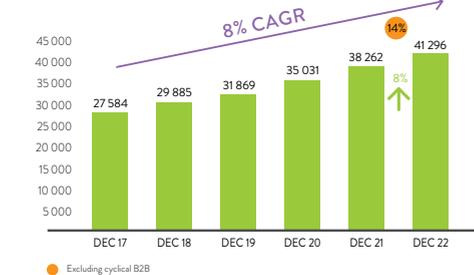
AFDA continues to entrench its position as the leading film and television school in the country. AFDA delivered excellent growth for the period to 31 December 2022, capitalising on operational efficiencies following improvements to its operational model over the last two years.

STUDENT NUMBERS

SEMESTER 1: 30 JUNE



SEMESTER 2: 31 DECEMBER



STUDENT NUMBER ANALYSIS

Students numbers have been presented per mode of delivery and per semester to show the students enrolled in programmes for Semester One (January to June) and Semester Two (July to December).

Chief Financial Officer's report continued

REVIEW OF RESULTS

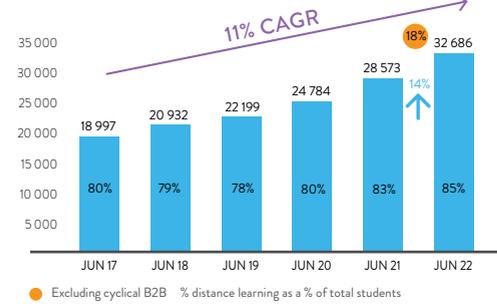
For the 2022 year, the Group grew student enrolments by 11% at 30 June 2022 (semester one) to 38 348 (2021: 34 494) and by 8% at 31 December 2022 (semester two) to 41 296 (2021: 38 262).

Total student numbers continue to be negatively impacted by the cyclical training needs of various corporates clients (B2B business). The B2B business is directly impacted by the economy with many corporates postponing higher education training as a non-priority item. Excluding the impact of the B2B business, students number would have grown by 15% in semester one and 14% in semester two.

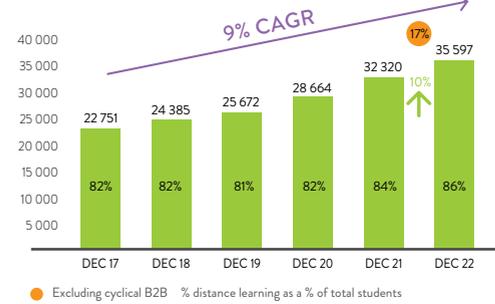
Distance learning student numbers grew by 14% in semester one to 32 686 (2021: 28 573) and by 10% in semester two to 35 597 (2021: 32 320). Online professional qualifications contributed to the significant growth for the year, with the cyclical B2B business impacting overall growth in distance learning students for the year. Excluding the impact of the B2B student numbers, distance learning student numbers grew by 18% in semester one to June 2022 and by 17% in semester two to December 2022.

STUDENT NUMBERS – DISTANCE LEARNING

SEMESTER 1: 30 JUNE



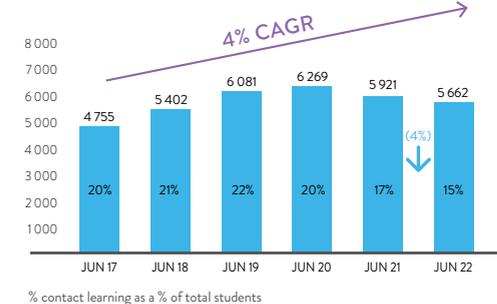
SEMESTER 2: 31 DECEMBER



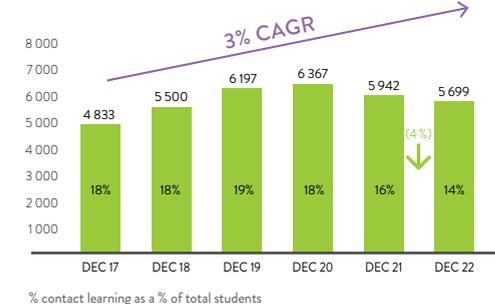
Contact learning student numbers contracted by 4% in semester one to 5 662 (2021: 5 921) and by 4% in semester two to 5 699 (2021: 5 942). The decline in contact learning students is in part due to Milpark Education transitioning away from offering contact learning programmes to becoming a preferred provider in online distance learning education. COVID-19 negatively impacted new student intakes during 2021 which results in less students rolling over into 2022, adversely affecting total contact learning students in the current year. Notwithstanding the above, AFDA continued to show consistent and encouraging growth in student numbers over this period, and importantly, the Group showed good growth in new students on its contact learning campuses in 2022.

STUDENT NUMBERS – CONTACT LEARNING

SEMESTER 1: 30 JUNE

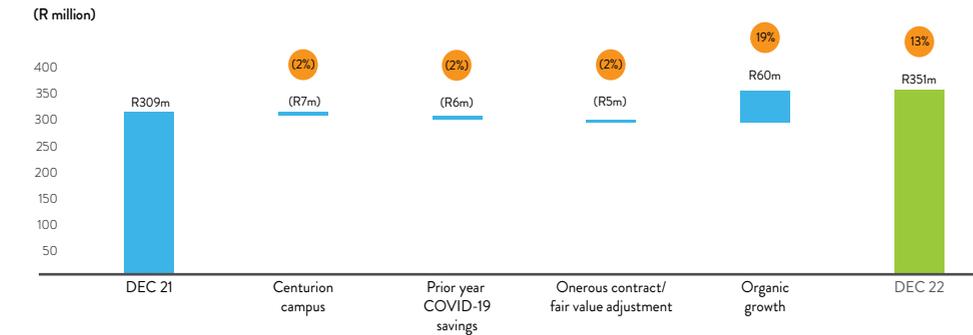


SEMESTER 2: 31 DECEMBER



The Group grew revenue by 11% to R1 214 million (2021: R1 098 million), following growth in student numbers and minor tuition fee increases. The growth in revenue in the second half of the year was lower due to the timing of revenue earned on the B2B business, with more revenue being earned in the first semester versus the prior year. Growth in revenue is also impacted by the change in mix of students with bigger growth being experienced in the distance learning offerings which are offered at a lower price point. The Group showed good recovery of short course income, post COVID-19, with short course income improving by 18% for the year.

EBITDA MOVEMENT



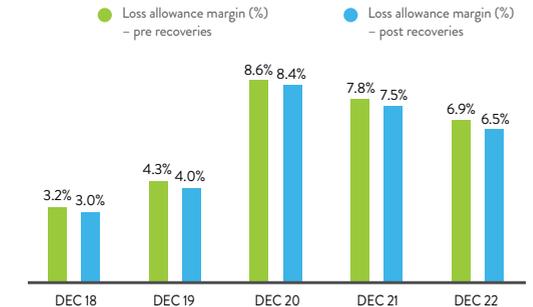
EBITDA grew by 13% to R351 million (2021: R309 million).

The increase in EBITDA is due to good growth in student numbers for the period, coupled with controlled cost management. EBITDA margins improved to 29% (2021: 28%) for the period, despite being impacted by the J-curve of opening the new STADIO Centurion campus during the year. Furthermore, EBITDA was impacted by the recognition of an onerous contract of R5.5 million relating to Milpark Education's rented premises in Gauteng (Gauteng lease). This follows Milpark Education's change in strategy away from contact learning to focus on the digitally enhanced distance learning mode of delivery, and Milpark Education's inability to sub-let the existing premises in Gauteng. Milpark Education recognised an onerous contract in respect of its remaining obligations (including municipal costs, security costs, refurbishment costs and the like) over the remaining term of the lease (to November 2025). EBITDA was also impacted by additional costs incurred in 2022 following a return to normal operations post COVID-19. These costs included the costs of running venue-based exams, graduations, travel and the like.

Excluding the impact of the aforementioned movements, organic growth in EBITDA increased by 19%.

TRADE RECEIVABLES AND LOSS ALLOWANCE

R million	DEC 21	DEC 22
Gross debtors	210	260
Loss allowance	(122)	(133)
Net debtors	88	127
Bad debt written off	41	72
% Bad debt written off (versus prior year average revenue)	4.7%	7.1%



Chief Financial Officer's report continued

The increase in debtors' book for the year has been impacted by the economic environment and economic strain experienced by our customers. A further contributing cause is related to the change in approach to collecting debtors, in line with our purpose to widen access to higher education, which included:

- More students were offered terms over which to pay. Historically a higher proportion of students elected to pay tuition fees upfront in cash; and
- More students were allowed to re-register with arrear balances. Historically most students had to be fully paid up in order to re-register. The arrear balances are still maintained within strict limits.

Notwithstanding the change in approach to collecting debtors, the Group continues to apply strict criteria of requiring payment prior to the release of results or academic transcripts. Students who do not pay or engage with the institution on a payment plan are not allowed to re-register and are provided for in full.

Despite the strained economic environment, the loss allowance margin improved to 7% of net revenue (2021: 8%). In the prior year, an additional loss allowance was raised to account for the uncertainties of COVID-19 on collections. Whilst collections still prove challenging, subsequent receipts on the debtors book has exceeded prior years' expectations. Actual historic debtors written off amounts to approximately 7%. To date, bad debts recovered has also improved to R4.3 million (2021: R3.2 million). The 2022 loss allowance was adjusted to account for the risk in debtors' book after considering historic bad debts written off, historic collections and potential future risk in debtors book given current economic pressures on consumers.

During the year, the Group reported impairment losses of R6.5 million, of which R2.8 million relates to the further impairment of Milpark Education's right of use asset in respect of its Gauteng lease (as set out above). Further impairment losses of R3.7 million relate to the de-recognition of curriculum intangible assets following STADIO Higher Education's strategic plan to optimise offerings across its campuses resulting in the decision to discontinue certain legacy programmes.

The South African corporate tax rate for years of assessment ending on or after 31 March 2023 changed from 28% to 27%. As the Group is in a net deferred tax asset position, this change in tax rate resulted in the Group recognising an additional deferred tax expense of R1.6 million for the year.

For the year ended 31 December 2022, the Group reported a profit after taxation of R186 million (2021: R137 million), earnings per share (EPS) of 19.5 cents per share (cps) (2021: 14.9 cps), and headline earnings per share (HEPS) of 20.0 cps (2021: 17.0 cps).

The growth in profit after taxation, EPS and HEPS for the year was primarily due to organic growth in the underlying institutions and good cost controls. Profit after tax and EPS growth in the prior year were impacted by material impairments relating to:

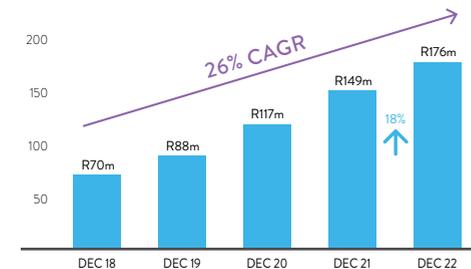
- An impairment of the right of use asset of R17 million in respect of the Gauteng lease; and
- An impairment of the value of the STADIO Montana property of R10 million.

The Group utilises core headline earnings (Core HEPS) to measure and benchmark the underlying performance of the business. Core HEPS reflects HEPS adjusted for certain items that, in the Board's view, may distort the financial results from year-to-year, giving shareholders a more consistent reflection of the underlying financial performance of the Group. These core adjustments include once-off acquisition related costs, amortisation costs associated with client lists acquired, once-off costs in respect of onerous contracts and costs relating to contingent consideration payable in respect of acquisitions.

For the year ended 31 December 2022, Core HEPS grew by 18% to 20.7 cps (2021: 17.6 cps).

CORE HEADLINE EARNINGS

CORE HEADLINE EARNINGS (R million)



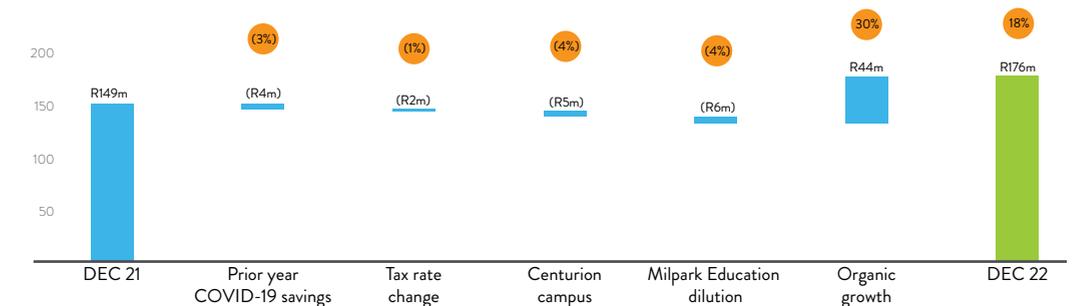
CORE HEPS (cps)



The overall growth in Core HEPS is due to the underlying organic growth in EBITDA as set out above, but was further impacted by the change in deferred tax rate from 28% to 27% and the impact of the dilution in STADIO Group's effective shareholding in Milpark Education from 87.2% to 68.5% effective 1 June 2021.

CORE HEADLINE EARNINGS MOVEMENT

(R million)



CASH FLOW GENERATION

The Group generated R308 million (2021: R266 million) cash from operations for the year. Included in the working capital trade and payables movement is R33 million (2021: R48 million) relating to the final cash-settled portion of the CA Connect early settlement agreement settled by STADIO Holdings.

CASH FLOW FROM OPERATIONS

R million	DEC 19	DEC 20	DEC 21	DEC 22	Adjusted** DEC 21	Adjusted** DEC 22
Net cash flow from operations (before working capital)	202	263	323	361	323	361
Working capital changes	(12)	11	(57)	(53)	(9)	(20)
Net cash generated from operations	190	274	266	308	314	341
Cash generated from operations (as % adjusted EBITDA)*	97%	108%	86%	86%	101%	96%
Free cash flow less recurring capex	115	181	170	208	218	241

* EBITDA adjusted for fair value adjustment and onerous contract.

** Illustrating cash flow from operations adjusted for CA Connect settlement in cash R33 million (2021: R48 million).

Chief Financial Officer's report continued

CASH UTILISATION, CAPITAL STRUCTURE AND GOING CONCERN

Set out below is a summary of cash utilisation across the Group for 2022. At 31 December 2022, the Group is in a strong cash position with a cash balance of R148 million (2021: R66 million) and has adequate cash resources on hand to meet its cash obligations due within 12 months and continue as a going concern.

At 31 December 2022, the Group had repaid all outstanding debt. During 2022, the Group renegotiated its debt funding facilities after reassessing the Group's capital needs. The Group currently has access to a revolving credit facility of R100 million with an option to extend for a further R100 million.

The Group complied with the facilities financial covenant requirements for the 2022 and 2021 financial year-ends. At 31 December 2022, the Group reflected a gearing ratio of 9% (nil% excluding the IFRS 16 lease liability).

CASH UTILISATION

	R million
1 January 2022	66
Cash from operating activities ¹	263
CA Connect settlement	(33)
STADIO Centurion campus	(23)
STADIO Krugersdorp Distance Learning Logistics Centre	(34)
General capital expenditure	(36)
STADIO Montana disposal	52
Lease liabilities	(32)
Debt repayment	(15)
Dividends	(59)
Net share repurchase	(8)
Other	7
31 December 2022	148

¹ Excludes cash outflow related to CA Connect settlement

CAPITAL INVESTMENT

The Group invested R87 million (2021: R181 million) on infrastructure development and capital assets for the year. This included a R23 million investment into the completion of Phase II of the STADIO Centurion campus and R34 million invested on the STADIO Krugersdorp Distance Learning Logistics Centre. A further R36 million was invested across the Group on the development of new programmes, existing facilities, systems and moveable assets. The Group disposed of the STADIO Montana property in March 2022 for a cash consideration of R52 million.

CAPITAL INVESTED

R million	DEC 16	DEC 17	DEC 18	DEC 19	DEC 20	DEC 21	DEC 22
Acquisitions	–	594	440	156	–	10	–
Infrastructure and capital assets	73	272	26	168	98	181	87
Programme development	12	11	15	10	7	–	7
Total	85	877	481	334	105	191	93
Cumulative investment	85	962	1443	1777	1881	2 072	2 165

CAPITAL EXPENDITURE 2023: GROWTH PROJECTS ANTICIPATED

The Group completed the development of the STADIO Krugersdorp Distance Learning Logistics Centre in 2022 and will take transfer of the property in 2023. Further development of R31 million is earmarked on programme development and development of other intangible assets. This development will allow the business to expand its overall programme offerings. R45 million, whilst uncommitted, has been set aside for the development of the STADIO Durbanville campus (which is still subject to Board approval).

2023 CAPITAL EXPENDITURE ANTICIPATED

R million	2023
DL logistics centre (Krugersdorp) – transfer and development	37
Curriculum and other intangibles development	31
Durbanville development	45
Growth projects	113

SHARE CAPITAL

During the year, the Company issued 2.4 million ordinary shares in relation to the settlement of employee shares options exercised. In addition, during the year the STADIO Group Share Incentive Trust (SIT) purchased shares in STADIO Holdings Limited to settle its obligations in terms of the Group's long term share incentive scheme. The SIT purchased 3.99 million STADIO Holdings shares during the year, at an average price of R3.72 per share. During the year 3.76 million of these shares were transferred to employees to settle the SIT obligations in terms of the scheme. At 31 December, 234 757 shares were still held by the SIT for the purposes of settling future obligations. The Board has provided the SIT with the mandate to continue to purchase STADIO Holdings shares in the market to settle future obligations.

Refer to Note 10 on page 104 for further information.

Chief Financial Officer's report continued

DIVIDEND

The Board is pleased to declare a final gross dividend of 8.9 cents (2021: 4.7 cents) per ordinary share from income reserves for the period ended 31 December 2022.

This constitutes 43% of core HEPS and represents excess cash available following a period of significant capital investment since listing in 2017.

The Board has adopted a policy of declaring and paying dividends on an annual basis based on excess free-cash flow available considering the capital needs for future growth projects.

OUTLOOK

The Group is cognisant of the negative impact that loadshedding, coupled with the after-effects of COVID-19, has on the economy and more specifically on the ability of cash strained consumers to afford higher education offerings. Operationally the Group has invested in generators and other back-up power solutions to enable the Group to continue its operations with minimal disruption. Management is actively investigating solar energy solutions, to not only alleviate the burdens of loadshedding, but to also progress the Group's commitment to greener campuses.

There continues to be a high demand for quality higher education in South Africa and the Group continues to strategically position itself by focusing on optimising systems and processes, improving customer service and strengthening its links with the world of work to meet this growing demand. Notwithstanding the many economic challenges facing the country we continue to improve our offering to deliver on our vision of widening access to quality higher education in South Africa.

THANKS AND APPRECIATION

We would like to thank our various stakeholders including shareholders and funders for their support since the Company's establishment and listing in 2017. We also extend our appreciation to all the finance staff across the Group for their continuous commitment and efforts towards the accurate and fair financial reporting of the Group results.

7 YEAR FINANCIAL OVERVIEW

	DEC 16	DEC 17	DEC 18	DEC 19	DEC 20	DEC 21	DEC 22
Student numbers	840	12 976	29 885	31 869	35 031	38 262	41 296
Revenue (Rm)	46	122	633	815	933	1 098	1 214
EBITDA (Rm)	11	0.5	129	180	46	309	351
EBITDA adjusted (Rm)	11	0.5	129	196	253	310	357
Headline earnings (loss) (Rm)	7	(7)	63	70	(70)	144	170
Core headline earnings (Rm)	8	3	70	88	117	149	176
HEPS (cents)	1.5	(1.2)	7.8	8.5	(8.5)	17.0	20.0
Core HEPS (cents)	1.7	0.6	8.6	10.8	14.2	17.6	20.7
Dividend per share (cents)	-	-	-	-	-	4.7	8.9
Return on equity (%)	-	-	4%	6%	8%	9%	10%



05

Summary
financial results

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The audited summary financial results for the year ended 31 December 2023 as approved by the Board on 14 March 2023



Independent auditor's report

**INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS**

To the Shareholders of Stadio Holdings Limited

OPINION

The summary consolidated financial statements of Stadio Holdings Limited, set out on pages 96 to 106 of the Integrated Annual Report, which comprise the summary consolidated statement of financial as at 31 December 2022, 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 Stadio Holdings Limited for the year ended 31 December 2022.

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

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 14 March 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: V Harri
Registered Auditor
Cape Town, South Africa
28 April 2023

Summary consolidated statement of comprehensive income

for the year ended 31 December 2022

	Year-on-year change %	Audited 2022 R'000	Audited 2021 R'000
Revenue (Note 4)	11%	1 213 812	1 097 768
Other income	(35%)	6 165	9 543
Loss allowance	(3%)	(79 494)	(82 047)
Fair value gains/(losses) on financial instruments	(>100%)	127	(697)
Employee costs	8%	(515 254)	(478 080)
Operating expenses ¹	16%	(274 219)	(236 990)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	13%	351 137	309 497
Depreciation and amortisation	2%	(68 353)	(66 707)
Impairment (Note 7 & 8)	(78%)	(6 456)	(29 969)
Earnings before interest and taxation (EBIT)	30%	276 328	212 821
Investment income	40%	12 038	8 573
Finance cost	(10%)	(18 650)	(20 730)
Profit before taxation	34%	269 716	200 664
Taxation	32%	(83 228)	(63 224)
Profit for the period	36%	186 488	137 440
Attributable to:			
Owners of the parent		165 638	126 005
Non-controlling interests		20 850	11 435
Total comprehensive income for the period		186 488	137 440
Headline earnings (Note 5)	18%	169 826	143 815
Core Headline earnings (Note 6)	18%	175 571	148 570
		Cents	Cents
Earnings per share			
- Basic	31%	19.5	14.9
- Diluted	32%	19.1	14.5
Headline earnings per share			
- Basic	18%	20.0	17.0
- Diluted	18%	19.6	16.6
Core headline earnings per share (Core HEPS)			
- Basic	18%	20.7	17.6
- Diluted	18%	20.2	17.1
		Million	Million
Number of shares in issue (net of treasury shares)			
- Basic		849	848
- Diluted		868	871
Weighted average number of shares in issue			
- Basic		849	845
- Diluted		868	868

¹ The increase in operating expenses was driven by the recognition of the onerous contract (R5.5 million), the costs involved in operating the new STADIO Centurion campus as well as costs incurred from a return to normal operations post COVID-19.

Summary consolidated statement of financial position

as at 31 December 2022

	Audited 2022 R'000	Audited 2021 R'000
ASSETS		
Non-current assets		
Property, plant and equipment (Note 7)	866 846	810 319
Right-of-use assets (Note 7)	84 533	97 185
Goodwill	751 082	751 082
Intangible assets (Note 8)	141 147	151 931
Trade and other receivables (Note 9)	19 377	18 285
Other financial assets (Note 14)	14 740	9 190
Deferred tax asset	86 783	82 639
Total non-current assets	1 964 508	1 920 631
Current assets		
Trade and other receivables (Note 9)	158 858	114 943
Current tax receivable	9 592	15 479
Cash and cash equivalents	148 207	65 592
Total current assets	316 657	196 014
Non-current assets held-for-sale (Note 7)	-	52 000
Total assets	2 281 165	2 168 645
EQUITY		
Share capital (Note 10.1)	1 628 517	1 618 817
Treasury shares (Note 10.2)	(145)	-
Other reserves	16 960	31 942
Accumulated profit	126 853	1190
Total equity attributable to equity holders of the Company	1 772 185	1 651 949
Non-controlling interest	109 517	99 228
Total equity	1 881 702	1 751 177
LIABILITIES		
Non-current liabilities		
Lease liabilities	127 455	148 782
Deferred tax liability	43 320	39 186
Trade and other payables	2 676	-
Total non-current liabilities	173 451	187 968
Current liabilities		
Borrowings (Note 11)	68	15 065
Lease liabilities	42 325	35 575
Loans from related parties	96	96
Trade and other payables	67 133	91 073
Contract liabilities ¹	96 270	76 780
Tax payable	20 120	10 911
Total current liabilities	226 012	229 500
Total liabilities	399 463	417 468
Total equity and liabilities	2 281 165	2 168 645
Net asset value per share (cents)	209	195

¹ The increase in contract liabilities is due to higher upfront cash payments received from students for future studies. R276 million of cash was received in advance during the year, with R257 million of performance obligations being satisfied in respect of the cash received in the current and prior years.

Summary consolidated statement of changes in equity for the year ended 31 December 2022

	Audited 2022 R'000	Audited 2021 R'000
Balance as at 1 January	1 751 177	1 485 991
Total comprehensive income for the period	186 488	137 440
Issue of ordinary shares	9 757	21 371
Net repurchase and issue of treasury shares to employees	(145)	-
Share issue costs	(57)	(66)
Share-based payments expense and vesting of share incentive scheme	(14 982)	10 783
Dividends paid to ordinary shareholders	(39 975)	-
Dividends paid to non-controlling shareholders	(18 922)	(11 693)
Transaction with non-controlling interest	(2 022)	100 000
Capital contribution from non-controlling shareholder in subsidiary	10 383	15 361
Non-controlling interest acquired	-	(8 010)
Balance as at 31 December	1 881 702	1 751 177

Summary consolidated statement of cash flows for the year ended 31 December 2022

	Year-on-year change %	Audited 2022 R'000	Audited 2021 R'000
Net cash flow from operating activities		229 926	189 537
Cash generated from operations (Note 13)	16%	307 696	265 920
Interest income received	89%	9 022	4 780
Finance cost paid	(12%)	(18 650)	(21 185)
Taxation paid	14%	(68 142)	(59 978)
Net cash flow used in investing activities		(45 197)	(178 462)
Purchase of property, plant and equipment (Note 7)	(52%)	(85 028)	(178 139)
Purchase of internally generated intangible assets	>100%	(7 838)	(3 720)
Proceeds from sale of property, plant and equipment	>100%	52 669	166
Proceeds received from loans to related parties	>100%	-	591
Acquisition of other financial assets	(69%)	(5 000)	(16 360)
Proceeds from disposal of other financial assets	(100%)	-	19 000
Net cash flow from financing activities		(102 114)	(62 286)
Share issue costs	(14%)	(57)	(66)
Issue of share	(22%)	997	1 275
Proceeds from non-controlling interest with no change in control (Note 12.1)	(32%)	10 383	15 361
Proceeds from borrowings	(100%)	68	122 065
Repayment of borrowings	(90%)	(15 065)	(152 079)
Payment of principal portion of lease liabilities	8%	(31 567)	(29 139)
Dividends paid to non-controlling interests in subsidiaries	62%	(18 922)	(11 693)
Dividends paid to shareholders	(>100%)	(39 975)	-
Additional investment in subsidiary with no change in control (Note 12.2)	(100%)	-	(8 010)
Net share repurchase	(>100%)	(7 976)	-
Net movement in cash and cash equivalents for the period		82 615	(51 211)
Cash and cash equivalents at the beginning of the period		65 592	116 803
Cash and cash equivalents at the end of the period		148 207	65 592

Notes to the summary consolidated financial statements

for the year ended 31 December 2022

1. STATEMENT OF COMPLIANCE

The condensed consolidated financial statements ("Summary Financial Statements") are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The JSE Limited Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous year's consolidated annual financial statements.

The Summary Financial Statements have been prepared internally under the supervision of the Chief Financial Officer, S Totaram, CA(SA), CFA, and approved by the Board of Directors on 14 March 2023.

These Summary Financial Statements for the year ended 31 December 2022 have been audited by Pricewaterhouse Coopers 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. Any reference to future financial performance included in this announcement, has not been audited or reported on by the Group's auditor.

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 www.stadio.co.za.

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

2. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Results are in terms of IFRS and are consistent in all material respects with those applied in the annual financial statements for the year ended 31 December 2022.

For a full list of standards and interpretations that have been adopted by the Group, we refer you to the annual financial statements for the year ended 31 December 2022.

3. ESTIMATES

The preparation of the audited financial statements requires management to make judgements, estimates and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these Summary Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statement for the year ended 31 December 2021.

4. REVENUE

	2022 31 Dec Audited R'000	2021 31 Dec Audited R'000
Revenue from contracts with customers		
The group disaggregates revenue from customers as follows:		
Tuition and education services		
Tuition fees	1 166 156	1 049 168
Registration and enrolment fees	55 872	53 209
Discounts and bursaries granted	(30 850)	(24 816)
Other academic income	13 213	10 179
Hostel income	298	2 952
	1 204 689	1 090 692
Sale of goods		
Learning Material	7 796	6 091
Canteen	1 327	985
	9 123	7 076
Total revenue from contracts with customers	1 213 812	1 097 768

5. HEADLINE EARNINGS

		Audited 2022 R'000	Audited 2021 R'000
Reconciliation of headline earnings:			
Basic earnings	31%	165 638	126 005
<i>Adjustments attributable to parent:</i>			
Impairment on right-of-use assets, property, plant and equipment, and intangibles assets	(78%)	5 820	26 044
Loss on disposal of property, plant and equipment	(11%)	1 257	1 416
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	(57%)	(1 017)	(2 359)
Tax on above	(74%)	(1 872)	(7 291)
Headline earnings	18%	169 826	143 815

Notes to the summary consolidated financial statements *continued* for the year ended 31 December 2022

6. OPERATING SEGMENTS

The Group considers its executive directors to be the chief operating decision-maker and the segmental disclosures below are aligned with the monthly report provided to the executive directors. Operating segments with similar economic characteristics have been aggregated into one reportable segment due to all the services being related to higher education services within southern Africa. However management does make decisions based on what they constitute to be reflective of the underlying financial performance of the Group and as such, the Group has identified core headline earnings as this measure. Non-core includes certain items which may distort the Group's financial performance from year-to-year, and by excluding this, should provide management with a more consistent reflection of the underlying financial performance of the Group.

	Year- on-year change %	2022 31 Dec Audited R'000	2021 31 Dec Audited R'000
Reconciliation of core headline earnings			
Headline earnings attributable to owners of parent	18%	169 826	143 815
Adjusted for:			
Fair value loss on consideration payable	(100%)	-	573
Interest on consideration payable	(100%)	-	560
Amortisation of client list and trademarks	(26%)	4 247	5 720
Onerous contract	>100%	5 471	-
Less: Non-controlling interest	131%	(1 337)	(578)
Less: Taxation	73%	(2 636)	(1 520)
Core headline earnings	18%	175 571	148 570
Core HEPS – basic (cents)	18%	20.7	17.6
Core HEPS – diluted (cents)	18%	20.2	17.1

7. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSET

Property, plant and equipment

In 2021, the Group recognised an impairment in respect of the STADIO Montana property following the Group entering into a sale agreement to dispose of the campus for R52 million which was below its carrying of R62 million. The property was reclassified to held-for-sale in 2021. The Group disposed of this property for R52 million in cash during 2022.

Right-of-use assets

The impairment in the current and prior year of the right-of-use asset of R3 million (2021: R17 million) is in respect of the Milpark Gauteng Lease. Consequently, the right-of-use asset related to the Milpark Education campus will no longer generate future economic benefits, resulting in it being impaired.

	Audited 2022		Audited 2021	
	Property, Plant and Equipment R'000	Right-of- use assets R'000	Property, Plant and Equipment R'000	Right-of- use assets R'000
Opening balance	810 319	97 185	717 120	95 995
Additions (including borrowing costs capitalised)	84 948	13 982	180 151	38 076
Disposals and other movements	(2 087)	(61)	(1 775)	-
Depreciation	(26 334)	(27 098)	(23 278)	(27 035)
Impairment	-	(2 769)	(9 899)	(17 308)
Remeasurement	-	3 294	-	7 457
Transferred to non-current assets held-for-sale	-	-	(52 000)	-
Closing balance	866 846	84 533	810 319	97 185

8. INTANGIBLE ASSETS

	Audited 2022 R'000	Audited 2021 R'000
Opening balance	151 931	168 967
Additions	7 824	2 120
Amortisation	(14 921)	(16 394)
Impairment	(3 687)	(2 762)
Closing balance	141 147	151 931

Notes to the summary consolidated financial statements *continued* for the year ended 31 December 2022

9. TRADE AND OTHER RECEIVABLES

	Year-on-year change %	Audited 2022 R'000	Audited 2021 R'000
Trade receivables	24%	260 412	209 725
Less: loss allowance	9%	(132 971)	(121 928)
Net trade receivables	45%	127 441	87 797
Other receivables	12%	50 794	45 431
Total trade and other receivables	34%	178 235	133 228

10. SHARE CAPITAL AND OTHER EQUITY

10.1. SHARE CAPITAL

During the period, the Company issued ordinary shares in relation to the settlement of employee share options as per the share capital reconciliation below:

	Number of ordinary shares (million)	Share capital R'000
Balance as at 1 January	848	1 618 817
Issue of shares in respect of employee share options	2	9 757
Share issue costs	-	(57)
Balance at the end of the period	850	1 628 517

All issued ordinary shares are fully paid up. Ordinary shares carry no right to fixed income but each share carries the right to one vote at general meetings of the Company.

10.2. TREASURY SHARES

In August 2022, the Board approved the repurchase of R15 million of STADIO Holdings Limited shares to fulfil the Group's obligations under the SIT. During the year, the Group repurchased 4 million shares at an average repurchase price of R3.72 per share. The total cash outflow was R14.9 million for the year ended 31 December 2022.

Treasury shares are shares in the company that are held by the SIT for the purposes of issuing shares to employees participating in the Group's long term share incentive scheme.

	Number of shares (million)	Treasury shares R'000
Treasury shares		
Treasury shares repurchased	(4)	(14 862)
Treasury shares issued to employees	4	14 717
Balance at the end of the period	(0.2)	(145)

As at 31 December 2022, the Group held 234 757 Treasury shares (2021: nil).

11. BORROWINGS

The Group refinanced its 3 year revolving credit facility of R100 million with Standard Bank of South Africa Limited for a further 3 years.

At 31 December 2022, the Group had drawn down an amount of Rnil (December 2021: R15 million). For the year ended 31 December 2022, the Group incurred finance costs of R0.2 million at a three-month JIBAR plus 2.09%. In 2021, borrowing costs of R1 million were capitalised to qualifying assets at a capitalisation rate of 5.72%. At 31 December 2022, the Group had access to the full undrawn facility of R100 million.

12. ACQUISITIONS

12.1. CA CONNECT CONSIDERATION PAYABLE

In the prior year, Milpark Education concluded the early settlement agreement related to the acquisition of the CA Connect business (Early Settlement Agreement). The agreement included the issue of R100 million of Milpark Education shares to the CA Connect shareholders, resulting in a change in the non-controlling interest in Milpark Education in June 2021 from 12.8% to 31.5%. The Group's effective interest in Milpark Education is currently 68.5%.

In April 2022, the Group settled the final tranche of the Early Settlement Agreement through a payment of R33 million in cash, of which R10.4 million was settled through a capital contribution by the non-controlling shareholder in Milpark Education.

In the prior year, the Group concluded the Early Settlement Agreement with the CA Connect shareholders, fixing the price of the consideration to R200 million and settled in two tranches. The first tranche of R68 million was settled by the Group on 8 June 2021 through a payment of R48 million in cash, of which R15.4 million was settled through a capital contribution by the non-controlling shareholder in Milpark Education. The balance of R20 million was settled through the issue of 6.7 million STADIO Holdings shares.

	2022 31-Dec Audited R'000	2021 31-Dec Audited R'000
Balance as at 1 January	31 111	197 978
Derecognition of non-controlling interest on acquisition	2 022	-
Fair value adjustment on consideration payable	-	573
Settlement of consideration payable (not through profit and loss)	(33 120)	(168 000)
Interest on consideration payable	(13)	560
Balance at the end of the period	-	31 111

In the prior year, the Group, through STADIO Higher Education, acquired the remaining 26% equity interest in STADIO Namibia for a cash purchase consideration of R8 million. There was no change in control following this acquisition.

Notes to the summary consolidated financial statements *continued* for the year ended 31 December 2022

13. CASH GENERATED FROM OPERATIONS

	Year-on-year change %	Audited 2022 R'000	Audited 2021 R'000
Profit before taxation	34%	269 716	200 664
Non-cash and other items disclosed separately	(25%)	91 300	121 949
Movements in working capital	12%	361 016	322 613
	(6%)	(53 320)	(56 693)
Decrease in inventories	(100%)	-	1 588
Increase in trade and other receivables	>100%	(42 429)	(7 462)
Increase in trade and other payables	(69%)	2 738	8 943
Decrease in trade and other payables – consideration payable ¹	(31%)	(33 120)	(48 000)
(Decrease)/increase in contract liabilities	(>100%)	19 491	(11 762)
Cash generated from operations	16%	307 696	265 920

¹ Included in trade and other payables working capital movement is the cash-settled portion of the CA Connect early settlement agreement of R33 million (2021: R48 million), R10 million (2021: R15 million) of which was paid by the non-controlling shareholder of Milpark Education. Refer to Note 12.1 for further information.

14. FINANCIAL INSTRUMENTS – FAIR VALUE ESTIMATION

The information below analyses financial assets and liabilities which are carried at fair value by level of hierarchy.

The carrying value of financial assets and liabilities carried at amortised cost approximates their fair value, while those measured at fair value can be summarised as follows:

Fair value hierarchy	Audited 2022			Audited 2021		
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Other financial assets	14 740	-	-	9 190	-	-

15. EVENTS AFTER THE REPORTING PERIOD

On 14 March 2023, the Group declared a second annual dividend of 8.9 cents per share from income reserves for the year ended 31 December 2022, which is payable on 17 April 2023. Save as set above, the directors are not aware of any further material events which occurred after the reporting date and up to the date of this report.



06

Our governance

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Our governance structure and various Board sub-committee reports highlighting Board activities and involvement during the year



Governance overview

The Group is fully committed to good corporate governance and stands firmly grounded on the values of service, quality, integrity, and people-focus. The Group respects and understands the need for simplicity and will always focus on the virtues of clarity, credibility, transparency, and sheer honesty. These are the values lived by the leadership and filtered down throughout the Group and can be seen in the Ethics Pledge as adopted by the Board:

OUR ETHICS PLEDGE

The Group stands firmly grounded on the values of

service, quality, integrity and *people-focus ...*

this is our lodestar in all that we promise, undertake, and present.

Within the Group, we understand the need for *simplicity*. Whilst our business is a scaffolded dynamic enterprise, its focus will always be on the virtues of clarity, credibility and *sheer honesty*. The principles of informed stakeholder engagement are always our priority – false promises and/or half-truths are anathema to the Group ethos and we will promote total openness and *full transparency* at all times and in all that we do.

As we embrace a trajectory of excellence, the Group does not claim ‘to be the best’ or ‘to have all the answers’. The Group is cognizant of the shifting higher education landscape and the concomitant need for *resilience* amongst its leadership, management and staff, with a proper understanding of continuing, lifelong learning. *Humility* is both integral and causative to our sustained success.

The Group is, however, committed to ensuring a quality teaching and learning culture and an organisational ethos, built on the values of *diligence* and *respect* – for one another, our work, people’s time and everyone’s contributions, and in our service to our students and society. We have accordingly

set a framework of quality that is globally benchmarked and aligned with good academic and operational practices. STADIO equally appreciates the importance of the workplace as a critical stakeholder and will always engage appropriate role players to promote the relevance of its product offering.

The Group *does not challenge itself with overnight success but has planned for a steady and responsible operation* that will safeguard the best interests of the STADIO community (staff and students) and the society in which we function. Committed to ensuring attractive and fair shareholder returns, the Group *does not approve an approach fashioned by greed* and irresponsible, artificial growth: rather integrity, quality and openness will always define our actions.

These are the values lived by the leadership, espoused by all employees, and which we seek to instill in our students.

Board of directors

- B Board
- E Executive Committee
- R Remuneration and Nominations Committee
- A Audit and Risk Committee
- I Investment Committee
- T Transformation, Social and Ethics Committee



1 DR VINCENT MAPHAI⁷¹
B R
 Chairperson
 Independent non-executive Director
 BA, BA (Hons), MPhil, DPhil, Advanced Management Programme (Harvard) and several certificates and diplomas
 Appointed: July 2020

- More than 20 years' experience in the academic profession
- Corporate governance and vast knowledge on serving on Boards in the listed environment
- Business leadership and strategy
- Corporate Affairs and Transformation
- Commitment to education and the country

2 MR CHRIS VORSTER⁵⁵
B E I
 Chief Executive Officer
 Executive Director
 BA (Social Science), BA Hons (HR Development), MA (Management and Development)
 Appointed: 2020

- Appointed as CEO of STADIO Holdings on 1 April 2020
- Previously founder and CEO of SBS, which was founded in 1996 and today accommodates in excess of 14 000 distance learning students
- Business leader, entrepreneur, and strategy
- Distance learning expert
- Governance

3 MS SAMARA TOTARAM⁴⁴
B E I
 Chief Financial Officer
 Executive Director
 CA(SA), CFA
 Appointed: 2017

- Chartered accountant
- Corporate finance, acquisitions and mergers
- Business strategy
- Risk management
- Corporate Governance

4 DR TOM BROWN⁵⁶
B A
 Independent non-executive Director
 BSc, HED, BEd, MEd, PhD
 Appointed: October 2019

- Vast higher education knowledge and private higher education expertise
- Mobile and distance learning
- Business mergers
- Business strategy
- Corporate governance

5 DR DIVYA SINGH⁵⁸
B E T
 Chief Academic Officer
 Executive Director
 BA (Law); LL B (Cum Laude); LL M; LL D; Masters in Tertiary Education Management (with Honours)
 Appointed: 2017

- Higher education expert
- Admitted advocate of the High Court of South Africa
- Certified Ethics Officer by The Ethics Institute.
- Research and academic policy
- Corporate and academic governance
- Transformation and social impact

6 MS MATHUKANA MOKOKA⁴⁹
B A R
 Independent non-executive Director
 CA(SA)
 Appointed: April 2019

- Chartered accountant
- Financial and investment knowledge
- Governance and assurance
- Risk management

7 DR CHRIS VAN DER MERWE⁶⁰
B T
 Non-executive Director
 BPrim (Ed), BEd, M.Ed (Cum Laude), DEd
 Appointed: 2020 (former STADIO Holdings CEO)

- Basic and higher education knowledge
- Business leadership and strategy
- Entrepreneurial flare
- Property expertise

8 DR BUSISIWE VILAKAZI³⁹
B A T
 Independent non-executive Director
 BSc in Electrical Engineering, MSc in Engineering, DPhil (PhD) in Engineering Science
 Appointed: October 2019

- Engineer
- Information and technology
- Innovation and emerging technologies
- Transformation and social commitment
- Energy advisor

9 MR NICO DE WAAL⁴⁷
B R I
 Non-executive Director
 BEng (Mech), MBA
 Appointed: 2017

- Business leadership
- Strategy
- Investment growth
- Corporate Governance

10 MR ANDRIES MELLET³⁹
B I
 Alternate non-executive Director to Nico De Waal
 CA(SA), B Compt Hons
 Appointed: 2017

- Chartered accountant
- Mergers and acquisitions
- Emerging technologies and strategy
- Investment growth

11 MR JOHAN HUMAN⁵⁷
B E
 Chief Operating Officer
 Prescribed Officer
 BCom, BEd (Honours), Higher Ed Diploma (Postgrad), MEd (Didactics)
 Appointed: 2020

- Higher education knowledge
- Business leadership and strategy
- HR, IT and marketing management
- Property
- Governance

MEETINGS HELD	B	A	R	T
Vincent Maphai	6	1 ¹	3	
Chris Vorster	6	2 ¹	3 ¹	2 ¹
Mathukana Mokoka	6	2		
Busisiwe Vilakazi	6	2	1 ¹	2
Tom Brown ²	6	2		
Chris van der Merwe	6	1 ¹		2

MEETINGS HELD	B	A	R	T
Nico de Waal/ Dries Mellet	6	2 ¹	3	
Samara Totaram	6	2 ¹		
Divya Singh	6	2 ¹		2
Johan Human	4 ¹	2 ¹		2 ¹

¹ attended as invitee
² attends STADIO Higher Education Senate as Board representative

Refer to www.stadio.co.za for full curriculum vitae of the Board members

Governance structure and activities

BOARD COMPOSITION

The Board continues to monitor its performance against its approved and adopted broader diversity policy. The broader diversity policy focuses on the promotion of diversity attributes of gender, race, age, skills, knowledge, expertise and culture in the composition of its membership. The Board believes it has the appropriate balance of members across the above-mentioned categories and that there is a clear balance of power and authority at Board level, where no one Director has unfettered powers of decision-making. There were no membership changes to the Board during 2022.

In 2022, the racial diversity target of minimum 60% Black representation on the Board, was not met, with the Board achieving 56% Black representation on the Board. There were no changes to the Board during 2022 and the Board will look to address this shortfall in considering future changes to the Board.

ANNUAL ROTATION

In accordance with King IV™ and the Company's Memorandum of Incorporation, one-third of all non-executive directors must retire by rotation annually and are eligible for re-election at the AGM. Accordingly, in 2023, Tom Brown and Busisiwe Vilakazi will retire by rotation and stand for re-election at the AGM to be held on 22 June 2023.

BOARD RESPONSIBILITIES AND ACTIVITIES

The Board acknowledges that they hold responsibility for ensuring that the Group complies with all its statutory and regulatory obligations, as well as setting the ethical tone and culture followed throughout the Group.

The Board have confirmed that, to the best of their knowledge, the Group has:

- i) complied with the provisions of the Companies Act of South Africa; and
- ii) operated in accordance with its memorandum of incorporation, during the year under review.

While retaining overall accountability, the Board has delegated authority to:

- the CEO to run the day-to-day affairs of the Group; and
- mandated Board sub-committees (Board committees) to oversee certain areas of the Board's responsibilities.

This enables the Board to discharge its duties and responsibilities properly and to fulfil its decision-making process effectively.

The CEO has responsibility for the operational activities of the Group and is supported by the Executive committee. The CEO is the conduit between the Board, and the underlying institutions, ensuring the Group strategy is implemented across the operations. In addition, the CEO has overall responsibility for ensuring the integrity of the Group's website and ensures the information is accurate and the relevant security measures are in place. This was further heightened with the implementation of POPIA (Protection of Personal Information Act) which was effective from 1 July 2021.

KING IV™ APPLICATION

The Board endorses King IV™ and is committed to the principles of transparency, integrity, fairness and accountability by the Group in the conduct of its business and affairs.

The Board is responsible for ensuring that the Group complies with all of its statutory and regulatory obligations. It oversees and ensures an effective compliance framework, the integrity of the Group's financial reporting and risk management, as well as accurate, timely and transparent disclosure to Shareholders.

A full analysis of the steps taken by the Group to comply with the principles of corporate governance as set out in King IV™ is available on the Group's website at www.stadio.co.za/recent.

COMPANY SECRETARY

STADIO Corporate Services Proprietary Limited (SCS) is the appointed Company Secretary of the Group. Having considered the individuals who perform the Company Secretary role within SCS, the Board is satisfied as to the competence, qualifications and experience of the Company Secretary and its employees and that an arm's-length relationship exists between the Company Secretary and the Board. All Board members have access to the advice and services of the Company Secretary, which acts as a conduit between the Board and the Group.

The Company Secretary is responsible for Board administration, and liaison with the Companies and Intellectual Property Commission (CIPC), and the JSE Limited, through its sponsor.

The Company Secretary maintains a professional relationship with Board members, giving direction on matters such as good corporate governance, if required, and implementing training programmes and providing the supply of information to assist Board members in the proper discharge of their duties, as required.

The Board is of the opinion that the Company Secretary is suitably qualified and experienced to carry out its duties as stipulated under section 88 of the Companies Act and King IV™.

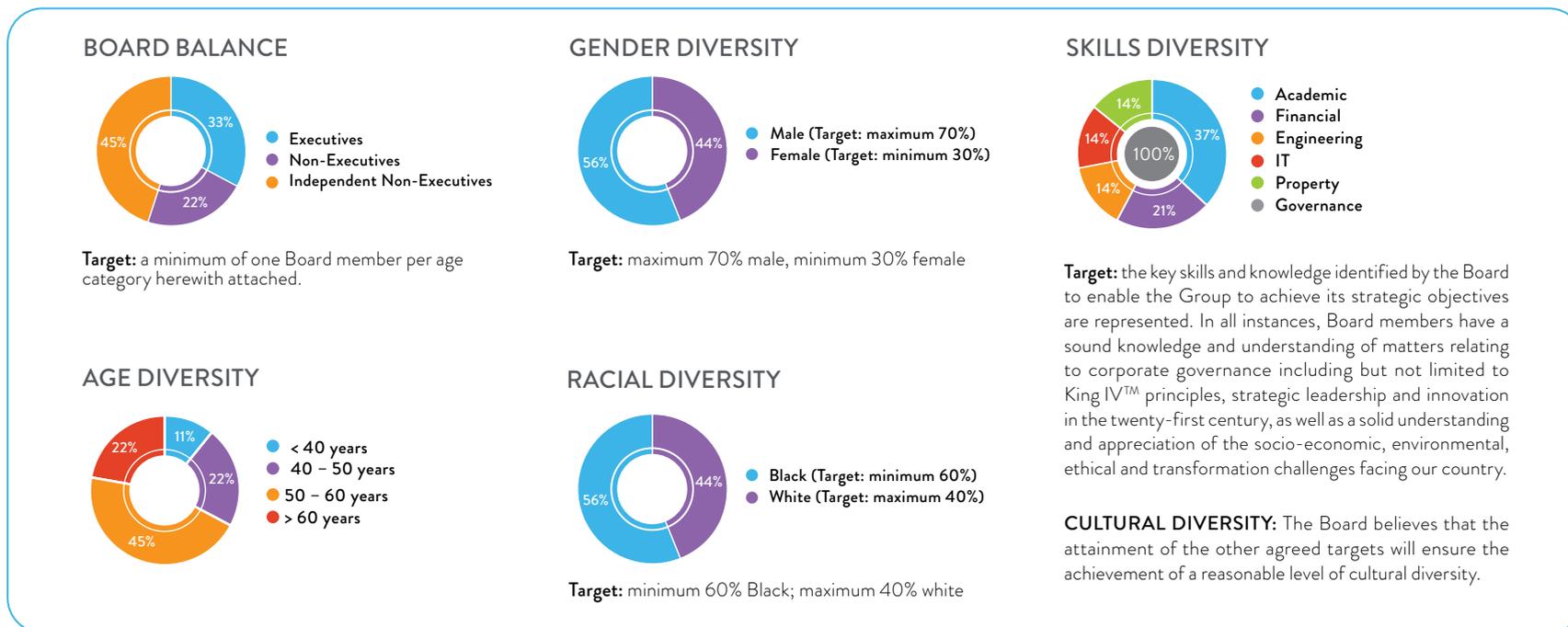
DECLARATION BY COMPANY SECRETARY

In terms of the requirements of the Companies Act of South Africa, I certify, to the best of my knowledge, that the Group has lodged with the CIPC all such returns and notices as are required of a public company in terms of this Act, and that all such returns are true, correct and up to date.



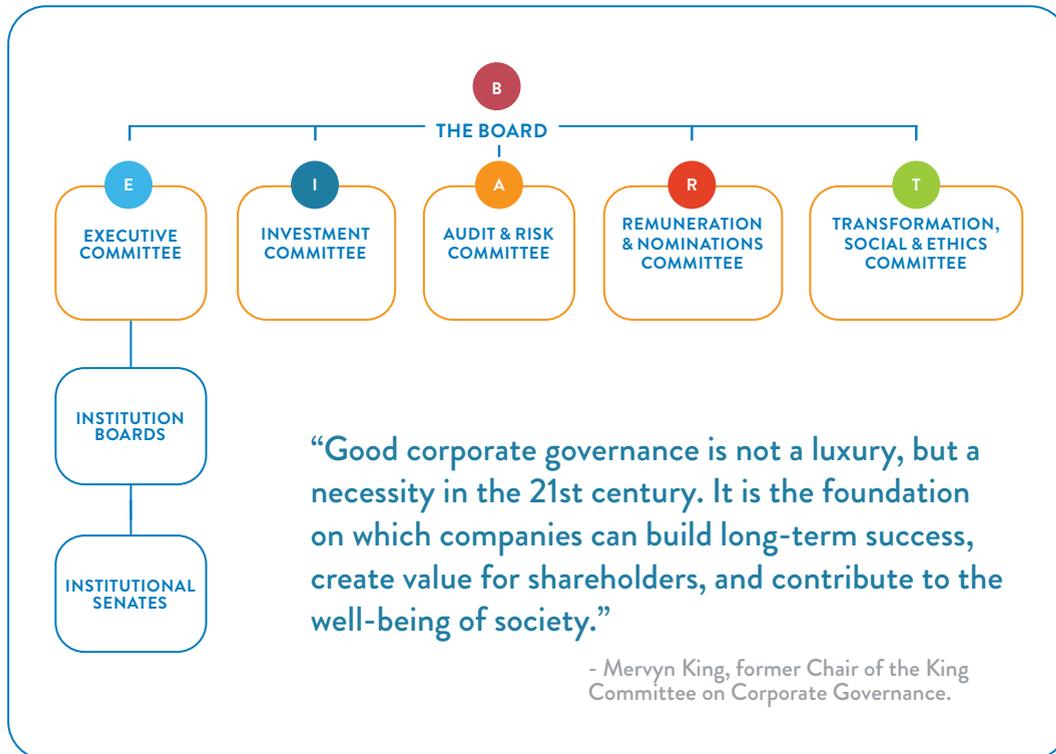
STADIO Corporate Services Proprietary Limited
Company Secretary

28 April 2023



Governance structure and activities continued

BOARD COMMITTEES



The Board mandates certain Board committees to assist the Board in the discharge of its duties and responsibilities in certain areas. Each Board committee has formal written terms of reference that are reviewed regularly and approved by the Board. The chairperson of each Board committee reports back to the Board at each Board meeting, highlighting particular areas of interest or concern, whilst bringing certain decisions to the Board for final approval. Detailed reports of the Transformation, social and ethics committee (TSEC), audit and risk committee (ARC), the remuneration and nominations committee (REMNO) can be found reports as seen on pages 120 to 140.

The Group has numerous operating committees, as well as sub-operating committees across the Group. Each institution is governed by their respective Boards, and ultimately report into the STADIO Holdings Board of Directors, via the Executive Committee.

EXECUTIVE COMMITTEE (EXCO)

The Group’s Exco comprises the following members:

- Chris Vorster (CEO – chairperson);
- Samara Totaram (CFO);
- Divya Singh (CAO); and
- Johan Human (COO).

Each underlying institution has their own governance structures in place. The abovementioned individuals attend the Group’s institutions’ individual Board meetings as members or invitees. In addition, the CEO has regular one-on-one engagements with the CEOs and Executive Heads of the institutions which allows the CEO and Exco to gain operational oversight into the Group’s progress against the approved strategy.

INVESTMENT COMMITTEE (INVESTCO)

- Chris Vorster (CEO – chairperson);
- Samara Totaram (CFO);
- Nico de Waal (non-executive Director); and
- Dries Mellet (alternate non-executive Director)

The Investco meets regularly, as required, and is primarily responsible for the allocation and investing of the Group’s resources, including capital.

The Investco advises the Board on material investment decisions and played a key role in the decision to construct the STADIO Krugersdorp Distance Learning Logistics Centre in one combined phase as opposed to a phased approach, as well as the decision to repurchase shares in the market to fulfil the Group’s obligation under its Long-term share incentive Scheme.

SENATE

The Senate is the primary academic governance committee, and highest academic decision-making body, of the underlying institutions. AFDA, Milpark Education and STADIO Higher Education each have their own autonomous Senates that operate independently from each other.

The Senate is responsible for all academic matters including, but not limited to, regulatory matters; teaching, learning

and student support policies; curriculum transformation imperatives; enhancements to the programme and qualification mix; internationalisation, partnerships and collaborations; community engagement and social impact as part of teaching and learning; quality assurance of scholarship; success rates, student drop-out rates, and graduation numbers; monitoring improvement plans to enhance the academic project; institution incident reports; and student administration.

An academic progress report is presented to the institutional board on academic governance and management, and ultimately to the Group’s Board of Directors.

Divya Singh is the chairperson of the STADIO Higher Education Senate, which is attended by the CEO and COO, as well as the Executive Heads, Academic Leadership and other representative of teaching and learning. Tom Brown is the permanent representative of the Board on the STADIO Higher Education Senate.

In addition to sitting on each of the institutional Boards, Divya Singh holds monthly community of practice meetings with academic leadership of STADIO Higher Education, AFDA and Milpark Education where matters of academic innovation, leading practice and governance are debated. Update and progress meetings on leadership, management and governance are also held at the CEO’s level. Divya reports quarterly to the Board on academic matters across the Group.



Governance structure and activities continued

BOARD ACTIVITIES

The Board acknowledges its responsibility for instilling a performance-led culture that is aligned to the achievement of the Group's overall mission of widening access to quality higher education. The Group's top leadership continues to drive a growth mindset whilst managing tough economic conditions, and always strives to create maximum shared value for our stakeholders through the execution of the Board approved strategy.

FOCUS AREAS	WHAT THE BOARD DID
GROUP STRATEGY	

- provided constructive input to management regarding the Group's strategy
- approved the Group's strategy and key focus areas for the 2023 year
- monitored the implementation of the Group's strategy against the agreed key focus areas for the 2022 year
- approved the construction of the STADIO Krugersdorp Distance Learning Logistics Centre
- approved the staff phantom share scheme to be implemented in 2023
- agreed on key qualifications for future development and geographic expansion of existing qualifications
- approved the strategic partnership with the University of Stellenbosch in terms of the new School of Engineering which is yet to be launched
- monitored the Group's progress regarding agreed strategic initiatives, including the progress of regulatory approvals and new programme development across key Schools
- assessed the feasibility of constructing the Durbanville comprehensive campus and tasked management with certain next steps
- assessed the draft institutional types document as released during the year and agreed that the Group should position itself for university status, when the regulations allow
- approved the share repurchase scheme to allow the Group to fulfil its obligations under the share incentive scheme through the repurchase of shares on the open market

RISK MANAGEMENT AND CORPORATE GOVERNANCE

- reviewed information to ensure that the Group complied with applicable laws, codes and standards
- determined the Group's risk appetite and risk tolerance levels
- approved the Group's risk register and ensured appropriate controls were in place to address these risks
- received reports on the Group's internal control weaknesses and implemented remedial actions where necessary
- considered the impact of King IV™, the JSE Listings Requirements and the requirements of the Companies Act and ensured their compliance and implementation
- considered and confirmed the independence of the non-executive Directors having regard to factors that might impact their independence
- considered and confirmed the independence of the external auditors and approved their appointment based on recommendation by the audit and risk committee
- approved the internal audit plan for the next 3 years
- approved the change in the Company's sponsors during the year following the PSG Group Restructuring and unbundling of shares in STADIO Holdings
- assessed the impacts of loadshedding on the Group through scenario analysis and noted the risks were mitigated accordingly
- reviewed and approved various policies across the Group, and terms of reference across the committees, as required

FOCUS AREAS	WHAT THE BOARD DID
LEADERSHIP AND EFFECTIVENESS	

- ensured the Board set the tone for effective and ethical leadership
- acted as the focal point, and custodian, of good corporate governance
- reviewed the composition of the underlying Board Committees
- performed a self-assessment evaluation identifying the Board's strengths and areas of improvement
- approved the succession plan for key identified positions in the Group with a plan to identify and develop talent as required
- approved the succession plan and criteria for the non-executive directors
- noted and supported leadership changes across the Group key positions, such as Head of Campus.

REMUNERATION

- considered and approved the following recommendations from the remuneration and nominations committee
 - executive Directors' total guaranteed salary, short-term incentives, as well as long-term incentive awards
 - the financial key performance indicators for 2023
 - the CEO's key individual performance indicators for 2023
 - considered and recommended the non-executive Directors' fees (for approval by the shareholders at the AGM)

CORPORATE CITIZENSHIP

- promoted and confirmed the Group's commitment to good corporate citizenship including:
 - widening access to higher education
 - provision of high-quality academic programmes with a focus on bettering student throughput rates and ensuring academic programmes are aligned with the ever-changing world of work
 - its commitment to the environment and the disclosures recommended by the task force on climate-related financial disclosures (TCFD)
 - its commitment to transformation and B-BBEE
 - its commitment to improving its Employment Equity across the Group
- the promotion of equality and the prevention of unfair discrimination
- monitoring of the Group's overall achievement of its approved Employment Equity targets
- investigation of alternative cleaner power supplies across its campuses
- continued support of the STADIO Khulisa Student Share scheme



Governance structure and activities continued

FOCUS AREAS

WHAT THE BOARD DID

FINANCIAL RESULTS AND GOING CONCERN CORPORATE CITIZENSHIP

- scrutinised the Group's financial performance and results throughout the year
- provided input and approved the Group's 2023 budget
- considered, reviewed and approved the Group's Integrated Report for the year ended 31 December 2021
- considered, reviewed and approved the consolidated interim financial results for the period ended 30 June 2022 and the consolidated and separate annual financial statements for the year ended 31 December 2021
- scrutinised the Group's cash position and future growth prospects before approving the Group's second annual dividend declaration in March 2023
- resolved the Group is a going concern for the foreseeable future

ACADEMIC GOVERNANCE

- received regular updates on Regulatory developments regarding qualifications and sites awaiting registration by the Department of Higher Education and Training (DHET)
- agreed on rationalisation of certain qualifications in the future to streamline the Group's offering
- approved the Compliance Risk Management Plan and monitored progress against this plan
- monitored the feedback received from the mock institutional audit for STADIO Higher Education and agreed on the plan for Milpark Education and AFDA
- maintained a monitoring role to ensure the academic plans were linked to the strategic plan
- reviewed academic reports detailing performance against the approved academic plan as well as key matters discussed by Senate

INFORMATION TECHNOLOGY

- received regular updates in respect of Information Technology initiatives and system changes within the Group
- increased input into, and focus on, Information Technology governance with regular reports from the IT governance and risk committee, especially in light of cybersecurity risks

SHAREHOLDING OF DIRECTORS

The shareholding of Directors in the issued share capital of the Company as at 31 December was as follows:

	2022 (Rands)			2021 (Rands)		
	Direct	Indirect	Total	Direct	Indirect	Total
Vincent Maphai	385 000	–	385 000	220 000	–	220 000
Chris Vorster	–	15 668 708	15 668 708	–	14 818 780	14 818 780
Chris van der Merwe	–	8 499 682	8 499 682	–	4 734 626	4 734 626
Samara Totaram	1 171 939	–	1 171 939	716 118	–	716 118
Divya Singh	1 048 787	21 200	1 069 987	565 957	21 200	587 157
Mathukana Mokoka	173 986	–	173 986	173 986	–	173 986
Nico de Waal	154 128	1 986 976	2 141 104	154 128	–	154 128
Dries Mellet	3 771	2 031 812	2 035 583	–	88 202	88 202
Tom Brown	100 000	–	100 000	100 000	–	100 000
Busisiwe Vilakazi	1 139	–	1 139	–	–	–
Johan Human	–	1 675 021	1 675 021	–	459 392	459 392
	3 038 750	29 883 399	32 922 149	1 930 189	20 122 200	22 052 389

Since the year ended 31 December 2022, Vincent Maphai purchased 15 000 shares directly and 20 000 shares indirectly on the open market and Chris van der Merwe sold 1 100 000 shares indirectly on the open market, in order to, *inter alia*, manage his personal debt levels.

In addition, on 3 April 2023, certain tranches of share options vested, resulting in the following additional shares being issued: Chris Vorster – 914 678 shares, Chris van der Merwe – 84 442 shares, Samara Totaram – 313 562 shares, Divya Singh – 424 010 shares, and Johan Human – 550 097 shares.

The register of interests of Directors and other in shares of the Company is available to the shareholders on request.

Transformation, social and ethics committee report

We are pleased to present the Transformation, Social and Ethics Committee (TSEC) report. TSEC is a sub-committee of the Board and was established in terms of section 72(4) to (10) of the Companies Act. TSEC is responsible for assisting the Board in setting the strategic direction, monitoring and providing oversight of transformation, social and ethical matters related to the Group and the reporting thereon.

TSEC held two meetings during 2022 which were attended by all members. The TSEC comprises of the following members: Busisiwe Vilakazi (chairperson and independent non-executive director)

Chris van der Merwe (non-executive director)
Divya Singh (Chief academic officer)

The CEO and COO attend as invitees, with other invitees attending as necessary to provide further insight and information.

Busisiwe Vilakazi provided feedback on the Group's TSEC activities to the Group's shareholders at the Annual General Meeting held on 22 June 2022. No queries or concerns were raised by our shareholders.

ROLES AND RESPONSIBILITIES

TSEC has been mandated by the Board and assists both the Board and Management in:

- achieving its purpose of empowering the nation by widening access to higher education;
- providing oversight of transformation, social and ethical matters related to the Group and the reporting thereon, as required;
- setting the strategic direction in terms of transformation, social and ethical matters;
- formulating and implementing policies, principles and practices to ensure long-term sustainability of the Group supported by a business model that creates financial, environmental and social value for all stakeholders;
- monitoring the Group's activities with regard to applicable legislation, codes of best practice and good corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, stakeholder and consumer relationships and labour and employment issues) whilst drawing matters within its mandate to the attention of the Board as required; and
- reporting to the shareholders of the Company at the Annual General Meeting on matters within its mandate.

Some key 2022 activities:

- Recommended the STADIO Holdings' Values and associated behavioural standards to the Board for approval and looked at what the values mean to the individual TSEC members.



SERVICE

We exceed our stakeholders' expectations with humility, ensuring that the Group is a trusted partner



QUALITY

We never compromise on our minimum standards, taking accountability for, and supporting each other in, striving for excellence



INTEGRITY

We are honest, transparent and respectful, always doing what is right for the Group



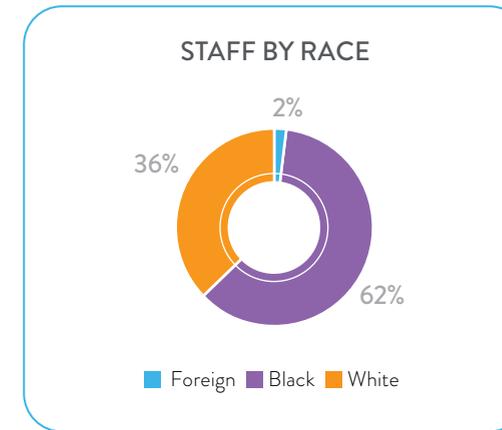
PEOPLE FOCUS

We positively impact the people we interact with

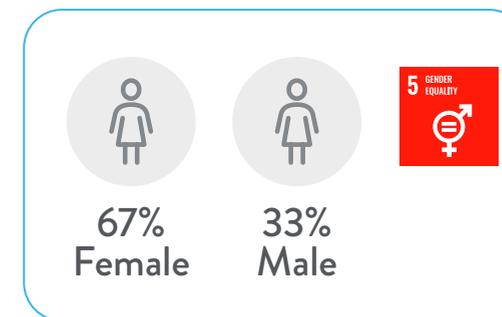
- Monitored the Group's performance against the approved Employment Equity targets
- Monitored and provided input into the Group's B-BBEE status and strategy
- Considered the Group's community engagement activities and plan
- Noted the progress made on climate-related activities around the Group
- Approved the Group's whistle blowers hotline
- Approved the Group's Code of Ethics and other policies
- Recommended the Board's Diversity Policy and other policies to the Board for approval

TRANSFORMATION

During 2022, the staff demographics were as follows:



GENDER DIVERSITY



The TSEC are committed to ensuring the staff demographics are adequately diverse and hold management to account in terms of the agreed Employment Equity targets.

The Group believes that a diverse workforce is important to ensure the Group remains relevant and in touch with all its stakeholders, allowing different views, approaches, and ideas to be contributed to the overall business.

The Group continued working on implementing specific projects in line with its **B-BBEE Strategy**. The Group's overall scorecard improved to a Level 7 from a Level 8 in the prior year. Milpark Education retained a Level 2 B-BBEE rating, in its own capacity.

SOCIAL

Our staff are the heart of the business. In recognition of our staff's contributions to the Group and to align staff decision making to the overall strategic goals and success of the Group, the STADIO Staff Phantom Share Scheme (Staff Scheme) was approved and supported by TSEC. This Staff Scheme will be implemented in 2023 and will see staff across the Group receive payouts linked to the dividends paid by STADIO Holdings. The Staff Scheme does not distinguish between employment levels, and all staff will receive equal payments, within the parameters of the scheme, further empowering our staff.

TSEC continues to believe in the positive impact that the **STADIO Khulisa Student Share scheme has on its graduates**. The STADIO Khulisa Student Share Scheme is the student share scheme rolled out in the prior year whereby the Group gives graduates graduating from postgraduate qualifications (NQF 8 and above), shares in STADIO Holdings, as well as provides short learning programmes, free of charge, to these graduates. TSEC continues to believe that this share scheme will assist in socially empowering the Group students beyond their qualification.

2 320 graduates have received shares to date and access to a free short-course on the basic features of listed shares and what it means to be an owner of a listed share.

Staff and student wellness remains an area of focus for TSEC and the Group's student support initiatives and continued partnership with South African Depression and Anxiety Group (SADAG) were supported during the year.

COMMUNITY ENGAGEMENT

Community engagement in South Africa is predominantly defined as working with vulnerable and marginalised communities. Most public universities have dedicated community engagement units and funding whereas the private higher education institutions receive no such funding. The challenges therefore remain funding, time, and awareness of the importance of community engagement. These are also our opportunities. The Group therefore has a community engagement and social impact plan whereby it looks to integrate Community Engagement, Teaching and Learning, and Research, the three pillars of higher education.

Transformation, social and ethics committee report continued

TSEC noted the Community Engagement plan and in 2022, TSEC endorsed the Group's approach to focusing on **social impact**, looking for projects and activities whereby it can make a lasting contribution, as opposed to a once-off contribution. Community engagement is focused on the communities within which the Group's activities are predominantly conducted. The Community Engagement plan is therefore also focused on our students and getting them involved in community engagement through various institution initiatives, teaching and learning projects and assignments, and producing graduates who have the understanding and social awareness of the critical issues affecting our country and the world.

Community engagement remains a focus of the TSEC and the Group and is an important aspect in achieving university status.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The 17 SDGs adopted by the United Nations, are a set of aspirations aimed to assist in tackling the global challenges being faced by the world, to, amongst others, reduce poverty, economic, social and gender inequality and environmental destruction, whilst bringing about peace and sustainable governance practices, by 2030. The Group strives to contribute to achieving the SDGS, where possible, and strives to be a responsible corporate citizen.

The Group's main aim is to "empower the nation by widening access to higher education". This speaks directly to "Quality Education" as identified by the SDGs.



The Group sees its role in providing Quality Education going beyond the standard curriculum and looks to integrate modules that enhance its graduate's understanding and knowledge about the world we live in and the issues it faces, producing graduates who are socially conscious and responsible.

TSEC assists the Board in integrating sustainability into the daily business activities across the Group. In 2022, the TSEC continued to consider the impacts of **climate related risk** in relation to the Group's activities and continues to believe that climate related risks will not have a direct impact on the Group. In addition, TSEC considered the impacts of **loadshedding** on the business and supported management in further exploring solar energy as a sustainable source of alternative power.

The Group acknowledges the importance of protecting our environment, and mitigating any impact it may have on the environment through its business activities as well as mitigating against the possible indirect impact of climate related risks to the Group.

Refer to pages 56 to 77 for the value created to our stakeholders during 2022.

ETHICS

TSEC is responsible for overseeing the Group's adherence to the ethical standards as approved by the Board.

During the year, the TSEC approved the Group's Whistle blowing line which will be rolled out in 2023, and reviewed and approved the Code of Ethics and Ethics pledge. Refer to page 109 for the Ethics pledge.

There were no activities identified across the Group during 2022 that fell foul to the Ethics Pledge or the Group's code of conduct.

TSEC is satisfied that has fulfilled its mandate as prescribed by the Regulations to the Companies Act and there were no areas of material non-compliance to disclose.

South Africa's struggling economy continues to highlight the socio-economic problems in our country. The Group remains committed to transformation noting its role as a catalyst to assist in addressing many of our nation's socio-economic woes.

Busisiwe Vilakazi

TSEC Chairperson

28 April 2023



Audit and risk committee report

The Audit and Risk Committee (ARC) is pleased to present its report in terms of section 94 of the Companies Act, 71 of 2008 as amended (the Companies Act), The King Code of Governance of South Africa (King IV™) and the Johannesburg Stock Exchange (JSE) Listings Requirements for Stadio Holdings Limited and its subsidiaries (the Group) in respect of the financial year ended 31 December 2022.

1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

There were no changes in the composition of the ARC during the year. The members of the ARC are all independent non-executive directors of the Group and include:

Name
Mathukana Mokoka (Chairperson)
Tom Brown
Busisiwe Vilakazi

The ARC is satisfied that the members thereof have the required knowledge and experience as set out in Section 94(5) of the Companies Act and Regulation 42 of the Companies Regulation, 2011.

2. FREQUENCY AND ATTENDANCE OF MEETINGS

The ARC performs the duties laid upon it by Section 94(7) of the Companies Act by holding meetings with the key role players on a regular basis (minimum of two meetings per a year) and by the unrestricted access granted to the external auditors.

During the year under review, the ARC held two scheduled meetings, of which were attended by all members of the ARC. All Board members were invited to attend these meetings as invitees.

3. PURPOSE AND RESPONSIBILITIES

The ARC has an independent role whose purpose is to assist the Board by providing an objective and independent view on the Group's financial, accounting and control mechanisms, including risk management, and ensuring the effectiveness of the internal and external assurance providers. The ARC is governed by its Charter which is approved by the Board and updated as necessary.

4. ARC ACTIVITIES DURING THE YEAR

In line with its designated responsibilities, the ARC considered the following during the year ended 31 December 2022:

4.1. RISK GOVERNANCE

The Board has assigned oversight of the risk management function to the ARC, who reports back to the Board accordingly.

In assessing the implementation of the Group's risk strategy and framework, the ARC considered

- the Group's risk register and associated reports;
- the Group's top ten strategic risks (including the impacts of the South African energy crisis, change management on the Group; and any likely impact of climate-related risks on the Group); and
- the adequacy of the mitigation strategies in place.

The ARC has no reason to believe that any risks identified fall outside the agreed Group's risk tolerance levels and the mitigation strategies in place ensure the Group remains operationally and financially sound.

4.2. INTERNAL AUDIT

The main function of internal audit is to provide an independent review of, and provide assurance on, the effectiveness of the Group's internal controls, including its corporate governance and accounting processes, whilst noting any control weaknesses that exist. BDO Advisory Services Proprietary Limited (BDO) was appointed as the Group's internal auditors during 2021, for a three-year period. In 2022, BDO commenced the execution of its internal audit plan, as approved by the ARC and assessed the effectiveness of the payroll, accounts receivable, procurement, fixed assets and treasury processes. The internal audit plan is reviewed annually ensuring the full internal control environment is assessed and operating effectively.

4.3. EXTERNAL AUDITOR

The ARC nominated and recommended to shareholders the re-appointment of PricewaterhouseCoopers Inc. (PWC) as the independent external auditor. Mr Viresh Harri was re-appointed as the designated partner for the 2022 year-end audit.

The ARC satisfied itself, through enquiry, that PWC are independent as defined by the Companies Act and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided, as required by the Companies Act, that internal governance processes within PWC support and demonstrate the claim to independence.

The external auditor is thus suitable for reappointment by considering *inter alia*, paragraph 3.84(g)(iii) of the Listing Requirements of the JSE and the information stated in paragraph 22.15(h) of the Listing Requirements of the JSE.

The ARC, in consultation with executive management, approved the terms of the engagement, as well as the associated audit fees to be paid, taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

The ARC further considered, and approved, the nature and extent of any non-audit services to be performed by PWC.

4.4. INTERNAL CONTROLS

The ARC reviewed reports from both the internal and external auditors, in respect of their audits of the internal control environment. The ARC noted any concerns or suggestions arising from these audits and considered the appropriateness of the responses from management. Based on the extent of the audit work carried out by both the internal and external auditors, nothing was brought to the ARC's attention which would suggest a material breakdown of any internal control system. The ARC is therefore satisfied that the internal financial control environment continued to function effectively for the year ended 31 December 2022.

4.5. FINANCIAL REPORTING PROCEDURES, ACCOUNTING PRACTICES AND INTERNAL CONTROL

As required by JSE Listings Requirement 3.84(g)(ii), the ARC has ensured that appropriate financial reporting procedures exist and are working, which includes consideration of all the entities in the consolidated Group financial statements.

Financial reporting procedures, internal controls and systems have been designed to provide reasonable assurance of the integrity and reliability of the financial information presented in the annual financial statements and to safeguard, verify and maintain the assets of the Group and the Company.

The ARC, through consultation with the external auditors, ensures that management's processes and procedures are adequate to identify; assess; manage; and monitor group-wide risks.

The ARC considers the financial reporting procedures and practices of all entities within the Group and deem these, as well as the accounting policies, and consolidated annual financial statements, to be appropriate.

4.6. CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The ARC reviewed and assessed the fairness and accuracy of the financial information and disclosures and recommended the approval of the annual financial statements of the Group, to the board, taking into account:

- whether the actual information varied significantly from budgeted or projected information;
- whether generally accepted accounting principles were applied;
- any actual or proposed changes in accounting or financial reporting practices;
- any significant or unusual events or transactions; and
- whether the Group's financial and operating controls are functioning effectively; and whether financial information contains adequate and appropriate disclosures.

In addition, the ARC assessed the reasonableness of any areas requiring judgement and supported management's assumptions and conclusions in this regard.

Audit and risk committee report continued

4.7. KEY AUDIT MATTERS

The ARC applied its mind to the key audit matters identified by PWC and is comfortable that they have been adequately addressed and disclosed. These items require significant judgement and include the assessment of assumptions and estimates used in assessing:

- the impairment of indefinite useful life intangible assets; and
- the impairment of goodwill.

4.8. EVALUATION OF CHIEF FINANCIAL OFFICER

As required by paragraph 3.84(g)(i) of the JSE Listings Requirements, the ARC has assessed, and continues to be satisfied with, the experience and expertise of the Group's Chief Financial Officer, Ms S Totaram CA(SA) CFA, and the finance function.

4.9. COMPLAINTS AND/OR CONCERNS

No complaints or concerns were received by the ARC on any matters relating to the accounting practices of the Group, the content or auditing of the annual financial statements, the internal financial controls of the Group or on any other related matter during the year under review.

On behalf of the ARC



Matukhona Mokoka (CA)SA
ARC Chairperson

28 April 2023



Remuneration and nominations committee's report

Human capital is one of the most important elements of the Group and the Remuneration and nominations committee (REMNO) recognises the importance of attracting, developing, and retaining high quality individuals who can contribute to making our institutions, institutions of choice.

The Group had a strong year, and we are pleased to present the REMNO report for the year ended 31 December 2022. Our report and disclosures are aligned to the principles and recommended practices of King IV™ for remuneration. In this regard we have adopted a three-part remuneration report approach. Part 1 consists of the Remuneration Background Statement; Part 2 sets out the details of the Forward-Looking Remuneration Policy; and Part 3 illustrates the Implementation of the Remuneration Policy adopted in 2022. The REMNO believes that the objectives stated in the Remuneration Policy have been achieved for the period under review as illustrated in the Implementation Report.

The Group held three REMNO meetings during 2022, which were attended by all REMNO members. The REMNO members are as follows:

- Mathukana Mokoka (chairperson of the Remuneration section);
- Vincent Maphai (chairperson of the Nominations section); and
- Nico de Waal.

All REMNO members are non-executive Directors, with the majority being independent non-executive Directors. The CEO is a permanent invitee to the REMNO meetings and other members of the Board may attend the REMNO as invitees, should they wish.

The role of the REMNO is divided between matters relating to Remuneration and matters relating to Nominations as described below. During 2022, the REMNO is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference and mandate as prescribed by the Regulations to the Companies Act and King IV™.

Remuneration matters include assisting the Board in:

- overseeing the overall remuneration framework of the Group;
- recommending executive Directors' key performance areas for approval by the Board;
- recommending executive Directors' remuneration for approval by the Board, ensuring that this is fair, responsible and transparent so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term;

- ensuring remuneration practices and structures support the strategy and performance goals of the Group, whilst safeguarding stakeholder interest, and promoting a high-performance culture;
- administering the Group's Share Scheme as delegated to the Committee by the Share Incentive Trust and the Board;
- carrying out its duties in terms of non-executive Directors' fees and advising the Board on what to recommend to the Shareholders for consideration;
- ensuring the disclosure of Directors' Remuneration is accurate, complete and transparent; and
- ensuring effective succession planning for executive Directors.

Nomination matters include:

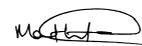
- succession planning for non-executive Directors;
- the process for identifying and appointing non-executive Directors with a focus on Board diversity in terms of skills, race and gender;
- the Board evaluation process; and
- Director induction, orientation and ongoing training.

The REMNO continues to monitor industry norms in assessing the executive Directors' and non-executive Directors' remuneration, considering best practices to ensure that such total remuneration is fair and reasonable to both the Directors and the Group.

During the year, the REMNO was pleased to recommend the STADIO Staff Phantom Share Scheme to the Board for approval, a share scheme that sees staff share in the overall success of the Group and receive a payout linked to the dividend declared by the Group. Refer to page 134 for further details.

The Group's Remuneration Policy and the Implementation Report will be tabled at the AGM on the 22 June 2023 where shareholders are requested to cast a non-binding advisory vote on both.

At the AGM held in June 2022, the Remuneration Policy received 96.77% endorsement by shareholders (2021: 96.90%), with the Implementation Report receiving 99.29% endorsement by shareholders (2021: 96.90%). We want to thank our shareholders for their continued support.


Mathukana Mokoka
Remuneration Committee
Chairperson

28 April 2023


Vincent Maphai
Nominations Committee
Chairperson

28 April 2023

PART 1: REMUNERATION BACKGROUND STATEMENT

The REMNO have considered a remuneration policy to incentivise the Group's Executive Committee, senior leadership, and key individuals to strategically position the business to achieve its strategic objectives, taking into account the economic challenges within our country.

Being in the higher education industry, our human capital is key to the success of our Group and it is therefore important that the Group's Remuneration Policy attracts, retains, motivates and develops our staff.

OVERALL REMUNERATION PHILOSOPHY

The Group's overarching philosophy regarding remuneration is to:

- align remuneration with the interests of all stakeholders ensuring that remuneration remains fair and responsible;
- promote a performance-driven culture within the organisation;
- align remuneration practices with the Group's business strategies and objectives;
- attract, develop, motivate and retain key employees responsible for the achievement of the Group's business strategies and objectives; and
- reward for success, having regard to the current financial position of the business in the context of the overall economy.

We are committed to creating a culture where our staff feel valued, and in return, our staff strive to go beyond their day jobs for the advancement of the Group.

As part of the broader Group strategy, we continue to establish our Employee Value Proposition through the below People Strategy. The People Strategy is underpinned by the values of the Group and strives to ensure the Group is an employer of choice. Our three institutions are separate legal entities, and therefore their respective People Strategies may differ slightly per institution, whilst applying consistent principles as shown below:

PEOPLE STRATEGY

REMUNERATION	PERFORMANCE FEEDBACK	PERSONAL AND CAREER DEVELOPMENT	WORK ENVIRONMENT	INSPIRATIONAL VISION AND LEADERSHIP
<ul style="list-style-type: none"> • Fair • Market related • Performance related • Internally equitable 	<ul style="list-style-type: none"> • How am I doing? • Constructive • Developmental • Linked to my performance 	<ul style="list-style-type: none"> • I know where I am going • I have a personal development plan • Training and development opportunities 	<ul style="list-style-type: none"> • Stimulating • Flexible • Work-life balance is enhanced • Supporting policies in place 	<ul style="list-style-type: none"> • Inspiring vision – a clear 'WHY' • Supporting values • Authentic leadership • Competent management • Real teamwork
ATTRACT	MOTIVATE	DEVELOP AND RETAIN	ENJOY	ENTHUSE AND INSPIRE

Remuneration and nominations committee's report continued

VOTING AT THE 2022 AGM AND FEEDBACK FROM SHAREHOLDERS

At the STADIO Holdings AGM held virtually on 22 June 2022, shareholders endorsed the Remuneration Policy and the Implementation Report of the Company by way of separate non-binding advisory votes of 96.77% (2021: 96.90%) and 99.29% (2021: 96.90%) respectively. The JSE Listing Requirements require the Company to engage with shareholders in the event that more than 25% of shareholders vote against either the Remuneration Policy or the Implementation Report. As the non-binding votes were passed by the requisite majorities, no further engagement with shareholders was required. Notwithstanding the above, the views of our shareholders are important to the Company and the REMNO are open to engage with shareholders.

During 2022, constructive dialogue was held with one of our shareholders around including performance targets in the vesting criteria of the long-term share incentive scheme (LTI) and placing less emphasis on performance targets for the short-term incentives (STI). The REMNO views the remuneration package holistically and is comfortable that the performance targets set for the STI are necessary and assist in driving a high-performance culture. It further believes the share price acts as an inherent hurdle in the vesting of the share options and is therefore comfortable that no performance targets are necessary for the LTI. Another shareholder requested more information on how the individual performance ratings of the executive Directors was determined, and additional disclosure has been added to address this. Refer to page 137.

THE REMNO'S KEY DECISIONS DURING 2022

During 2022, the REMNO, in accordance with its Terms of Reference, focused on the following key items and made recommendations to the Board for approval, based on the approvals noted below:

- Reviewed and approved the annual salary increases of the Executive Committee members, taking into account industry and sector norms;
- Reviewed and approved the performance evaluations of the executive Directors for the 2021 financial year against agreed financial and individual targets and performance;
- Revised and approved the targets used for awarding STIs to executive Directors in 2022, ensuring the targets are aligned to creating shareholder value and meeting shareholders' expectations;
- Reviewed and approved the 2022 LTI awards and participants, ensuring key individuals are appropriately incentivised to achieve the Group's long-term strategic goals;

- Reviewed the fees payable to non-executive Directors, taking into account the general salary increases across the Group and industry norms and will recommend these fees to shareholders at the next AGM;
- Reviewed and approved the non-executive Directors' succession plan and identified skills required on the Board to enable the Board to operate optimally and provide sufficient strategic input to drive the Group forward;
- Approved the STADIO Staff Phantom Share Scheme to be implemented in 2023;
- Monitored the Group's progress against its succession and development plan for key management across the Group; and
- Discussed and monitored changes proposed to section 30A in the revised draft of the Companies Amendment Bill that will have a direct influence on the REMNO and the remuneration reporting.

KEY FOCUS AREAS GOING FORWARD

The REMNO will continue to implement best practice in determining the Remuneration Policy of the Group, considering the tough economic environment and the overall average increase in tuition fees across the Group. The REMNO benchmarks remuneration for key staff and ensures staff are fairly remunerated, taking a holistic approach when considering total remuneration.

For 2023, the REMNO will continue to monitor and approve remuneration-related matters in accordance with its terms of reference and committee duties, ensuring the remuneration policy is aligned with King IV™ and best practice, both locally and internationally. In addition, the REMNO will consider:

- Progress against the remuneration harmonisation plan for STADIO Higher Education, following the migration of the former underling institutions into a single registered higher education provider;
- Progress against the people development and succession planning for key management and executive Directors;
- Continue to monitor changes proposed to section 30A in the revised draft of the Companies Amendment Bill; and
- Monitor and review proposed sector-specific Employment Equity targets set for the higher education industry which are anticipated to be released during the year.

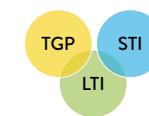
The REMNO believes that the overall remuneration of executive Directors during 2022 (as set out in Part 3 of this report) is aligned with the Group's overall performance and takes into account the strong leadership and efforts of the Group's management team during another challenging year.

PART 2: REMUNERATION POLICY

In line with the overall remuneration philosophy set out in Part 1, the Remuneration Policy aims to:

- align remuneration practices with the Group's business strategies, objectives, and values, in the short-, medium-, and long-term;
- attract, retain and motivate key employees to deliver on the Group's performance goals and strategy;
- ensure the remuneration remains market-related and competitive, attracting high-quality individuals;
- ensure remuneration packages take into account Group performance and the interests of all our stakeholders;
- align the STI tool to the key strategic objectives of the Group, as well as shareholders' expectations;
- reward exceptional performance through STIs linked to key performance objectives and financial targets that create value for shareholders; and
- provide LTIs to motivate and retain staff whilst driving shareholder value aligned with the long-term objectives of the Group.

The Group has three components of remuneration for its Executive Committee (Tier 1), senior leaders (Tier 2), identified key individuals (Tier 3) and general employees (other Tiers):



- A total guaranteed package including benefits (TGP). This is paid monthly.
- A discretionary variable short-term cash-settled incentive (STI) bonus, linked to overall Group performance and individual employee performance. This is paid annually.
- A variable long-term incentive (LTI) scheme to motivate key individuals to produce results that enhance and sustain stakeholder value and Group performance over the long term. This is awarded annually and vests over a period of five years.

The REMNO performs a holistic review of the Executive Committee's remuneration on an annual basis, whereby it seeks to ensure there is an appropriate balance between the various remuneration elements – the Executive Committees' base salary, which is fixed, and the variable elements of their remuneration such as STI and LTI, which are not guaranteed. In addition, the REMNO ensures there is an equilibrium between the variable short-term and longer-term financial performance incentives, ensuring the total package is fair considering the size of the business and competitive benchmarking, and will motivate employees both in the short- and long-term.

LEVEL	FOCUS	STRATEGIC VIEW	REMUNERATION		
			TGP	STI	LTI
Tier 1: Holdings Executive Committee (CEO, CFO, CAO, COO)	Strategy formulation and execution	Long-term	Base salary + benefits	Up to a maximum of 125% of TGP on achieving certain targets	Share options
Tier 2: Executive Heads and Subsidiary CEOs	Primarily strategy execution	Medium- to long-term	Base salary + benefits	Up to a maximum of 50% of TGP on achieving certain targets	Share options where applicable
Tier 3: Identified key individuals	Elements of strategy execution and operational input	Medium- to long-term	Base salary + benefits	Up to a maximum of 25% of TGP dependent on performance and employment grading	Share options where applicable
Other Tiers: General Employees	Primarily operational	Short-term	Base salary + benefits	Up to a maximum of 25% of TGP dependent on performance and employment grading • If employed for greater than 1 year, equally partake in the new staff share scheme (page 134)	Not currently applicable

Remuneration and nominations committee's report continued

TOTAL GUARANTEED PACKAGE (TGP)

The TGP is reviewed annually with increases effective across the Group between 1 January to 1 April each year. In determining the TGP remuneration structure, current market-related remuneration and economic conditions (e.g. inflation), are considered, as well as the average increase in tuition fees going forward.

In determining individual TGP increases, the above remuneration structure; the performance and level of skill and experience of the individual; the individual's job grading; and the financial performance of the Group, are considered.

SHORT-TERM INCENTIVE (STI)

The STI for the Group's Executive Committee and key management is underpinned by the performance of the Group, as well as the individual's performance.

To evaluate the overall performance, a detailed scorecard matrix is utilised, incorporating pre-determined key performance objectives approved by the REMNO, allocated between the attainment of business (or financial) performance targets, and individual performance. During 2022, the STI tool was amended allocating 75% of the bonus to the achievement the overall business targets, weighted equally at 25% per category as shown below, and 25% allocated to individual performance, which may be considered more subjective. From 2023, the STI is payable in cash in April every year (previously March), with individuals in the lower tiers receiving their STI payments in December. The STI payment is capped per individual, albeit, in exceptional circumstances, the CEO can motivate for a higher bonus. All bonuses of the Executive Committee are subject to the REMNO's discretion and are subject to malus and clawback provisions. The Group is entitled to exercise the clawback provisions in relation to a participant for a period of up to three years following payment of the STI to the participant.

The REMNO supports fair, market-related pay and agrees that STIs should only be paid when the business performs well. The REMNO further acknowledges that the STI structure needs to motivate value creation behaviour (i.e. motivates an individual to go beyond their day job, and not become a tick-box exercise).

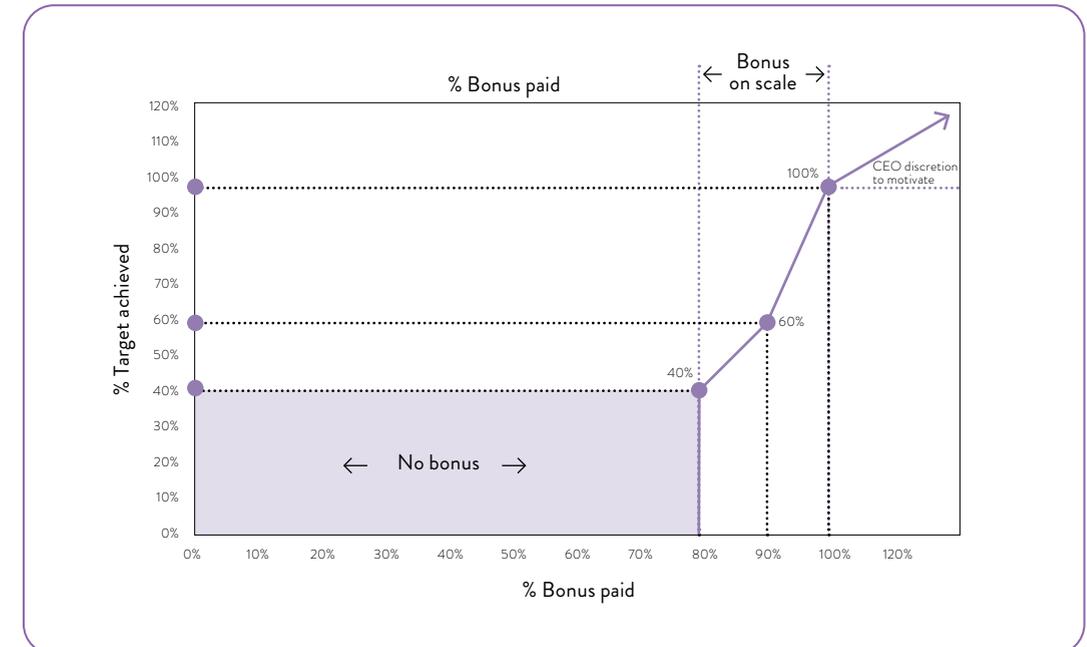
The REMNO reassessed the business targets in the STI tool for 2023 as detailed in the below table:

These are the performance measures against which the Executive Committee will be assessed in 2023. The details of the 2022 STI are set out in Part 3 of this report.

RELATIVE WEIGHT OF KEY PERFORMANCE MEASURES

Business results	Weighting	Targets		
		Low road	Median	High road
Organic revenue growth	25%	16%	18%	20%
Normalised EBITDA margin	25%	23.2%	26.1%	29%
Core HEPS growth	25%	16%	18%	20%
Business performance	75%			

A minimum 80% of target needs to be achieved in order to receive a bonus. The bonus entitlement is allocated on a sliding scale, with the Executive Committee entitled to receive 40% of the bonus allocation should they meet the Low Road target, 60% allocation should they meet the Median Road target, and 100% should they meet the High Road target, as illustrated below:



¹ The above illustrates the bonus entitlement and allocation for the Executive Committee, noting the CEO is entitled to achieve 125%.

The overall STI entitlement is as follows:

	CEO	CFO	CAO	COO
1. Business performance	93.75%	75%	75%	75%
2. Individual performance	31.25%	25%	25%	25%
	125%	100%	100%	100%

Individual KPAs are derived from the key strategic focus areas as detailed on page 137, based on the individual's portfolio of responsibilities and include academic performance.

The REMNO has assessed the targets for 2023, as well as the increased targets for the next few years and is comfortable that the STI targets are stretch targets that meet shareholders' expectations, whilst motivating the right behaviour to achieve the Group's longer-term targets.

Remuneration and nominations committee's report continued

NEW STADIO STAFF PHANTOM SHARE SCHEME

A new STADIO Staff Phantom Share Scheme (Phantom Scheme) was approved in 2022 and is being implemented in 2023. The Phantom Scheme aims to align all staff to the overall growth strategy of the Group, whilst rewarding our staff for their dedication and hard work in growing the Group.

Salient features of the Phantom Scheme:

- 21.3 million phantom shares, being 2.5% of the overall issued share capital, have been "ringfenced" for beneficiaries of the Phantom Scheme.
- All permanent staff who have been employed for more than a year and who are not active participants in the LTI are beneficiaries of the Phantom Scheme*.
- The phantom shares will attract dividends that are aligned with the overall Group dividend declared, i.e. in 2023, the Group declared a dividend of 8.9 cents per share to shareholders of STADIO Holdings. The phantom shares will also receive 8.9 cents per phantom share.
- Payouts are linked to the declaration of STADIO Holdings ordinary dividends and not special dividends.
- The total amount payable will be shared equally amongst the beneficiaries of the Phantom Scheme, fostering a stronger sense of community and solidarity.
- The Phantom Scheme will be in place for five years and subject to review thereafter.

* Milpark Education resolved not to participate in the Phantom Scheme as their management seek alternative remuneration rewards for this institution.

This Phantom Scheme assists in acknowledging the importance we place on our staff, and the appreciation we have for each one of them. We believe the Phantom Scheme will help to foster a stronger sense of ownership and shared purpose among our staff, which will ultimately benefit the business as a whole.

LONG-TERM INCENTIVE PLAN (LTI)

The Group established a share incentive scheme for the Executive Committee and certain key individuals of the Group. The LTI provides a powerful tool to motivate employees to remain with the Group and to work towards the attainment of the Group's long-term strategic goals. Retention of key individuals and skills is important to the sustainability of the Group and the LTI aids management in their succession pipeline whilst ensuring key industry knowledge and skills are retained within the Group. Through the share incentive scheme, the Group's performance is linked to longer-term value creation, and is aligned to the value earned by the shareholder. The LTI awards are also subject to malus and clawback provisions.

The maximum number of shares that may be utilised for purposes of the share incentive scheme is 57 332 884 shares, being equal to approximately 7% of the total issued share capital of STADIO Holdings. During the 2022 AGM, the maximum number of shares that may be acquired by any one individual for purposes of the share incentive scheme was increased to 17 000 000 shares from 12 285 618 shares. It is not anticipated that any one beneficiary will fully utilise the share allocation available to be issued, however, the increase allowed additional share options to be awarded to beneficiaries of the Scheme who were previously not entitled to receive additional share option awards under the Scheme, due to the individual limit contained in the Trust Deed.

At 31 December 2022, the number of share options that had already been awarded but remain unvested amounted to 35 431 789 shares (2021: 44 294 343). At 31 December 2022, the share incentive scheme had 17 participants (2021: 17), being qualifying individuals across the Group. During the year, REMNO requested management to relook at the active participants in the scheme to ensure key individuals identified as part of the overall Group's succession plan, also receive share options. Increasing the share scheme to include all identified individuals will be on a phased approach in the short- to medium-term. In 2023, the number of participants entitled to receive new share option awards increased to 11 (2021: 7 participants). The REMNO believes that all participants in the LTI scheme going forward are key to the strategic outcomes of the Group and the respective factors of salary used to determine the amount of exposure is fair and ensures sustainability of the scheme.

Further detail relating to share options that vested during the year is disclosed in Part 3.

MECHANICS OF THE SHARE INCENTIVE SCHEME AWARD

Share options are awarded annually at the discretion of the REMNO. The number of share options to be awarded is calculated based on an agreed factor of the respective individual's base salary applied thereto, depending on the individual's seniority, level of responsibility assumed within the organisation, and individual's performance.

The following factors are applied to the Executive Committee members and Senior Leadership members awards:

	2023	2022
CEO	5	5
Executive Committee	4	4
Tier 2 [^]	2	2
Tier 3	1	-

[^] currently only applicable where the underlying entity is wholly owned by STADIO Holdings.

All share options are awarded at a strike price equal to the Group's 30-day volume weighted average price (VWAP) immediately preceding such award date.

VESTING

The vesting of share options is dependent on the individual remaining in service, with 25% vesting on each of the second, third, fourth and fifth anniversary of the award date. In the case of resignation or dismissal of an individual (i.e. bad leaver), unvested share options are generally forfeited. In the case of the death, retirement or retrenchment of an individual (i.e. good leaver), any share options capable of being exercised are exercised within a period of 12 months. It is noted that the share options will not be exercised unless there is growth in the Company's share price. The REMNO sees the share price as a natural performance hurdle, albeit noting that management has no direct influence over share price.

NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration of non-executive Directors is reviewed annually by the REMNO, ensuring it is market related whilst taking into account the size and stage of the Group, as well as the general staff increase applied across the Group.

In 2022, it was noted that the non-executive Director fees remained below market-related fees, however, taking into account the impacts of COVID-19, it was agreed to align the non-executive Director fees to market-related fees on a phased approach over the short- to medium-term. In 2023, a further benchmarking exercise was performed and it is recommended that the non-executive Director fees be increased by 12.5% in 2023, with the chairperson of the Board and the chairperson of the Audit and Risk Committee's fees being increased by 15%. This is to better align the non-executive Director fees to the market rate. The REMNO believes the fee increase is fair, and will look to address any subsequent shortfalling in fees over the medium-term. These non-executive Director fees are recommended by the Board to shareholders for approval at the AGM.

Changes to the fee structure are effective 1 January, subject to approval by shareholders at the Group's AGM. The annual fees payable to non-executive Directors are fixed and not subject to the attendance of meetings. In the event of non-attendance on a regular basis, same may be reviewed. These fees are paid bi-annually in June (following approval at the AGM) and December.

The proposed fee structure for the Group's non-executive Directors for the financial year ending 31 December 2023, excluding value-added tax, is set out in the table below:

	BOARD		ARC		REMNO		TSEC	
	2023 Proposed Rands	2022 Actual Rands	2023 Proposed Rands	2022 Actual Rands	2023 Proposed Rands	2022 Actual Rands	2023 Proposed Rands	2022 Actual Rands
Annual fixed fee:								
Chairperson	505 367	439 450	130 295	113 300	101 333	90 074	101 333	90 074
Members	270 221	240 196	67 555	60 049	67 555	60 049	67 555	60 049

The Group also pays all reasonable travelling and accommodation expenses incurred to attend Board and Committee meetings.

VOTING ON REMUNERATION

As required by King IVTM, the Group's Remuneration Policy and Implementation Report as detailed in this Remuneration Report, need to be tabled for separate non-binding advisory votes by shareholders at the upcoming AGM to be held virtually on 22 June 2023. In the event that either the Remuneration Policy or the Implementation Report, or both, are voted against by 25% or more of the voting rights entitled to be exercised by shareholders at such AGM, then the REMNO will ensure that the following measures are taken in good faith and with best reasonable efforts:

- An engagement process to ascertain the reasons for the dissenting votes.
- Legitimate and reasonable objections and concerns raised which may include amending the Remuneration Policy or clarifying or adjusting remuneration governance and/or processes.

Remuneration and nominations committee's report continued

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY REMUNERATION

TGP

Each institution applies their own salary % increase based on their current salary structures. For 2023, the average TGP of all employees across the Group was increased by between 5% and 7%, with certain structural adjustments to some individuals to better align their salaries to market rate, as needed. The increase received was dependent on the institution at which one was employed.

Without detracting from the importance placed on all staff, it is recognised that the Executive Committee is critical to the success of the Group, and it is imperative that these individuals are appropriately incentivised and retained. In saying that, the current economic conditions, size of the Company and stage of the Company's life cycle need to be considered.

In 2023, the Executive Committee's salaries were benchmarked against the median salary of Executives in similar positions at other JSE small cap listed entities. It was noted that the Executive Committee members' salaries were below the median and therefore, staying true to the Group's Remuneration philosophy of ensuring remuneration is market-related and competitive, increases of between 6.5% and 12% were approved. The REMNO believes these increases are fair and recommended the salary increases to the Board for approval.

In 2022, the average TGP of all employees across the Group was increased by 4%–5%, being in line with inflation. The REMNO noted that the CEO's TGP was below market value and therefore increased his salary by 24%.

STI

For the year ended 31 December 2022, the Group's primary business performance targets were:

TARGETS	NOTES
Organic growth in revenue of 20%	Excludes impact of acquisitions, comparing the Group on a like-for-like basis year-on-year. No adjustments during the year.
Normalised Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) margin of 28%	Normalised EBITDA is calculated by adjusting EBITDA in 2022 to exclude the impact of any acquisitions, as well as excluding items which do not form part of the underlying performance of the business. In 2022, Normalised EBITDA excludes the onerous contract costs of R5.5 million. In 2021, the Fair value adjustments in respect of the CA Connect acquisition were excluded.
Organic growth in Core HEPS of 20%	Excludes the earnings impact of acquisitions, comparing the Group on a like-for-like basis year-on-year. In 2022, the dilution in the shareholding of Milpark Education from 87.2% to 68.5% was adjusted for to allow a like-for-like comparison.
Individual performance against agreed KPIs aligned to the Group's primary strategic focus areas for 2022	REMNO assesses the individuals performance during the year

ACHIEVEMENT OF TARGETS

TARGETS	ACHIEVED	Bonus allocation			
		CEO	CFO	CAO	COO
Growth in organic revenue of 20%	+ 11%	–	–	–	–
Normalised EBITDA margin of 28%	29%	31.3%	25%	25%	25%
Organic growth in Core HEPS of 20%	+ 24%	31.3%	25%	25%	25%

The individual performance targets of the Executive Committee were aligned to achievement of the 2022 strategic focus areas, within an individual's area of responsibility. These areas, in many instances, overlap across portfolios. The REMNO believes bonuses are paid for exceptional performance and therefore assessed the performance against stringent targets accordingly. The individual performance ratings of the Executive Committee were between 79% and 90% determined on the achievement of approved KPAs linked to the below strategic focus areas.

The achievement of the 2022 Strategic Focus Areas have been discussed across the Integrated Report and are summarised below:

2022 STRATEGIC FOCUS AREA	FEEDBACK
1. Improve customer service and customer responsiveness	Q-desk and Zendesk were introduced by some of the institutions which saw customer service and customer responsiveness improve, with a decrease in complaints. The Group acknowledges, however, that customer service remains a critical area of focus and is constantly trying to improve this.
2. Embed current systems and processes, including teaching and learning norms	The Group slowed down changes during 2022 and focused on refining and embedding its systems and processes across STADIO Higher Education. The teaching and learning norms were defined and implemented, and the student journey was cemented.
3.1. Successfully open Centurion comprehensive campus	STADIO Centurion comprehensive campus opened in January 2022.
3.2. Complete construction of STADIO Krugersdorp Distance Learning Logistics Centre (phase 1)	The Board resolved to complete the construction of Krugersdorp Logistics in one phase as opposed to over two phases resulting in overall benefits and reduced risk for the Group. STADIO Krugersdorp Distance Learning Logistics Centre was completed in early 2023.
4.1. Accreditation of new programmes and site accreditations	Successfully accredited new programmes, and existing programmes to new sites of delivery. 6 new programmes will be offered in 2023 as a result.
4.2. Including focused expansion of School of IT, across both modes of learning delivery	Successfully developed, submitted and received accreditation for various IT programmes.
4.3. Establishment of School of Humanities	Regulatory delays resulted in the programmes only being accredited by CHE and SAQA in early 2023. We await final certification, and will offer these programmes from 2024 (although may offer the distance learning programme in semester 2 dependent on timing).
5. Activate the Compliance Risk Management Plan (CRMP) for the upcoming CHE Institutional Audits	STADIO Higher Education performed a successful mock audit. Where areas for improvement were identified, a plan was implemented to address these points. A mock audit will be performed at AFDA and Milpark Education during 2023. Overall, management is comfortable that the Group is well prepared for the CHE audit and areas identified for improvement will contribute to increasing the high-quality offering at the institutions.
6. Delivery of acceptable profit targets	The Group produced solid results in 2022, despite the challenging economic environment, increasing its EBITDA margin to 29% from 28%, with Core Headline earnings up 18% from 2021, and return on equity increasing to 10% from 9% in 2021.

100% achieved 90%–99% achieved 75%–89% achieved

Remuneration and nominations committee's report continued

In 2022, the STI structure was based on the amended STI toolkit approved in 2022, with 75% of the bonus dependent on the achievement of business targets and 25% dependent on the achievement of individual performance goals. In all instances, there is a minimum % required to receive a bonus. In 2022, the Group missed its Revenue target and therefore received no bonus allocation for this element.

In 2021, the final portion of the Group's deferred bonus in respect of the 2018 financial year was paid.

The Executive Committee's Bonus for 2022, payable in 2023 is as follows:

	2021		
	2022 Bonus R'000s	2021 Bonus R'000s	2018 Deferred portion R'000s
Chris Vorster	3 544	3 671	-
Samara Totaram	1 895	1 998	151
Divya Singh	1 894	2 217	124
Johan Human	1 774	2 123	-
	9 107	10 009	275

The following table sets out the remuneration actually paid to the Executive Committee for the years ended 31 December 2022 and 2021:

	Basic salary/ Director fees R'000	Bonuses (incl deferred bonus) R'000	Gain on exercise of LTIs R'000	Pension contributions paid R'000	Total R'000
2022					
Executive Directors					
Chris Vorster	4 028	3 671	8 459	198	16 356
Samara Totaram	2 765	2 149	3 012	407	8 333
Divya Singh	2 662	2 341	2 127	261	7 391
Prescribed officers					
Johan Human	2 503	2 123	2 134	123	6 883
Total	11 958	10 284	15 732	989	38 963
2021					
Executive Directors					
Chris Vorster	3 208	2 450	-	159	5 817
Samara Totaram	2 365	1 980	36	351	4 732
Divya Singh	2 269	1 864	36	223	4 392
Prescribed officers					
Johan Human	2 294	1 621	64	113	4 092
Total	10 136	7 915	136	846	19 033

During the year 5.7 million (2021: 2.8 million) shares options were awarded to the Executive Committee. No share options lapsed in the current year in respect of share options held by the Executive Committee (2021: 1.4 million share options lapsed).

LTI (SHARE OPTIONS)

Details of share options outstanding to Executive Committee members as at 31 December 2022:

	Opening balance 1 Jan 2022 R'000s	Number of share options awarded during the year R'000s	Number of share options vested during the year R'000s	Number of share options lapsed during the year R'000s	Strike price per award	Grant date	Closing balance as at 31 Dec 2022 R'000s
Chris Vorster	7 986	-	(1 997)	-	1.23	3-Apr-20	5 989
	4 300	-	(1 075)	-	1.21	1-Jul-20	3 225
	-	1 221	-	-	3.64	3-Apr-22	1 221
	-	1 452	-	-	3.64	1-Jul-22	1 452
	12 286	2 673	(3 072)	-			11 887
Samara Totaram	432	-	(432)	-	2.96	3-Oct-17	-
	869	-	(289)	-	3.63	3-Apr-19	580
	2 204	-	(551)	-	1.23	3-Apr-20	1 653
	1 187	-	(297)	-	1.21	1-Jul-20	890
	928	-	-	-	2.62	3-Apr-21	928
	-	976	-	-	3.64	3-Apr-22	976
	5 620	976	(1 569)	-			5 027
Divya Singh	440	-	(440)	-	2.96	3-Oct-17	-
	1 399	-	(467)	-	3.63	3-Apr-19	932
	1 268	-	(317)	-	1.23	3-Apr-20	951
	683	-	(171)	-	1.21	1-Jul-20	512
	845	-	-	-	2.62	3-Apr-21	845
	-	1 105	-	-	3.64	3-Apr-22	1 105
	4 635	1 105	(1 395)	-			4 345
Johan Human	776	-	(776)	-	2.96	3-Oct-17	-
	1 136	-	(284)	-	1.23	3-Apr-20	852
	612	-	(153)	-	1.21	1-Jul-20	459
	1 064	-	-	-	2.62	3-Apr-21	1 064
	-	904	-	-	3.64	3-Apr-22	904
	3 588	904	(1 213)	-			3 279
Chris van der Merwe¹	1 012	-	(1 012)	-	2.96	3-Oct-17	-
	1 935	-	(645)	-	3.63	3-Apr-19	1 290
	2 947	-	(1 657)	-			1 290
Total	29 076	5 658	(8 906)	-			25 828

¹ Chris van der Merwe retired on 31 March 2020. The REMNO approved the retention of Chris van der Merwe's unvested share options, noting no new share options will be awarded going forward

Remuneration and nominations committee's report continued

NON-EXECUTIVE DIRECTORS

The annual fees paid to the non-executive Directors during 2022 and 2021 are as follows:

	2022 Non-executive Director fees R'000	2021 Non-executive Director fees R'000
Vincent Maphai	530	464
Mathukana Mokoka	444	403
Busisiwe Vilakazi	390	355
Tom Brown	360	328
Chris van der Merwe ¹	300	273
Nico de Waal / Dries Mellet ²	300	273
	2 324	2 096

¹ In addition to the non-executive fees, Chris van der Merwe received R0.5 million (2021: R2 million) in respect to a restraint of trade which ended on 31 March 2022. In addition, Chris van der Merwe received a gain on exercise of LTIs of R1.6 million in 2022 (2021: R0.1 million)

² Nico de Waal's non-executive Director's remuneration is paid to PSG Corporate Services Proprietary Limited of which he is a salaried employee. Dries Mellet is an alternate Director for Nico de Waal and does not receive non-executive Director fees in his own right

STATEMENT BY THE BOARD REGARDING COMPLIANCE WITH THE REMUNERATION POLICY

The REMNO reports to the Board annually on remuneration practices across the Group, including salary levels and trends, bonus and long-term incentive participation. The Board endorses the REMNO's position that the Group's remuneration policy appropriately takes into account the remuneration and employment conditions of staff across the Group as well as relevant external factors. It is the view of the Board that this policy as detailed herein, continues to drive business performance and value creation for all stakeholders, whilst appropriately attracting and retaining high quality staff.



07

General information

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A snapshot of our shareholder spread and breadth, our Corporate information and a glossary of terms and abbreviations used within the Report



Shareholder Analysis

The shareholding of Directors in the issued share capital of the Company as at 31 December was as follows:

Range of shareholding 2022	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	22 262	88.9	24 960	2.9
10 001 – 100 000	2 290	9.2	65 707	7.7
100 001 – 1 000 000	394	1.6	110 039	13.0
More than 1 000 000	85	0.3	649 821	76.4
	25 031	100.0	850 527	100.0

Range of shareholding 2021	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	11 382	84.0	19 083	2.3
10 001 – 100 000	1 840	13.5	55 196	6.5
100 001 – 1 000 000	283	2.1	76 385	9.0
More than 1 000 000	51	0.4	697 529	82.2
	13 556	100.0	848 193	100.0

Shareholder spread

To the best knowledge of the Directors and after reasonable enquiry, the spread of shareholders as at 31 December 2022 were as follows:

Public and non-public shareholding 2022	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
PSG Alpha Investments Proprietary Limited	1	0.0	145 868	17.2
Brimstone Investment Corporation Limited	1	0.0	43 565	5.0
B-BBEE Private Placement	1	0.0	33 780	4.0
Stadio Group Incentive Trust	1	0.0	235	0.0
STADIO Khulisa Student Share Scheme (consisting of 2 077 graduates)	1	0.0	647	0.1
Directors (including prescribed officers and subsidiary Directors)	12	0.0	32 289	3.8
Non-public shareholding	17	0.1	256 384	30.1
Public shareholding	25 014	99.9	594 143	69.9
Total of all shareholders	25 031	100.0	850 527	100.0

Public and non-public shareholding 2021	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
PSG Alpha Investments Proprietary Limited	1	0.0	363 637	42.9
Brimstone Investment Corporation Limited	1	0.0	43 565	5.1
B-BBEE Private Placement*	1	0.0	33 780	4.0
Directors (including prescribed officers and subsidiary Directors)	10	0.1	21 643	2.5
Directors from other related parties	5	0.0	5 793	0.7
Non-public shareholding	18	0.1	468 418	55.2
Public shareholding	13 538	99.9	379 775	44.8
Total of all shareholders	13 556	99.9	848 193	100.0

* Re-presented to show the B-BBEE Private Placement as a non-public shareholding. The B-BBEE Private Placement consists of 483 individual shareholders, of which four are directors of the Company and shown as such.

Shareholder Analysis continued

Major shareholders

According to the information available to the Company, the following beneficial shareholders are directly or indirectly interested in 5% or more of the Group's share capital.

	Shares held 2022		Shares held 2021	
	Number '000	%	Number '000	%
PSG Alpha Investments Proprietary Limited	145 868	17.2	363 637	42.9
Coronation Fund Managers Limited	136 620	16.1	67 407	7.9
Brimstone Investment Corporation Limited	43 565	5.1	43 565	5.1
JF Mouton Familie Trust	43 438	5.1	618	0.1

Share information

	2022	2021
Closing price at period end (cents)	491	375
JSE market price high (cents)	500	400
JSE market price low (cents)	299	179
Total number of transactions on JSE	41 103	13 569
Total number of shares traded	186 147 126	100 468 783
Total value of shares traded (Rand)	711 890 108	287 684 701
Average price per share (cents)	382	286
Shares in issue	850 526 727	848 192 709
Percentage volume traded to shares in issue	22%	12%

Corporate information

Country of incorporation and domicile

South Africa

Nature of business and principal activities

STADIO Holdings has been established to service the needs of the higher education market in South Africa with a vision to empower the nation by widening access to higher education.

Directors

Executive

Chris Vorster
Samara Totaram
Divya Singh

Non-Executive

Chris van der Merwe
Nico de Waal (Dries Mellet – alternate director)

Independent Non-Executive

Vincent Maphai
Mathukana Mokoka
Busisiwe Vilakazi
Tom Brown

Company Secretary

STADIO Corporate Services Proprietary Limited

Registered office and business address

Office 101, The Village Square
Cnr of Oxford and Queen Streets
Durbanville, South Africa, 7550
(PO Box 2161, Durbanville, South Africa, 7551)

Bankers

Standard Bank of South Africa Limited
First National Bank Limited
Nedbank Limited
ABSA Bank Limited
Bank Windhoek Limited
Standard Bank Namibia Limited

Auditor

PricewaterhouseCoopers Incorporated

Corporate advisor and independent sponsor

PSG Capital Proprietary Limited
1st Floor, Ou Kollege Building
35 Kerk Street, Stellenbosch
South Africa, 7600
(PO Box 7403, Stellenbosch, South Africa, 7599) and at
Suite 1105, 11th floor Sandton Eye Building, 126 West Street, Sandton,
South Africa, 2196
(PO Box 650957, Benmore, South Africa, 2010)

Company registration number

2016/371398/06

Level of assurance

The Summary Financial Statements, and the Annual Financial Statements from which they are derived, have been audited in compliance with the applicable requirements of the Companies Act of South Africa.

Preparer

The Summary Financial Statements, were compiled under the supervision of Samara Totaram CA(SA), CFA

Website

www.stadio.co.za

Glossary of terms

The words in the first column shall have the corresponding meanings stated opposite them in the second column:

Accreditation	A quality assurance process under which qualifications and institutions are evaluated by an external body (CHE and DHET) to determine if applicable standards are met. If standards are met, accredited status is granted by the agency.	EBIT	Earnings Before Interest and Taxation
AFS	Annual Financial Statements	EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
AFDA	The South African School of Motion Picture Medium and Live Performance Proprietary Limited	ECD	Early Childhood Development
AGM	Annual General Meeting	Ekosto	Ekosto 1067 Proprietary Limited, a private company incorporated under the laws of South Africa, 100% of the issued share capital of which is held by Intraframe
AMBA	Association of MBAs	Embury	STADIO Proprietary Limited (formerly Embury Institute for Higher Education Proprietary Limited), a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH
ARC	Audit and Risk Committee, a sub-committee of the Board	EPS	Earnings per Share
Articulation	Articulation is both a formal system and a process. As a formal system, articulation policy ensures that qualifications offered at different institutions match, to the extent that standardisation allows, for transfer of credits. As a process, articulation involves formal and informal agreements between education providers in the context of formal policy	ERP	Enterprise resource planning is an integrated management of main business processes mediated by software and technology, namely Unit4 Business World
Asynchronous learning	Learning that allows students to access materials, ask questions, and practice their skills at any time that works for them	EXCO or EC	Executive Committee, an operating committee
BA	Bachelor of Arts	FET	Further Education and Training
B-BBEE	Broad-Based Black Economic Empowerment	FT	Full-time
BCom	Bachelor of Commerce	GTER	Gross Tertiary Enrolment Rate – defined as total student enrolments divided by the school leaver age-cohort in the national population
BEd	Bachelor of Education	HC	Higher Certificate
BHAG	Big Hairy Audacious Goal – a long-term goal that changes the very nature of a business' existence	HEI	Higher Education Institution
Black	Black people as defined in the B-BBEE Act	HEPS	Headline Earnings per Share
Board or B	Board of Directors of STADIO	Histodox	Histodox Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS
Brimstone	Brimstone Investment Corporation Limited, the Group's B-BBEE partner	IAR	Integrated Annual Report
Business Transfer	The amalgamation of the underlying assets and liabilities of Embury, LISOF, Prestige Academy and SBS into a single registered higher education institution, STADIO	IASB	International Accounting Standards Board
CANVAS	STADIO Higher Education's virtual learning environment	ICT	Information, Communication and Technology
CAGR	Compound Annual Growth Rate	IFRIC	International Financial Reporting Interpretations Committee
CAO	Chief Academic Officer	IFRS	International Financial Reporting Standards
CA Connect	CA Connect Professional Training Institution CPT Proprietary Limited, the underlying business of which was purchased by Milpark in 2018	IIRC	International IR Framework
CEO	Chief Executive Officer	Intraframe	Intraframe Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS
CFO	Chief Financial Officer	Investco or IC	Investment Committee, an operating committee
CGU	Cash Generating Unit	JSE	JSE Limited
CHE	The South African Council on Higher Education	King IV™	King IV Report on Corporate Governance™ for South Africa, 2016
CHEPS	Core Headline Earnings per share	Lisof	Lisof Proprietary Limited is a private company incorporated under the laws of South Africa, 100% of the issued share capital is held by SIH. Lisof's associated property companies, Wadam and Histodox, are wholly owned by SCS.
CL	Contact learning, i.e. on-campus learning mode of delivery	Listing date	STADIO listed on the main board of the JSE on 3 October 2017
Companies Act	The Companies Act, No. 71 of 2008, as amended	MBA	Master of Business Administration
Core Headline Earnings	Headline earnings are adjusted for certain items that, in the Board's view, may distort the financial results from year-to-year, giving shareholders a more consistent reflection of the underlying financial performance of the Group	MBS Education	Milpark Education Investments Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by Milpark SPV
CRM	Customer relationship management software that administers the enrolment process for new students	Milpark or Milpark Education	Milpark Education Proprietary Limited, a private company incorporated under the laws of South Africa, of which 81.3% of the issued share capital is held by MBS Education and 18.7% of issued share capital is held by the former CA Connect shareholders
CSR	Corporate Social Responsibility	Milpark SPV	Milpark Investments SPV Proprietary Limited, a private company incorporated under the laws of South Africa, of which 74.9% of issued share capital is held by SIH and 25.1% of issued share capital is held by Newshelf 1409 Proprietary Limited, which is a special purpose vehicle held by SIH (49%) and Brimstone (51%)
Curro	Curro Holdings Limited	MOI or memorandum of incorporation	The memorandum of incorporation of STADIO Holdings, as approved by Shareholders on 4 June 2018
DHET	The South African Department of Higher Education and Training		
Directors	Members of the Board		
DL	Distance learning		
Drop-out	A student decides to discontinue his or her studies prior to completing the programme on which the student was registered		

Glossary of terms continued

NDP	National Development Plan
NQA	Namibia Qualifications Authority
NQF	The South African National Qualifications Framework
NRF	National Research Foundation
OECD	Organisation for Economic Co-operation and Development
PGDA	Postgraduate Diploma in Accounting
PLS	Pre-Listing Statement
Prestige Academy	Prestige Academy Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH.
PSET	Post-School Education and Training
PSG	PSG Group Proprietary Limited
PT	Part-time
PwC	PricewaterhouseCoopers Inc.
QA	Quality Assurance
REMNO or RNC	Remuneration and Nominations Committee, a sub-committee of the Board
SADAG	The South African Depression and Anxiety Group
SAICA	The South African Institute of Chartered Accountants
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SBS	Southern Business School Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH
SBS Group	Collectively SBS and SBS's interest in SBS Namibia
SCS	Stadio Corporate Services Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH
SIH	Stadio Investment Holdings Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by STADIO
Shareholders	Investors holding ordinary shares in STADIO Holdings Limited
SIMS	Student information system is a student management system to manage student data
STADIO	STADIO Proprietary Limited, a single registered higher education institutions.
STADIO Group or the Group, or the Company	STADIO Holdings Limited and its underlying subsidiaries
STADIO Namibia	STADIO Namibia Proprietary Limited (formerly Southern Business School of Namibia Proprietary Limited), a private company incorporated under the laws of Namibia, of which 100% of the issued share capital is held by SBS
Success rate	Number of students who graduate/successfully complete their course
Stop-out	A student decides to temporarily discontinue his or her studies for a certain period of time with the aim of returning to formal studies at a later stage when it is more convenient
Synchronous learning	Learning that requires students to attend scheduled lectures, whether on-campus or through live online classes
TCFD	Task Force on Climate-related Financial Disclosures
Throughput rate	The percentage of students from the same cohort who successfully complete their studies
TSEC or TSE	Transformation, Social and Ethics Committee, a sub-committee of the Board
UN	United Nations
UNISA	University of South Africa
USA	United States of America
Wadam	Wadam Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS

STADIO
— HOLDINGS —