

# Annual Integrated Report

Consistent performance  
delivery and a growing  
presence across Africa

2023



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## REPORT NAVIGATION

To illustrate connectivity throughout this report, we make use of various icons as depicted below. Our stakeholders are encouraged to view this report in an interactive PDF format available on our website: [www.advtech.co.za](http://www.advtech.co.za) under the Investor Relations Centre tab. The complete annual financial statements and all supplementary presentations are also available on our website.

## Navigation tools

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## Our key stakeholders

	Students and parents		Employees/independent contractors
	Investors, financiers and shareholders		Regulatory bodies and government
	Recruitment candidates and clients		Alumni
	Community		Media

## Our strategic objectives

	SO1 Academic excellence		SO5 Human capital productivity
	SO2 Growth		SO6 Capital productivity
	SO3 Customer focus		SO7 Excellence through specialisation
	SO4 Educational productivity		

## Environmental, social and governance

E S G

## Material matters

MM 1	Academic excellence
MM 2	Challenging socioeconomic conditions
MM 3	Prudent investment and expansion
MM 4	Customer value proposition
MM 5	An effective human resource strategy
MM 6	Regulatory changes and bureaucratic delays

## ADvTECH's Focus SDGs

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This report is an interactive PDF. It is best viewed in Adobe Acrobat for desktop, mobile or tablet.\*

Click to download or update to the latest Adobe Acrobat Reader

ADOBE ACROBAT READER



\* Functionality may differ according to device and app version.

# About this report

Welcome to our annual integrated report for the year ended 31 December 2023.

## REPORT SCOPE AND BOUNDARY

This annual integrated report is our primary tool for engagement with our financial capital providers to facilitate investment decisions. The report content focuses on relevant material information about ADvTECH and its strategic progress, financial and divisional performance, governance performance and shareholders' information. It also provides valuable information on how the group creates value through its business model for all key stakeholders including investors, customers, employees, regulators and communities. Any material information after year-end and up to 30 April 2024, when the board approved the integrated report, has also been included.

We have changed the reporting structure from the six capitals approach to our divisional performance: schools, tertiary and resourcing. This structure provides the reader with a better understanding of how our business operates.

Our reporting scope and boundary incorporates our three divisions (school, tertiary and resourcing) in South Africa as well as operations in the rest of Africa over which we have control (from page 7). The scope of reporting also extends to an assessment of the group's risks, opportunities and material outcomes, which are impacted by factors such as our internal and external operating environment and external stakeholders.

Our environmental, social and governance (ESG) journey continues to evolve as the ESG reporting landscape evolves globally. As part of our ESG roadmap, we have published a separate sustainability report for the year ended 31 December 2023. While the group's annual integrated report's audience is our financial capital providers, the group's sustainability report's audience is all our key stakeholders.

We refer readers to the group's ESG index that has been compiled in accordance with the JSE Sustainability Disclosure Guidance and Requirements. This index maps our progress against these ESG requirements according to what the group deems material to our business, and it facilitates the group's ESG reporting in compliance with best practice reporting.

## INTEGRATED THINKING

The group's dynamic operating environment is constantly changing and our ability to adapt to change is critical to our success. To achieve this agility and fulfil our purpose of providing academic excellence to enrich people's lives and futures, it is imperative that we apply an integrated thinking approach when developing, shaping and executing our strategy and guiding our business model.

As part of our integrated thinking process, we continually engage with our key stakeholders and consider various factors including our operating environment, risks, opportunities and material matters.

We also consider the six capital resources (pages 9 and 10) used when strategic decisions are made as well as the trade-offs between these capitals. This integrated thinking process ultimately leads to actions that either create, preserve or erode value over the short (one to two years), medium (three to five years) and long-term (more than five years).

## Integrated reporting process

### REPORT CONTENT

ADvTECH's integrated reporting process is a dynamic process that involves various role players from board and executive level through to the operating committees and support services. Our report content is informed by various internal and external factors including reporting frameworks, regulations, codes and standards, stakeholder feedback, material matters (page 15), risks and opportunities (page 17), our operating environment (page 12), and board management reports and minutes.

### + REPORT INTEGRITY

The board is ultimately responsible for the report's integrity. The Audit and Risk Committee (ARCom) and Transformation, Social and Ethics Committee (TSEC) assist the board in the reporting process prior to final sign off. At management level, ADvTECH's robust corporate governance framework includes our combined assurance model (page 3 and page 74), through its three lines of defence.

### + REPORT APPROVAL

Once the board is satisfied with the report's content and integrity it signs off the report (page 3).



## Reporting frameworks, regulations, codes and standards

Our annual integrated report has primarily been prepared in accordance with the International <IR> Framework (January 2021). To guide and inform our decisions during the preparation of this report, we applied the principles and requirements contained within various regulations, codes and standards (tabled below):

	OVERVIEW OF REPORT	REPORTING FRAMEWORKS/LEGISLATION
<b>Annual Integrated Report</b> Primary audience Financial capital providers	Provides material information on how ADvTECH uses its capital resources through its business model to create and preserve enterprise value over time, as well as mitigate value erosion.	<ul style="list-style-type: none"> <li>✓ &lt;IR&gt; Framework (January 2021)</li> <li>✓ South African Companies Act, No. 71 of 2008</li> <li>✓ King IV Report on Corporate Governance for South Africa 2016 (King IV™)</li> <li>✓ JSE Listing Requirements</li> </ul>
<b>Sustainability Report</b> Primary audience All key stakeholders (www)	Provides material information on ADvTECH's ESG impacts, with an emphasis on its social impact through its educational business in its schools and tertiary divisions.	<ul style="list-style-type: none"> <li>✓ King IV Report on Corporate Governance for South Africa 2016 (King IV™)</li> <li>✓ JSE Sustainability Report Guidance</li> <li>✓ Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>✓ South African Accounting Standards Board (SASB)</li> </ul>
<b>Annual Financial Statements</b> Primary audience Financial capital providers	Provides the group's audited annual financial statements including the report of the independent auditor, Ernst & Young Inc.	<ul style="list-style-type: none"> <li>✓ International Financial Reporting Standards (IFRS)</li> <li>✓ JSE Listing Requirements</li> <li>✓ King IV Report on Corporate Governance for South Africa 2016 (King IV™)</li> <li>✓ South African Companies Act, No. 71 of 2008</li> </ul>
<b>ESG Index</b> Primary audience Financial capital providers	This document has been compiled in accordance with the JSE Sustainability Disclosure Guidance and Requirements as released in June 2022. This index sets out our progress against these requirements as well as what we deem to be material to our business.	<ul style="list-style-type: none"> <li>✓ JSE Sustainability Disclosure Guidance and Requirements</li> </ul>

## ABOUT THIS REPORT - continued

### Material matters

Our material matters (shown alongside) are those issues that could substantially impact our ability to execute our strategic priorities and create and preserve stakeholder value in the short (one to two years), medium (three to five years) and long-term (more than five years). Over time these material matters are also likely to influence stakeholders' decisions. Depending on our internal and external operating environment as well as ongoing stakeholder engagement, the severity of these matters can increase, decrease or remain unchanged.

ADvTECH applied the double materiality lens in determining its material matters. Double materiality refers to the recognition that there are two dimensions of materiality which companies should consider, namely financial materiality (inward impact) and environmental and social materiality (outward impact).

● **Material matters** PG 15

### Material matters determination process



### Our material matters

		Change in severity year-on-year
MM 1	Academic excellence	Unchanged
MM 2	Challenging socio-economic conditions	Increased
MM 3	Prudent investment and expansion	Unchanged
MM 4	Customer value proposition	Unchanged
MM 5	An effective human resources strategy	Unchanged
MM 6	Regulatory changes and bureaucratic delays	Increased

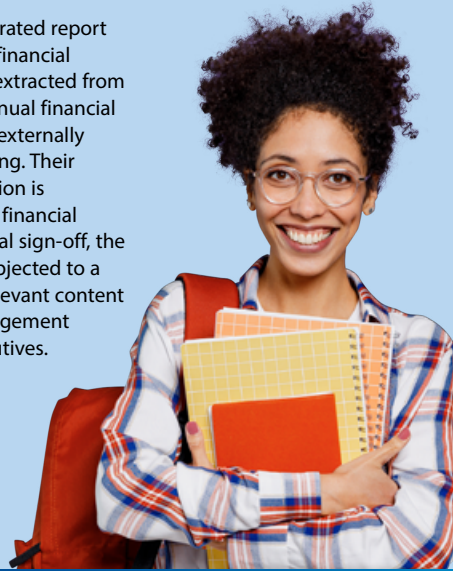
● Our **material matters determination process** is detailed on PG 15.

### Combined assurance model

The board, with the support of the ARCom, ensures the ongoing development and improvement of our combined assurance model to provide effective and efficient assurance services and functions. Using a combined assurance model ensures an effective control environment, supports the integrity of information used for internal decision-making by management, the board and its committees and supports the integrity of the integrated report. It is designed with the goal to effectively cover all our significant risks and material matters through three lines of defence, as shown alongside.



While ADvTECH's integrated report is not audited, certain financial information has been extracted from the group's audited annual financial statements, which are externally audited by Ernst & Young. Their unmodified audit opinion is included in the annual financial statements. Prior to final sign-off, the integrated report is subjected to a thorough review by relevant content providers, senior management and accountable executives.



### Board approval

The board believes that the integrated annual report:

- ✓ was prepared in accordance with the <IR> Framework;
- ✓ presents the material matters impacting the group in a balanced way;
- ✓ fairly presents the group's integrated performance and future prospects; and
- ✓ adequately presents the group's strategy and how it enables the group to sustainably create value in the short-, medium- and long-term.

The ARCom and TSEC assist the board in its review process of the annual integrated report prior to the board approving the report. This report, together with the group's annual financial statements for the year ended 31 December 2023, was approved by the board of directors on 30 April 2024 and signed on its behalf by:

*Geoff Whyte*

**Geoff Whyte**  
Chief Executive Officer

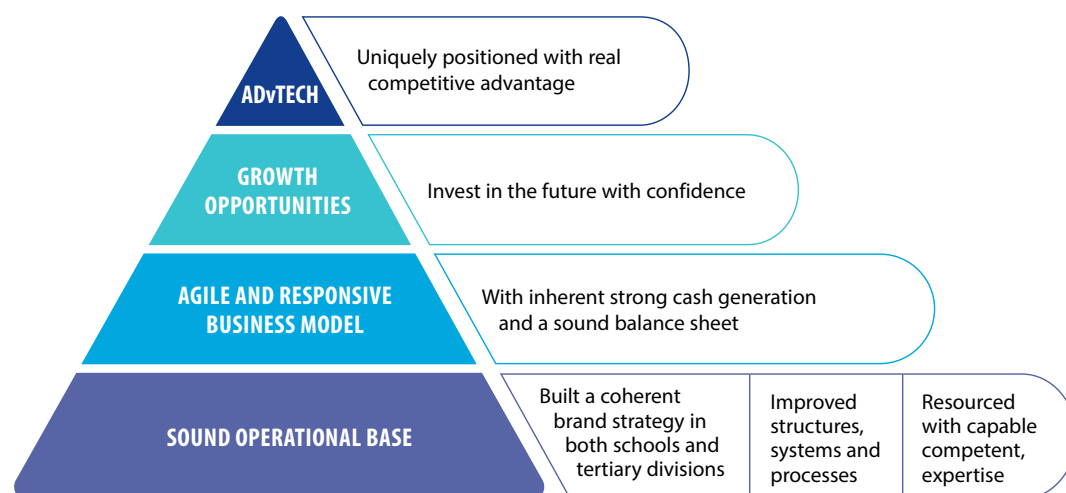
*Chris Bouille*

**Chris Bouille**  
Chairman



# Investment case: Delivering superior shareholder returns

## ADvTECH CONSISTENTLY DELIVERS



The group's consistent performance reflects the quality of our assets, the scale of our operations and the resilience of our business, while the strategic decision to invest in selected markets in Africa is delivering results and has made a meaningful contribution to the group.

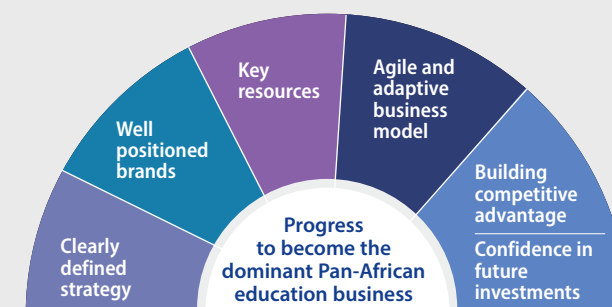
- Our healthy and robust position reflects the strength, flexibility and agility of our business model.
- Strong cash generation and a solid balance sheet are evidence of our sound business model, clear market focus and continued emphasis on effectiveness and efficiency.
- Central to our strategy, and fundamental to our success, is our commitment to academic excellence.
- Unrelenting focus on enhancing our market proposition, driving operational efficiencies and providing value to our students and their parents all contribute to the enrolment growth that we have experienced.

The value of having both schools and tertiary within the group presents a distinct competitive advantage as we benefit from the scale of our operations to deliver meaningful efficiencies and significant cost savings, and can leverage the substantial investment in intellectual property housed in our central academic team. We are focused on developing the most effective teaching and learning practices through the use of applied research, technology and sophisticated systems and processes as a means of clearly differentiating ourselves in our chosen markets.

This gives us confidence in the future and an expectation that we will continue on our growth trajectory.

## Solid base forming for the group's competitive advantage

### Ability to leverage scale



### Continued growth in SA:

- Comprehensive footprint
- Established premium brands
- Growing mid-fee brands

### Good growth opportunities in the rest of Africa:

- Growing demand for quality education
- Have the experience, capability and scale to deliver
- Building track record

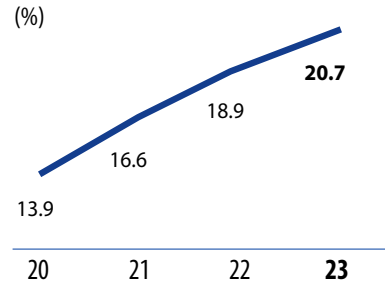
With a portfolio of brands, effective growth and a clear market focus, ADvTECH is now concentrating on building sustainable long-term competitive advantage, with the aim of becoming the dominant Pan-African education business.

## ADvTECH has three great strengths:

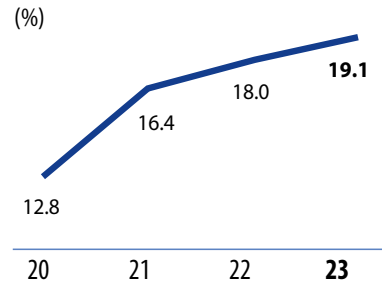
- 01** Uniquely positioned to become the experts in teaching and learning across the continent.
- 02** Ongoing investment in technology, which enhances efficiency and productivity and delivers superior teaching and learning.
- 03** Leveraging our scale to deliver value.

## INVESTMENT CASE: DELIVERING SUPERIOR SHAREHOLDER RETURNS - continued

### RETURN ON FUNDS EMPLOYED



### RETURN ON EQUITY



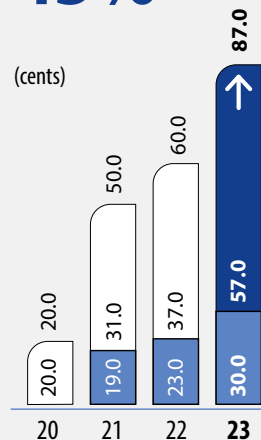
The group's ROE and RoFE have improved significantly in the past five years. The significant investments made by the group over a number of years are contributing meaningfully to earnings and cash generation. ADvTECH is now in a position where we are generating cash in excess of our investment funding requirements and consequently the board has increased the dividend pay-out to shareholders by 45%.

Please read more in the Commercial Director's Report on PG 31.



## ADvTECH DIVIDEND INCREASES BY

# 45%



Final dividend per share

**57.0 cents**

(2022: 37.0 cents)

Full year dividend

**87.0 cents**

(2022: 60 cents)

## ADvTECH SHARE PRICE



ADvTECH's share price has appreciated significantly in the past five years. This upward movement has been supported by increased demand for quality private education as the state system continues to face challenges. The group's share price appreciation is also underpinned by its rest of Africa strategy, which continues to bear fruit and presents an opportunity for ADvTECH to enter other African markets. ADvTECH is strongly cash generative and has a low level of net borrowing, which provides the group with significant capacity to invest in new opportunities.

# Who we are

*Founded in 1978, the ADvTECH group is South Africa's leading private education provider and a continental leader in quality education, training, skills development and placement.*

*We focus on unlocking shareholder value by deploying our six capital resources and executing our strategy.*

## OUR PURPOSE

We aim to build and grow a highly capable organisation in education, training and placement that is widely recognised for passionate commitment and success in enriching people's lives and futures.

We aim to grow a reputation for our ability to make a real difference to the people we serve, for our connectedness and partnerships with African and global market players, for the relevance, quality and usefulness of our offerings, and for the enterprising and agile ways in which we approach our task.

We will achieve this by focusing on our customers and taking a lead from our markets, by our innovative approach, especially in harnessing the power of technology, and by striving for excellence and sustainability in all we do.

## OUR VALUES

The values which matter to us most are:



### Ethics

Through our own ethical conduct, practices and policies we seek to set an example to our learners, students and clients.



### People centredness

Sound education and placement depends on empowered and successful human interaction on a personal level.



### High quality

We aim to create and add quality in everything we do.



### Sustainability

By using resources wisely, and within the means created by our income, we aim to ensure that our organisation continues to serve future generations.



### Caring and responsible leadership

We take special responsibility for the people, especially young people, who are students, clients and employees, by our example and by caring for their safety and needs.



### Respect, diversity and inclusion

Respect all and embrace diversity.

## Established brands from pre-primary through to tertiary

Our brands operate independently while being fully supported by the group. This enables each brand to focus on its offerings and value propositions, such as a unique ethos, products and student learning experience, tailored to the specific target audience, community and market. The range of brands and their niche positioning enable us to provide quality education to specific markets.

### Schools division

<b>9</b>	<b>113</b>	Revenue contribution	
Brands	Schools	<b>41%</b>	<b>R3.2 billion</b>
(2022: 9)	(2022: 110)	(2022: 41%)	(2022: R2.8 billion)



### Tertiary/university division

<b>8</b>	<b>33</b>	Revenue contribution	
Brands	Campuses	<b>38%</b>	<b>R3.0 billion</b>
(2022: 8)	(2022: 32)	(2022: 39%)	(2022: R2.7 billion)



### Resourcing division

<b>6</b>	Revenue contribution	
Brands	<b>21%</b>	<b>R1.7 billion</b>
(2022: 7)	(2022: 20%)	(2022: R1.4 billion)



## BUSINESS ACTIVITIES

- Student enrolment
- Teaching and learning specialists
- Developing academic excellence through ongoing research and development
- Increasing digital-age technology facilities
- Benchmarking our performance, locally and internationally
- Investing in Information Technology (IT) systems (learning analytics student information system (SIS))
- Enhancing technology supported teaching and learning – online, contact and distance
- Focusing on graduate employability

- Focusing on the key niche placement areas of: Finance, Information, Communications and Technology (ICT), Engineering, Supply Chain, Logistics, Freight
- Payroll management and contracting placements

**8 438**

employees  
(2022: 7 906)

**93 728**

students  
(2022: 88 735)

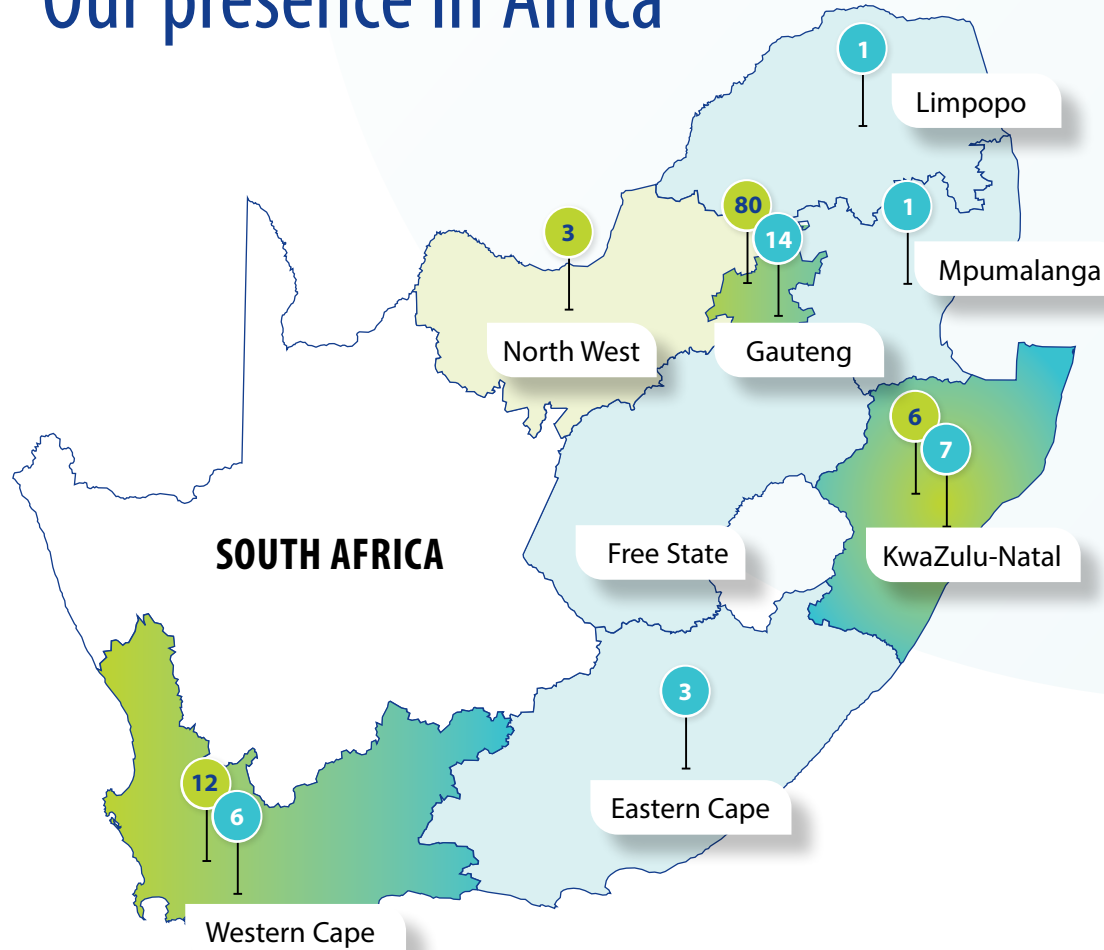
**113**  
schools in South  
Africa, Botswana  
and Kenya  
(2022: 110)

Resourcing in  
**19**  
countries  
across Africa  
(2022: 19)

**33**  
tertiary  
campuses across  
South Africa  
(2022: 32)

**229**  
accredited  
tertiary  
courses  
(2022: 230)

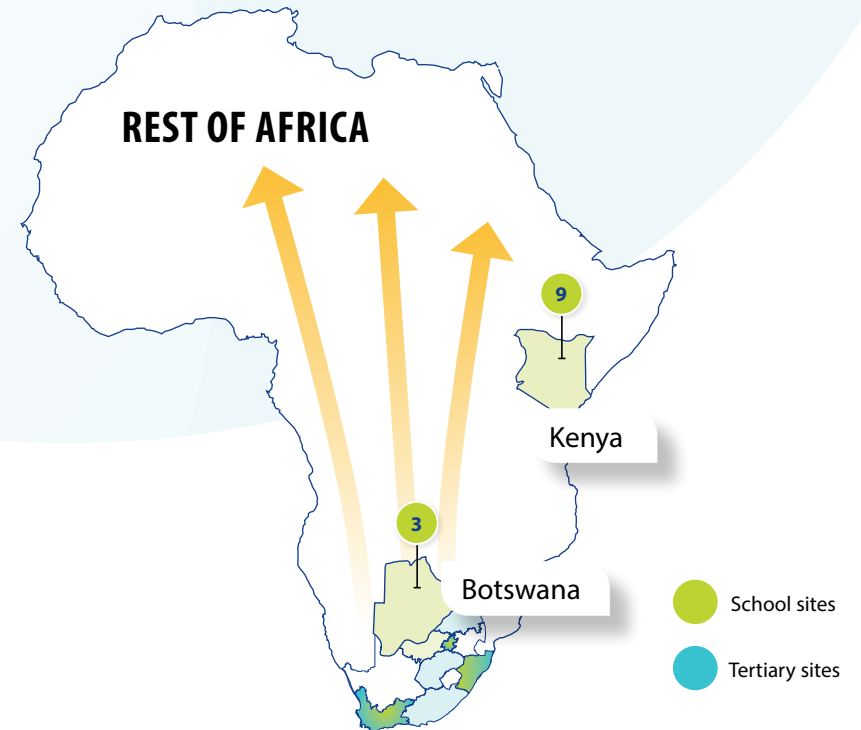
## Our presence in Africa



### CENTRAL ACADEMIC TEAM

Our central academic team enables effective and efficient development and refinement of the group's intellectual capability. They are accountable for quality assurance and ensuring the efficient and effective delivery of the group's academic offerings. The team provides structural and operational support to the school and tertiary divisions.

Refer to PG 43 for further details.







# Chairman's letter

## Dear shareholders

Welcome to our annual integrated report for the year ended 31 December 2023.

As I reflect on the past year, it is clear to me that ADvTECH has continued to make significant strides in the education sector, demonstrating resilience, innovation, and a steadfast commitment to academic excellence and delivering value to our customers. Despite constrained growth in South Africa the Resourcing Division's strategy to expand into the rest of Africa continues to bear fruit.

The macro-economic environment continued to pose challenges as global GDP growth remains sluggish and we experienced escalating interest rates and elevated unemployment levels in South Africa, all of which persist in exerting financial strain on our customers. Continuing corruption and the challenges faced by state-owned enterprises, notably Eskom and Transnet, in ensuring a reliable electricity supply and the efficient import and export of goods, further impede economic expansion. The projected GDP growth in certain parts of the rest of Africa is more encouraging and ADvTECH looks forward to expanding in these markets in line with our growth strategy into the rest of Africa.

There remains a heightened demand for private education in South Africa and in the rest of Africa, and we were encouraged by the exceptional enrolment figures experienced during the year. This demand, coupled with our value proposition, prudent financial management and strategic investments, has resulted in ADvTECH maintaining a strong financial position as discussed in the chief executive officer's and group commercial director's reports on page 31.

Having considered the group's sound balance sheet, strong cash generation and excellent enrolments for 2024, the board has declared a final dividend of 57.0 cents per share. Together with the interim dividend of 30 cents per share, the full year's dividend is 87 cents per share (2022: 60 cents per share).

Recognising the importance of technology in modern education, ADvTECH continued to make strategic investments in cutting-edge technological solutions, such as ADvLEARN, our unique digital learning platform, across grades 7 to 12 (page 53), that has enhanced the overall learning experience for our students. Following ADvLEARN's success in South Africa, we look forward to rolling out this innovative platform to ADvTECH Schools across the rest of Africa during 2024. Our commitment to staying at the forefront of educational technology positions ADvTECH as a leader in the digital evolution of education.

ADvTECH remains committed to sustainability, not only with regard to the financial sustainability of the group but across all facets of our operations as our ESG journey evolves. As part of our ESG journey, we have published a separate sustainability report ([www.advtech.co.za](http://www.advtech.co.za)) that focuses on specific themes: academic excellence, research, campuses, stakeholder engagement and feedback. Our sustainability report also demonstrates, to all stakeholders, how our activities impact broader society.

While our most significant sustainability impact is from a social perspective through our academic offering, where we incorporate various sustainability elements within our curricula, we continue to take steps to minimise our operational environmental impact, and to promote sustainable practices within

our campuses. Our sustainability initiatives align with our broader mission of preparing students not only for academic success but also for responsible citizenship in a rapidly changing world.

ADvTECH has also intensified efforts to foster inclusivity and diversity within our educational communities. We believe that a diverse and inclusive learning environment enriches the educational experience and prepares our students for the complexities of a globalised society. Our respect, diversity and inclusion programme, which commenced in 2020, continues to gain traction at our schools and we will also be implementing this programme in our early childhood development (ECD) curriculum.

Effective and ethical corporate governance continues to underpin our group. While there were no changes to the board during 2023, there will be changes to our leadership in 2024. Our CEO, Roy Douglas, retired as CEO at the end of February 2024. Roy remained with the group for a suitable period of time after he stepped down from the board to ensure a seamless handover. Roy has successfully led the group in its expansion strategy during his tenure, resulting in ADvTECH becoming the leading private education and recruitment group across the continent. He has refocused the educational division brand portfolios into well-positioned brands with distinct value offerings. This, together with a focus on effectiveness and efficiencies, resulted in a solid competitive advantage, and an agile and adaptive business model. Also noteworthy is his leadership through the COVID-19 pandemic during which the group remained responsive to a dynamic environment, where more than 70 000 students were seamlessly transitioned to an online environment. He leaves ADvTECH in a strong position to continue its growth trajectory. The board thanks Roy for his invaluable contribution during his tenure as CEO of the ADvTECH group and wishes him well in his retirement.

The board was excited to announce the appointment of Geoff Whyte as Group CEO and Executive Director with effect from 1 March 2024. Geoff holds a master's degree in economics from the University of Aberdeen, Scotland, and has more than 30 years' experience across various industries.

He is a commercially focused business leader with executive experience in global organisations including Unilever, PepsiCo, Cadbury Schweppes, SABMiller and Nando's. He has a record of success in a wide variety of geographies including South Africa, the UK, the USA, the Netherlands, the rest of Africa, the Middle East and sub-continental India. He is also an active member of the South African business community. We are confident that Geoff's track record and experience will enable him to build on the group's successes.

I will be stepping down as ADvTECH's chairman at the upcoming annual general meeting on 5 June 2024 and I will be passing the chairmanship baton over to Professor Alex Watson, who joined the group in 2022. During my tenure, I have been inspired by the group's profound impact on the lives of our students and by its visionary leadership, innovation, inclusivity and academic excellence as well as its significant growth and expansion in the rest of Africa. Thanks to my fellow board members for their support and guidance during my chairmanship and I wish Professor Alex Watson all the best in her new leadership role.

I would also like to express my gratitude to our dedicated educators, employees and leadership team for their exceptional efforts through the past year and during my tenure. Their resilience and commitment have been instrumental in navigating challenges and ensuring ADvTECH's continued success. Thank you to all our stakeholders for their continued support and engagement.

ADvTECH remains at the forefront of shaping the future of education. As the group embarks on its next chapter, I am confident that ADvTECH will continue to thrive and leave a lasting impact on the education landscape.

Sincerely,

*Chris Boule*

30 April 2024

# Our business model, value creation and distribution

*In order to achieve its purpose of enriching people's lives and futures through education, training and placement, ADvTECH is reliant on each of the six capitals.*

ADvTECH's value contribution to its stakeholders is evident by the ongoing demand for its services, the quality of its offering, the strength of its business model and the agility of its strategy to adapt to an evolving operating environment. The business is supported by its robust corporate governance and risk management.

## CAPITAL RESOURCES

FINANCIAL CAPITAL <span>FC</span>	INTELLECTUAL CAPITAL <span>IC</span>	SOCIAL AND RELATIONSHIP CAPITAL <span>SC</span>	HUMAN CAPITAL <span>HC</span>	MANUFACTURED AND INFRASTRUCTURE CAPITAL <span>MC</span>	NATURAL CAPITAL <span>NC</span>
<p>We use cash generated by our business activities as well as debt and equity funding to finance business growth. The business model is inherently cash generative, with cash being generated in excess of that required to fund its investment programme. A long-term capital structure for the group has been approved (Group Commercial Director's Report, page 34) and a reduced dividend cover ratio introduced. The group has a negative working capital model with academic fees payable in advance and costs generally payable in arrears.</p> <p><b>READ MORE:</b>  <a href="#">Group Commercial Director's Report</a> Pages 31 to 34  <a href="#">Investment case/Delivering superior shareholder returns</a> Page 4  <a href="#">Tax strategy and contributions per country and tax type</a> Sustainability report Pages 10 to 12</p>	<p>ADvTECH's intellectual capital, particularly through our focus on academic excellence, is what enables the delivery of our strategy. Our central academic team's (CAT) structural and operational support is central to effective and efficient development and the cooperation between different divisions. This supports data driven and research led improvements that differentiate the group. Ongoing curriculum innovation, research and development including digitisation and technology, investment in teacher development and increasing use of benchmarking and learning analytics all contribute to academic excellence. Artificial intelligence (AI) is increasingly used in adaptive learning that can be customised to individual students' actions and progress.</p> <p><b>READ MORE:</b>  <a href="#">Central Academic Team</a> Pages 43 to 45  <a href="#">Academic excellence</a> Pages 50 to 52  <a href="#">Case Study – ADvLEARN</a> Pages 53 to 54  <a href="#">Central Academic Team – Tertiary focus</a> Page 58</p>	<p>ADvTECH has a multi-brand strategy, with differentiation to meet specific market needs, both in terms of price points and modes of delivery. Our reputation for academic excellence and quality service is important to us and every effort is made to enhance it. As part of its core strategy of academic excellence, ADvTECH has developed a Global Citizenship Framework that is intended to embed social and environmental awareness skills through education.</p> <p>As education is a regulated industry, ADvTECH's relationship with the regulators is central to its licence to operate and is carefully monitored.</p> <p><b>READ MORE:</b>  <a href="#">Brands – Schools</a> Pages 46 to 54  <a href="#">Brands – Tertiary</a> Pages 55 to 62  <a href="#">Brands – Resourcing</a> Pages 63 to 64  <a href="#">Global Citizenship Framework</a> Page 49</p>	<p>We are a 'people business' and ADvTECH's employees are our ambassadors who are instrumental in delivering exceptional customer service. We continue to focus on innovative ways to identify key talent, provide performance-driven remuneration and support our employees with the tools and resources needed.</p> <p><b>READ MORE:</b>  <a href="#">Our people</a> Pages 65 to 70</p>	<p>This capital consists of campuses, buildings, infrastructure, technology, business processes and facilities. We invest significant financial capital in these assets to support and expand our brands to deliver on our brand-specific value propositions. Campuses play a crucial role in the overall educational experience and are intended to offer a differentiated customer experience. The investment in technology supports efficiency and productivity enhancement as well as the ability to deliver superior teaching and learning.</p> <p><b>READ MORE:</b>  <a href="#">Capex and acquisitions</a> Page 33</p>	<p>We rely on natural resources such as land, energy and water for our operations. We are mindful that we need to preserve them by mitigating potentially negative environmental impacts through responsible usage. Given the nature of our business, ADvTECH's environmental footprint is not significant. Our emphasis is on practising and teaching environmental stewardship to our employees, students and communities.</p> <p><b>READ MORE:</b></p>

## INPUTS

<ul style="list-style-type: none"> <li>● <b>R1 998 million</b> operating cash flows (2022: R1 714 million)</li> <li>● Strong balance sheet with <b>R2.05 billion</b> (2022: R2.05 billion) in group credit facilities</li> <li>● <b>R381 million</b> (2022: 355 million) cash on hand</li> <li>● Approved capital structure with capacity to increase debt portion</li> <li>● <b>R699 million</b> capex invested in new school and tertiary sites, systems and increasing site capacity (2022: R720 million)</li> <li>● Dividend payouts – <b>87.0</b> cents per share (2022: 60.0 cents) and a reduced dividend cover of 2.0 times introduced</li> </ul>	<ul style="list-style-type: none"> <li>● Central academic team (CAT) – academic and learning expertise, centralised quality assurance, research and scholarship</li> <li>● <b>229</b> accredited tertiary courses (2022: 230) in 7 faculties</li> <li>● <b>71</b> qualifications in the pipeline (2022: 49)</li> <li>● ADvLEARN introduced in South African schools in 2023</li> <li>● Internationally recognised academic accreditations</li> <li>● AI in teaching and learning</li> </ul>	<ul style="list-style-type: none"> <li>● <b>23</b> brands (2022: 24) – 17 education and 6 resourcing divisions</li> <li>● <b>41 010</b> school enrolments (2022: 39 290)</li> <li>● <b>52 718</b> tertiary enrolments (2022: 49 445)</li> <li>● Bursaries and corporate social investment of <b>R229 million</b> (2022: R211 million)</li> <li>● Intensification of focus on respect, diversity and inclusion (RDI) throughout our schools</li> <li>● Proactive stakeholder engagement</li> <li>● Placed <b>24 287</b> graduates as part of the Graduate Empowerment Programme (GEP) since 2013</li> </ul>	<ul style="list-style-type: none"> <li>● <b>8 438</b> employees (2022: 7 906), each with an individual development plan</li> <li>● <b>R24 million</b> invested in employee development (2022: R19 million)</li> <li>● ADvTECH's HR Academy enhances employee performance</li> <li>● Schools capability journey in third year of roll-out</li> <li>● Bursaries and internships available to employees</li> <li>● Skills training and development based on 70/20/10 principle</li> <li>● Experienced board of directors</li> </ul>	<ul style="list-style-type: none"> <li>● <b>113 schools</b> in South Africa, Botswana and Kenya (2022: 110)</li> <li>● <b>33 tertiary campuses</b> across South Africa (2022: 32)</li> <li>● Rosebank College opened a new digitally enabled campus in Mbombela in January 2024</li> <li>● The Bridge Assisted Learning School opened a new school in Morningside, Johannesburg, in January 2024</li> <li>● Pinnacle College Raslouw opened their high school in January 2024</li> <li>● Invested <b>R516 million</b> in IT over 5 years</li> <li>● Digitally enabled campuses</li> <li>● <b>R669 million</b> invested in expansion projects (2022: R720 million)</li> <li>● Additional capacity created for <b>10 900 students</b> (2022: 13 100)</li> </ul>	<ul style="list-style-type: none"> <li>● Managing and optimising electricity and water consumption</li> <li>● Exploring alternative energy and water solutions – solar energy initiative</li> <li>● Developing students' strategic, managerial and technical skills within the water sector</li> <li>● ADvTECH has aligned with the Wildlife and Environment Society of South Africa to include environmental aspects in curricula</li> </ul>
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## CAPITAL CONSTRAINTS, CHALLENGES AND TRADE-OFFS

Within any operating environment, we expect to experience several capital constraints, challenges and trade-offs but aim to manage these in a responsible manner

FINANCIAL CAPITAL <span>FC</span>	INTELLECTUAL CAPITAL <span>IC</span>	SOCIAL AND RELATIONSHIP CAPITAL <span>SC</span>	HUMAN CAPITAL <span>HC</span>	MANUFACTURED AND INFRASTRUCTURE CAPITAL <span>MC</span>	NATURAL CAPITAL <span>NC</span>
The current structure is overweight in equity and underweight in interest bearing debt relative to the board approved capital structure, which will influence future funding decisions. Currently cash generated exceeds that required for its investment programme. In the current subdued economic environment, close attention is paid to trade receivables and credit loss allowances, which have normalised following system related challenges in 2022. (→ Page 32). Employee costs (57% of value added) are carefully monitored and innovatively structured to maximise the ability to motivate and reward performance.	The rapid rate of innovation worldwide requires ongoing research and development of academically sound curricula and processes to attract and retain students and to ensure educators are equipped to lead in, and benefit from, these developments. Increased usage of learning analytics and individualised adaptive learning supports the development of human capital and our social and relationship capital. This will remain an ongoing area of expenditure and time commitment.	Increasing vulnerability to negative social media coverage around current issues such as carbon emissions, human rights, diversity and inclusion. Well publicised deregistration of competitor private education institutions has highlighted the need to differentiate our offerings in the market and to continue to work constructively with regulators in all aspects, including our commitment to the key strategic imperative for achieving university status for the tertiary division.	ADvTECH invests significant financial capital in its employees to attract, develop and retain top talent. The global working environment is competitive, and technology has enabled people to work from anywhere, anytime. The younger generations are also very conscious of a company's social and environmental impact when joining the workforce. Attracting and retaining skilled employees is becoming increasingly challenging in this global working environment. Our ability to identify high quality education students in our tertiary division, and the developmental and practical support provided to our educators, enables us to continue to attract and retain quality staff.	Investing in manufactured and infrastructure development is costly and supply chains have been disrupted by ongoing geopolitical issues. The group is currently not constrained by funding when considering investment decisions. The proposed project's internal rate of return is the primary evaluation tool, but other evaluation measures and management capacity are also taken into consideration when making capital investment decisions. Increasing capacity on existing sites is more cost efficient – currently 83% of existing building capacity is utilised, which is 68% of the ultimate capacity of the existing sites.	Natural resources, including energy and water, remain scarce and costly where we operate. Ongoing loadshedding remains a challenge. The need for alternative energy sources is imperative, but requires significant financial capital investment, but will reduce the reliance on generator capacity, which is expensive and bad for the environment.

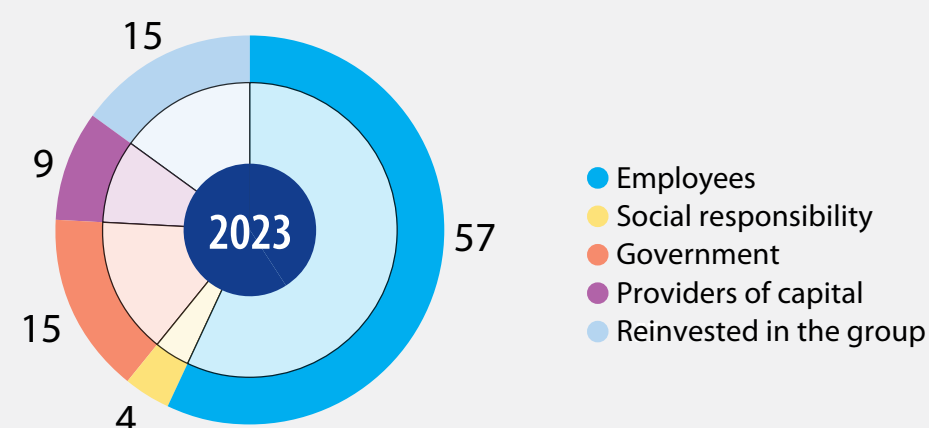
+ Capital enhanced - Capital depleted

## VALUE DISTRIBUTION

The group generated total economic value of R6.5 billion (2022: R5.7 billion), which has been distributed to its stakeholders as depicted to the right. This does not, however, accurately reflect the indirect economic contribution of the group, which is a multiple of this amount. At an individual level, ADvTECH enhances the employability of its graduating students and successful job candidates, who enjoy economic benefit. Management's responsibility is to ensure that ADvTECH continues to serve many future generations of students and job seekers, and to build strong reputable brands, while ensuring that we operate within our means. Strategically, this entails careful planning and the appropriate and responsible use of our six capital resources.

Continuous growth and regeneration of resources is an important component and requires constant reinvestment in the group's future. In 2023 15% (2022: 15%) of value created was reinvested in the group's future enterprise value.

Economic value distribution (%)



## BUSINESS ACTIVITIES

Our business activities ensure that we execute our strategy in an efficient manner to deliver on our customer value proposition

### SCHOOLS AND TERTIARY

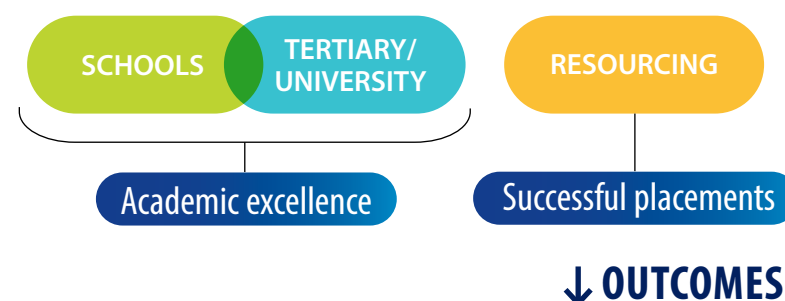
- Student acquisition
- Teaching and learning specialists
- Developing academic excellence through ongoing research and development
- Increasing digital new age technology facilities
- Benchmarking our performance, locally and internationally
- Investing in Information Technology (IT) systems (learning analytics student information system (SIS))
- Enhancing technology supported teaching and learning – online, contact and distance
- Focusing on graduate employability

### RESOURCING

Focusing on the key niche placement areas of: Finance, Information, Communications and Technology (ICT), Engineering, Supply Chain, Logistics and Freight.

## OUTPUTS

Our outputs culminate in achieving our purpose of building and growing a capable business in education, training and placement to enrich the lives of our employees, students and clients





















## BUSINESS MODEL, VALUE CREATION AND DISTRIBUTION - continued

### OUTCOMES CREATED THROUGH SUSTAINABLE DEVELOPMENT

The group's continuing commitment to provide services that have social and economic benefits helps to address the rest of Africa's education crisis and skills shortage, and enables ADvTECH to develop the rest of Africa's human capital. ADvTECH group's key stakeholders are an integral part of our success story. The group's sustainability is further supported by the strength of its financial capital resources, that provide the capacity to deal with risks and opportunities as they arise. It is therefore imperative that we continue to implement carefully considered and responsible decisions that will have a positive impact well into the future.

By delivering educational solutions to the communities we serve, ADvTECH makes a positive contribution economically, socially and environmentally. Forming solid partnerships within communities is important for a robust and harmonious society. The table below demonstrates how the group strives to meet and enhance stakeholder expectations and outcomes as well as how these outcomes impact on our capital resources regarding value creation, preservation and erosion:

**OUTCOMES** *Through our business model's inputs, business activities and outputs we strive to create stakeholder value and aim to enhance future outcomes, while being considerate of the impact on our capital resources.*

Stakeholders	Value proposition	Stakeholder value expectation outcomes		How we aim to enhance outcomes	Impact on capital resources	Link to ADvTECH's focus SDGs
 <b>Investors, financiers and shareholders</b>	We aim to provide value by looking for growth opportunities (organic and inorganic) in South Africa and the rest of Africa, as well as investing in the group's sustainable future with confidence through our agile and responsive business model and strategy	<ul style="list-style-type: none"> <li>Dividends distributed to shareholders – <b>87 cents</b> (2022: 60 cents)</li> <li>Improving returns on funds employed – <b>20.7%</b> (2022: 18.9%)</li> <li>Group revenue increased <b>13%</b> (2022: 18%)</li> <li>Access to credit facilities of <b>R2 065 million</b></li> </ul>	<ul style="list-style-type: none"> <li>Sharp focus on business efficiency, delivering consistent profit and operating margin improvement</li> <li>Consistent earnings growth demonstrates the successful execution of our strategy</li> </ul>	Investigating future growth opportunities, particularly in the rest of Africa, maintaining dividend distributions and positive engagements with our providers of financial capital	FC VP SC VC	 <b>SDG 8</b>
 <b>Students and parents</b>	We strive to provide quality education at affordable pricing	<ul style="list-style-type: none"> <li>CAT experts who conduct academic research and curricula development</li> <li>Comprehensive brand portfolio</li> <li>Excellent academic results achieved groupwide</li> <li>Digitally enabled campuses</li> <li>Various modes of education delivery – online, contact and distance</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing teacher training and development</li> <li>Integrated technology in teaching and learning</li> <li>Student information system in place</li> <li>Various fee structures</li> <li>Attracting and retaining high-calibre staff</li> <li>Skilled teaching and learning</li> <li>Safe and conducive environment</li> </ul>	Ongoing curricular research and development, maintaining world-class sites and campuses. Protecting our brands' reputations and researching innovative technology and systems. Providing fair and competitive employee remuneration	FC VP VE SC VC IC VC MC VC	 <b>SDG 4, 5, 8 and 11</b>
 <b>Alumni</b>	We continue to nurture positive relationships with our alumni and strive to provide opportunities for employment in the workplace	<ul style="list-style-type: none"> <li>Networking opportunities for alumni</li> <li>Using social media for ongoing engagement with alumni</li> <li>Successful Graduate Employment Programme</li> </ul>		Maintaining positive engagements with our alumni and providing networking opportunities	SC VC	 <b>SDG 8</b>
 <b>Recruitment candidates and clients</b>	We aim to use innovative technology and engagement to place candidates that enhance the client's productivity	<ul style="list-style-type: none"> <li>Number of job candidates placed</li> <li>Increased market share in a tough economic environment</li> <li>Growing market share in the skilled contractor market</li> </ul>		Ongoing engagement with candidates to provide job opportunities	SC VP	 <b>SDG 8</b>
 <b>Community</b>	We continue to proactively engage with the communities where we operate to ensure we maintain our social licence to operate	<ul style="list-style-type: none"> <li><b>766</b> (2022: 944) CSI projects supported</li> <li><b>R229 million</b> in bursaries (2022: R211 million)</li> <li><b>63</b> internships offered</li> <li>Approximately <b>15 551</b> (2022: 15 583) students assisted with bursaries</li> </ul>		Ongoing engagement to identify communities' needs and expectations and, where possible, providing employment or procurement opportunities	FC VE SC VC	 <b>SDG 4, 8 and 11</b>
 <b>Media</b>	We aim to retain a positive relationship with the media as it is instrumental in communicating to our stakeholders through various platforms	<ul style="list-style-type: none"> <li>Regular press releases provided to the media on all newsworthy events within the group</li> </ul>		Ongoing proactive engagement with the media to ensure the group's reputation remains stable	SC VP	 <b>SDG 4</b>
 <b>Regulatory bodies and government</b>	We continue to nurture positive relationships with relevant regulatory bodies and government to ensure we maintain our licence to operate in a compliant manner	<ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Representation and participation with relevant government working committees</li> <li>Providing feedback to regulatory bodies regarding proposed legislation, to shape the education landscape</li> <li>Maintain local and international accreditations</li> </ul>		Ongoing proactive engagement with regulatory bodies and government to ensure we maintain our licence to operate and assist with new regulatory developments in the education sector. Specific engagement with the Department of Higher Education and Training (DHET) to allow deserving private tertiary institutions to be awarded university status, and to achieve educational equity within the South African context	SC VP	 <b>SDG 4</b>
 <b>Employees</b>	We strive to attract and retain high-calibre employees in this competitive working environment where skills are scarce	<ul style="list-style-type: none"> <li>Career progression opportunities</li> <li>Investment in training and development</li> <li>Fair, transparent and competitive remuneration</li> <li>Rewarding top performers through short- and long-term remuneration incentives</li> </ul>	<ul style="list-style-type: none"> <li>Recognition of equal pay for work of equal value groupwide</li> <li>Focus on a safe and healthy working environment groupwide</li> <li>80% employee engagement score groupwide</li> </ul>	People are at the heart of our strategy and we prioritise individual development to support career growth for personal and organisational success. We achieve this through robust career frameworks, access to education, recognition and reward and targeted wellness programmes to drive ongoing and sustained employee engagement	FC VE HC VC SC VP	 <b>SDG 4, 5 and 8</b>



# Operating environment

*The group's strong and resilient position is a testament to the quality of our assets, highlighting the robustness, flexibility and agility of our business model. As leaders in the education industry, our strategy is centred on a commitment to academic excellence, which is integral to our success. Our unwavering focus remains on delivering significant value to our customers.*

We continue to differentiate ourselves in the market. Our competitive advantage of delivering value is enhanced through our drive to be the leading experts in teaching and learning across the African continent. We can leverage and embed technology to improve teaching and learning outcomes and take advantage of our scale to continually improve efficiencies and affordability, as well as deliver stakeholder value.

Our sharpened focus on operational effectiveness and efficiencies continues to yield positive results, both financially and operationally. The economy, social and political setting, and the regulatory environment all impact our operating environment. These elements, combined with ADvTECH's response, are explored in this section, along with what we anticipate for the foreseeable future.

The demand for quality education in South Africa is ongoing and a crucial and dynamic aspect of the country's socioeconomic landscape. At ADvTECH, we continue to strengthen our offering to deliver value in the provisioning of quality education. This, combined with the clear market positions of our brands in both the schools and tertiary divisions, has enabled us to record good enrolment growth over the last ten years.

Our tailored approach to education and investments in state-of-the-art campuses, systems and up-to-date teaching and learning methodologies, as well as investing in academic employees, positions us well to adapt to the dynamic economic conditions.

## SOUTH AFRICA Economic environment

The subdued economy, characterised by rising interest rates, inflation and high unemployment levels and coupled with low GDP growth, continues to place financial pressure on our customers. Unchecked corruption and struggling state-owned enterprises, notably Transnet and Eskom with its inability to provide a stable electricity supply, continue to further stifle economic growth.

The demand for quality basic and higher education is high. It becomes even more pronounced during tough economic times, particularly in a competitive job market that demands quality candidates within key industries.

IMF GDP forecast 2024

**1.8%**

SARB GDP forecast for 2024 and 2025 is expected to be at

**1.2%**

and 1.3% respectively

The South African National Treasury expects GDP growth to average around

**1.4%** between 2024 and 2026

CPI for January 2024

**5.3%**

## Factors affecting the demand for quality education

### National average matric pass rate

By 2022, out of 100 students from the Grade 12 class of 2011:

**57** reached matric  
**47** passed matric  
**23** obtained bachelor passes

### University subsidiaries

Education budget as a % of the national budget is decreasing

2023/24 2024/25:  
**19.8%** **19.7%**  
2025/26  
**19.6%**

Source: CRA (<https://cra-sa.com>)



### Quality of teaching

#### Basic education – literacy rates

According to the 2019 Trends in International Mathematics and Science Study (TIMSS) South Africa ranked 3rd last out of 64 countries for maths and science.

#### Completion rates within the minimum time

2019 intake	Public	The IIE
ICT	<b>17%</b>	<b>40%</b>
Commerce	<b>19%</b>	<b>34%</b>
Education	<b>16%</b>	<b>53%</b>
Humanities	<b>19%</b>	<b>44%</b>
Law	<b>16%</b>	<b>27%</b>

### Public vs private institutions

Private institutions are growing at a faster rate than their public counterparts

#### Schools from 2000 – 2023

**9.1%** ▲

Public schools: student enrolments

**188%** ▲

Independent schools: student enrolments

#### Higher education institutions (HEIs)<sup>1</sup> from 2012 – 2021

**12%** ▲

Public schools: student enrolments

**139%** ▲

Private institutions: student enrolments

<sup>1</sup> Source: DHET

## OPERATING ENVIRONMENT - continued

### Socioeconomic/political environment

South Africa continues to grapple with the challenges of a declining public education system, marked by compromises in the quality of education provided. Considering these issues, the significance of quality private education has surged. Private education offers distinct advantages, including well-equipped school facilities, continual teacher development and training programmes, and favourable teacher-to-student ratios. Parents opt for private education to provide their children with the best opportunities to realise their full potential.

The private school sector has proactively addressed the socioeconomic challenges by contributing to a substantial increase in the number of private schools over the past decade (page 12). This expansion stands in stark contrast to the decline observed in both the number of public schools and student enrolments during the same period (page 12). The private education sector's responsiveness reflects a growing recognition of the pivotal role it plays in meeting the educational needs of South African students amidst the shortcomings of the public education system.

This surge in private school numbers also reflects a broader societal acknowledgment that investment in education is pivotal for individual success and national development. The commitment to providing superior facilities, ongoing

professional development for educators, and maintaining favourable teacher-to-student ratios underscores the dedication of private institutions to delivering a high standard of education. As private education continues to thrive, it not only addresses immediate educational needs but also contributes to shaping a more robust and competitive future workforce. The contrasting trajectories of public and private education in the past decade underscore the urgency of addressing the challenges within the public system while recognising and supporting the pivotal role played by the private sector in ensuring access to quality education in South Africa.

Private higher education institutions, specifically the Independent Institute of Education (IIE), have proven that quality education and an ethos of academic excellence remain the core of our academic delivery. According to the South African Private Higher Education (SAPHE) organisation, Private Higher Education Institutions (PHEIs) play a growing role in research.

As such, the private higher education sector has witnessed remarkable growth over the past few years. Between 2010 and 2021, private higher education institutions saw a remarkable 156.6% surge in student enrolment. Smaller class sizes, experienced faculty and innovative teaching methodologies create a unique learning experience that facilitates better communication between student and

lecturer. The approach allows students to interact more closely with lecturers, fostering deeper understanding and facilitating active engagement in their studies.

Targeted partnerships with potential employers also provide an opportunity for students, especially those who enrol in less traditional programmes, such as those that focus on the creative arts and other non-traditional programmes. The rigorous investment in cutting edge technology within private institutions, especially with the advent of generative AI ensures that these institutions prepare their students for the ever-changing world of work, requiring tech-savvy corporate citizens who understand that they work in the here and now but constantly need to have the future in mind to provide quality education comprising specialised programmes, industry integration, flexibility and holistic support as they shape develop and shape the leaders of tomorrow.

Similarly, the importance of the private tertiary sector cannot be overstated. Well-known public sector constraints continue to impact on the ability of all qualifying prospective students to access quality educational opportunities after school, and the demand is only expected to increase in decades to come. ADvTECH therefore continues to grow its offering and capacity across higher and tertiary education brands to meet in this demand.

### ADvTECH'S RESPONSE

- ✓ Enhancing our value proposition through quality, efficiency and affordability

### OUTLOOK

We anticipate that the economic challenges in South Africa will persist. Nevertheless, we are confident that through our focus on efficiency, productivity and strategic cost management, the group will continue to deliver value to its customers. Our commitment to financial resilience and the enhancement of our competitive advantage remains steadfast. As leaders in the field of teaching and learning, we consistently invest in essential resources to equip our educators with the requisite skills, thereby enriching the overall learning experience of our students.

## REST OF AFRICA

### Socioeconomic environment

#### Continued strong growth

The International Monetary Fund (IMF) has forecast higher GDP growth rates for sub-Saharan Africa compared to both South Africa and the global average. Over the next three decades, the region's population is expected to double. According to [www.statista.com](http://www.statista.com), within 10 to 15 years more than half of the world's job entrants will come from sub-Saharan Africa.

Furthermore, Africa boasts the youngest population globally, with seventy percent of sub-Saharan Africa's inhabitants being under the age of 30. This significant proportion of young people not only fuels the continent's growth but also underscores the importance of quality private education in meeting Africa's employment and resourcing demands.

### PRIVATE EDUCATION IS ONE OF THE FASTEST GROWING SECTORS IN AFRICA



Population will double to

**2.5 billion by 2050**

**1.3 billion people**

will require quality education



Urbanisation rate will go from

**44.9% in 2023 to 50% in 2030**

Source: [www.statista.com](http://www.statista.com)

### ADvTECH'S RESPONSE IS TO CONTINUE

Within the context of ongoing constraints in the public education sector, the private education sector has a vital role to play in ensuring that this growing population will be able to access quality educational opportunities in decades to come. ADvTECH's response is to continue:

- ✓ Strengthening our competitive advantage by further enhancing our offering to deliver value in the provisioning of quality education
- ✓ Focusing on education methodologies and innovation in the way teaching and learning is carried out within the basic and higher education spaces
- ✓ Sustaining robust growth within the rest of Africa
- ✓ Increasing ADvTECH's resourcing division's footprint across the rest of Africa
- ✓ Focusing on attracting only the best talent across the continent

### OUTLOOK

Africa continues on a growth trajectory and ADvTECH looks forward to expanding in markets within the continent in line with our growth strategy.

## Regulatory environment

We operate in a dynamic regulatory environment in South Africa, Botswana, Kenya and Mauritius.

The applicable legislative and regulatory frameworks in the different countries impact our educational and health and safety environment. ADvTECH and its subsidiaries have various affiliations and memberships to key sector associations/bodies.

### ADvTECH'S RESPONSE

Ongoing monitoring of new legislative and regulatory developments

Continual engagement with regulatory bodies to provide comment on draft regulations, bills and policies



## MATERIAL LEGISLATION, COUNCILS AND INSTITUTIONS IN THE AREAS WHERE WE OPERATE

### The South African context

- Competition Act, consumer and customer protection and national disaster management regulations
- Companies Act
- JSE Listings Requirements
- South African Schools Act (SASA)
- National Qualification Framework (NQF) Act
- Skills Development Act (SDA)
- Continuing Education and Training Act (CET)
- Universities South Africa (USAf) – Matriculation Board – degree exemption requirements
- Consumer Protection Act (CPA)
- Department of Basic Education (DBE)
- Provincial Education Department (PED)
- Department of Higher Education and Training (DHET), Higher Education Act and Regulations for the Registration of Private Higher Education Institution(s) (PHEIs)
- Department of Labour (DOL) – Immigration Act and Regulations
- Protection of Personal Information Act (POPIA)
- South African Qualifications Authority (SAQA)
- Promotion of Access to Information Act (PAIA)
- Legal Practice Act (LPA)
- South African Income Tax
- Occupational Health and Safety Act (OHS)
- Accreditation with Umalusi Council and the Higher Education Quality Committee (HEQC) of the Council on Higher Education (CHE) – General and Further Education and Training
- Quality Assurance Act
- Registration of teachers with the South African Council for Educators (SACE) and South African Council for Education Act (SACE Act)
- Copyright Act
- Basic Conditions of Employment Act (BCEA)
- Labour Relations Act (LRA)
- General and Further Education and Training Quality Assurance Act (GENFETA)
- South African Comprehensive Assessment Institute
- National Greenhouse Gas Emission Reporting Regulations
- Carbon Tax Act

### Botswana

- Ministry of Basic Education
- Ministry of Health and Wellness
- Ministry of Employment, Labour, Productivity and Skills Development
- Botswana Teaching Professionals Council Act
- The Botswana Copyright and Neighbouring Rights Act, 2000
- 2018 National Climate Change Strategy

### Mauritius

- Registrar of Companies
- Financial Services Commission
- Mauritius Revenue Authority

### Kenya

- Kenyan Ministry of Education
- Kiambu County Department of Education
- Kenya National Examinations Council
- Kenya Ministry of Health
- Kiambu County Department of Health
- Teachers Service Commission
- Copyright Act

### Membership bodies

- Associate member of the Independent Schools Association of Southern Africa (ISASA). The latter is a member of the National Alliance of Independent Schools Associations (NAISA)
- Federation of African Professional Staffing Organisations (APSO)
- Institute for Personnel Service Consultants (IPSC)
- Confederation of Associations in the Private Employment Sector (CAPES)
- South African Institute of Chartered Accountants (SAICA)
- Engineering Council of SA (ECSA)
- Public Relations Institute of SA (PRISA)
- Chartered Institute of Management Accountants (CIMA)
- Association of Private Providers of Education, Training and Development (APPETD)
- South African Institute of Occupational Safety and Health (SaioSH)

### International bodies

- British Accreditation Council (BAC)
- Cambridge International Assessment Authority
- International Baccalaureate (IB)

## OUTLOOK

In an ever-changing global environment, change is the only constant and we expect our legislative and regulatory environment to continue evolving. We are optimistic that our ongoing legislative and regulatory engagements will contribute to positively shaping our regulatory landscape.



# Material matters

*Our material matters are those issues that would likely influence the decisions of an investor or stakeholder or have an impact on the group's financial performance, operations or reputation.*

These matters could also substantially impact our ability to execute our strategic priorities, create and/or preserve stakeholder value in the short (one to two years), medium (three to five years) and long term (more than five years).

## KEY FACTORS DETERMINING THE GROUP'S MATERIAL MATTERS

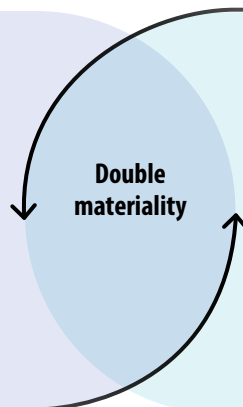


## DOUBLE MATERIALITY

The ARCom members and key internal employees deliberated the group's current material matters, which were confirmed as still relevant to the group. The top six material matters are tabled alongside. ADvTECH applied the double materiality lens in determining its material matters, which refers to the recognition that there are two dimensions of materiality which companies should consider, namely financial materiality (inward impact) and environmental and social materiality (outward impact).

### Financial materiality

This dimension considers the impact of ESG factors on the financial condition and operating performance of the group. It reflects the traditional view of materiality, which holds that information is material if its omission or misstatement could influence the economic decisions of users taken based on the financial statements. This means identifying and managing issues that could affect enterprise value due to their significance to investors, lenders and other financial stakeholders.



### Environmental and social materiality

This second dimension expands the concept of materiality beyond the financial impact on the group to consider the impact of ADvTECH's operations on society and the environment. It reflects the increasing recognition that a group's activities can have significant positive or negative outcomes on external stakeholders and the environment, even if these impacts do not have an immediate financial consequence for the group. This involves assessing the broader implications of the group's policies, practices and products on the community, environment and economy.

Change in severity year-on-year

Constant ■ Increased ▲



### Material matters

MM 1	Academic excellence	Constant
MM 2	Challenging socio-economic conditions	Increased
MM 3	Prudent investment and expansion	Constant
MM 4	Customer value proposition	Constant
MM 5	An effective human resource strategy	Constant
MM 6	Regulatory changes and bureaucratic delays	Increased

## MATERIALITY DETERMINATION PROCESS

### CONSIDER AND ASSESS

our internal and external operating environment as well as stakeholder concerns

our internal risks and opportunities  
relevant matters included in board and management reports

**Responsibility:** Divisional operating committees and management teams

### IDENTIFY

the material matter through a double materiality lens

**Responsibility:** Leadership operating committees

### APPROVE

our material matters for annual reporting purposes

**Responsibility:** Board

### RECOMMEND

our material matters to the board for approval

**Responsibility:** ARCom

### REVIEW

our material matters annually

**Responsibility:** Group CEO, Group Commercial Director and leadership operating committees



## MATERIAL MATTERS - continued

The table below describes our material matters as well as their ESG impacts and also demonstrates the linkage between our ESG elements, risks and strategic objectives. ADvTECH is a healthy and sustainable business, as evidenced by our continued growth and value creation.

Icon descriptions

MATERIAL MATTERS	ENVIRONMENTAL/SOCIAL/GOVERNANCE IMPACT	STRATEGIC OBJECTIVES	RISK
<b>MM 1</b> (2022: 1) Unchanged <b>Academic excellence</b> remains central to our value proposition. Ongoing curriculum innovation, research and development including digitisation and technology are some of our differentiating factors that ensure ADvTECH remains the educational institution of choice. We invest significant resources in teaching, innovative curriculum development and learning, benchmarking and learning analytics to ensure every student has the best chance at success.	<b>G</b> <b>S</b> <b>E</b> <b>S</b> ADvTECH's academic excellence provides an excellent platform for the group to embed ESG principles within our education curricula, projects and business activities. ADvTECH's dedicated central academic team is instrumental in achieving this by including the UN Sustainable Development Goals (SDGs) within our schools and tertiary divisions curricula, to educate future generations about becoming responsible citizens. We also aim to lead by example through responsible corporate behaviour and support efforts to minimise our operational and environmental footprint.	SO1 SO4 SO2 SO7 SO3	2 4 1
<b>MM 2</b> (2022: 2) Unchanged <b>Challenging socioeconomic conditions</b> may adversely impact our strategic execution and our customers' choice of education options and opportunities in the job market.	<b>S</b> Skills shortages and high unemployment rates, particularly in South Africa, remain a concern and are exacerbated by the challenging economic conditions. By offering customers the opportunity to gain quality education in critical skills, at affordable pricing, we can help them make a difference in society. Our educators are continually upskilled and career development is actively rewarded.	SO1 SO3 SO2 SO6	1 4 9 3 6 10 1 1 1
<b>MM 3</b> (2022: 3) Unchanged <b>Prudent investment and expansion</b> activities remain a short- and long-term focus. Our growth strategy includes expansion through organic growth, acquisitions and greenfield projects.	<b>S</b> <b>E</b> <b>S</b> Capital allocation is carefully considered from an investment and expansion perspective. In addition, care is taken from an environmental perspective, through environmental impact studies, to ensure that the natural capital (land, resources and biodiversity) is considered and that we do not have a negative material environmental impact. ADvTECH also looks for opportunities to reduce its environmental footprint by designing campuses that are environmentally friendly and minimise the use of natural resources (energy and water), with extensive community involvement for new development.	SO1 SO3 SO2 SO6	1 6 3 1 1 1
<b>MM 4</b> (2022: 4) Unchanged <b>Customer value proposition</b> comprises excellent service, quality and affordable education which focus on our customers' value proposition are important components in growing our business and delivering a high-quality end-to-end service. In addition, through our innovative curricula, we include ESG elements and are respectful of our diverse student population by ensuring inclusion for all.	<b>S</b> Without our customers, we cannot be a sustainable business. It is therefore important that, through our value added curricula, we provide our customers with quality customer service and provide our students the opportunity to gain the necessary skills, in a safe and diverse environment, to find suitable job opportunities and make a difference in society.	SO2 SO7 SO3	1 5 1
<b>MM 5</b> (2022: 5) Unchanged <b>An effective human resources strategy</b> ensures business continuity and a positive societal impact. With the correct development interventions, our employee complement will represent the diverse communities we serve. Transformation and succession planning initiatives enable us to attract, develop and retain the best talent as well as ensuring a high-performance culture. Our employee wellness programme also addresses the physical and mental wellness challenges employees face in their working environment.	<b>G</b> <b>S</b> <b>S</b> ADvTECH invests significant financial capital in its employees to attract, develop and retain top talent in an environment that is free from any discrimination. The group also adheres to all relevant labour, health and safety and human rights policies. Our diversity programmes are in place to reflect the communities within which we operate as well as reinforce our employee value proposition of being an employer of choice.	SO1 SO3 SO2 SO5	7 10 8 1 1 1
<b>MM 6</b> (2022: 6) Unchanged <b>Regulatory changes and bureaucratic delays</b> could impact our ability to obtain licensing and accreditation approval, thereby affecting our expansion strategy.	<b>G</b> <b>S</b> <b>E</b> <b>S</b> The group remains committed to the highest levels of governance and ethical behaviour through our robust governance and compliance processes, despite the impact bureaucratic delays have on our business. The ESG landscape is evolving at a rapid rate, particularly around environmental and social elements. While not all developments have yet been regulated in South Africa, they are becoming best practice. ADvTECH is also required to adhere to the International Finance Corporation (IFC) reporting requirements. The nature of the impact of our business as an education provider on social and environmental aspects is important.  The group's aim is to evolve and improve ESG compliance and reporting, by focusing on qualitative and quantitative information that is material to the business.	SO1 SO3 SO2	2 5 1

Change in severity year-on-year Unchanged Increased

# Risk management

*The board oversees risk management in accordance with our strategy and the ARCom assists the board in monitoring and overseeing the group's risk universe.*

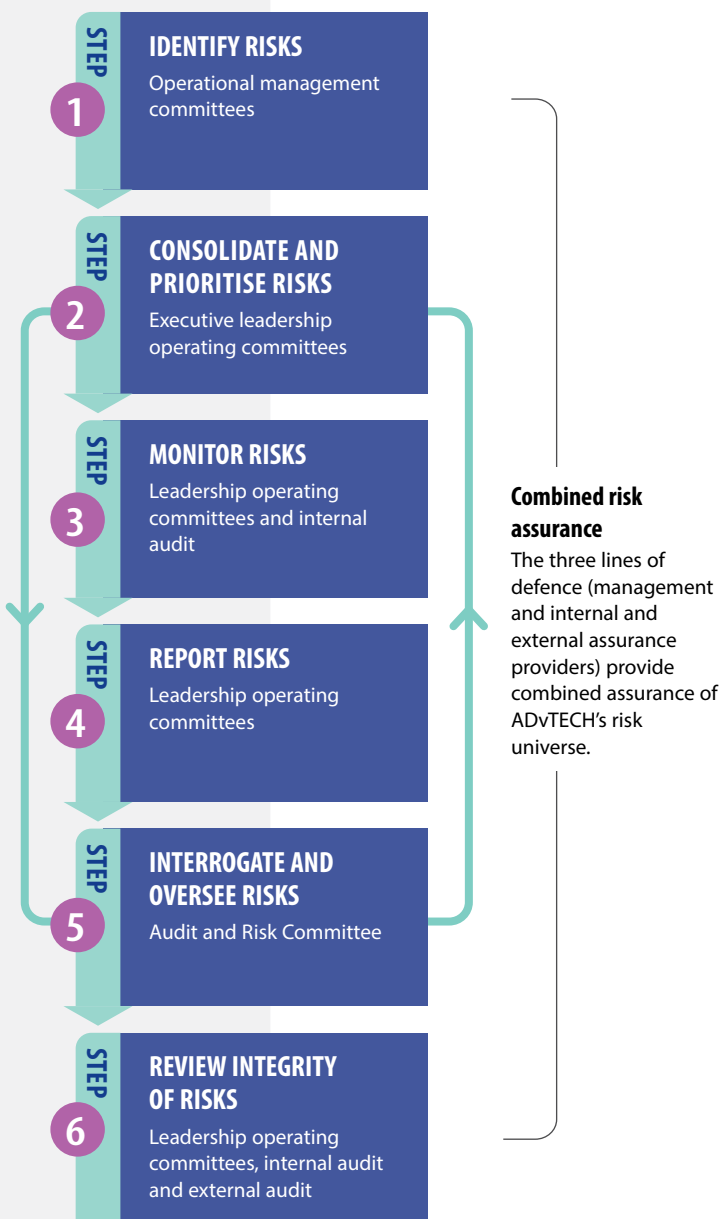
## RISK IDENTIFICATION AND MANAGEMENT APPROACH

Risk management is an integrated approach that involves the board, leadership operating committees and operational management. The board evaluates and agrees on the group's risk appetite and risk tolerance in pursuit of its strategic objectives. The board delegates the responsibility of implementing and executing effective risk management to the group's leadership, in line with the risk policy, and exercises ongoing oversight of risk management.

Various external and internal factors are considered when identifying group risks. These factors include our operating environment, strategic imperatives, material matters and critical stakeholder concerns that may have been raised during engagement. Our capital resources, particularly financial capital, human capital, manufactured capital and infrastructure capital, are important as these capitals assist us to manage risk impacts and mitigate risks identified in an efficient manner.

### Risk approach

**Risk appetite and tolerance levels**  
Group risk appetite and tolerance levels are based on key measurements including the financial, operational and reputational impacts of the risks.



## RISK GOVERNANCE

The board has ultimate accountability for the group's risks and is supported by the ARCom. The board delegates the oversight of the group's risks to the ARCom and the chairman of the ARCom provides regular feedback to the board on ADvTECH's key risks and mitigating actions. The combined assurance model provides assurance to the board that the group's risks are subject to our robust combined assurance framework.

The oversight, management and combined assurance model of risk management enables an effective internal control environment and supports the integrity of information used for internal decision-making, strategy development and business planning within the group. The group continues to refine its approach to governing risk to ensure that it remains effective.











### Risk governance framework



## TOP 10 RISKS

Icon descriptions

The 2023 top 10 risks identified are tabled below, and other than their ranking, have remained unchanged since the previous reporting period. These risks are also linked to our material matters, ESG, strategic objectives and capital resources. ADvTECH's physical climate risks are included in our sustainability report. During the process of trying to align the identified physical climate change risks to the ADvTECH enterprise risk register, it became apparent that the group level risk impact categories cannot be applied when rating site level risks as identified for physical climate change risks. Therefore, an alignment to the Enterprise Risk Management Framework is currently not feasible. Methods of integration will be investigated and the physical climate risks will be monitored.

RISK	MATERIAL MATTERS	ESG		STRATEGIC OBJECTIVES	CAPITAL RESOURCE IMPACTED	DIVISIONS
 (2022: 1) <b>Economic climate</b>	MM 2 MM 3	S Social	Community development (employment and wealth creation, skills for the future and economic contribution)	SO2 SO5 SO6	FC SC HC MC	Group
 (2022: 2) <b>Regulatory environment flux, uncertainty and bureaucratic process</b>	MM 6	G Governance	Compliance and risk management	SO1 SO2 SO4	FC SC HC	Schools Tertiary
 (2022: 3) <b>Increasing competition</b>	MM 1 MM 4	S Social	Economic contribution	SO2 SO3	FC IC SC HC	Schools Tertiary
 (2022: 4) <b>Data privacy, leaking of sensitive information and cyber security</b>	MM 2	S Social	Customer responsibility in respect of consumer data and privacy	SO1 SO2 SO3	FC SC HC MC	Group
 (2022: 5) <b>Return on investments</b>	MM 2 MM 3	S Social	Economic contribution	SO2 SO3 SO6 SO7	FC SC HC MC	Group
 (2022: 6) <b>Managing human rights and dignity</b>	MM 5	S Social	Community development (human rights)	SO2 SO3 SO4 SO5	FC SC HC	Group
 (2022: 10) <b>Talent attraction and retention</b>	MM 5	S Social	Community development (skills for the future)	SO2 SO4 SO5	FC SC HC IC	Group
 New <b>Failure to manage quality</b>	MM 1	S Social	Community development (skills for the future)	SO1 SO2 SO3 SO4	HC SC IC	Group
 (2022: 9) <b>Significant internal fraud</b>	MM 5	G Governance	Internal controls and risk management	SO2 SO3 SO6	FC IC SC HC MC	Group
 New <b>Regulatory and statutory compliance</b>	MM 1	G Governance	Compliance risk and management	SO1 SO3 SO4	FC HC SC	Group

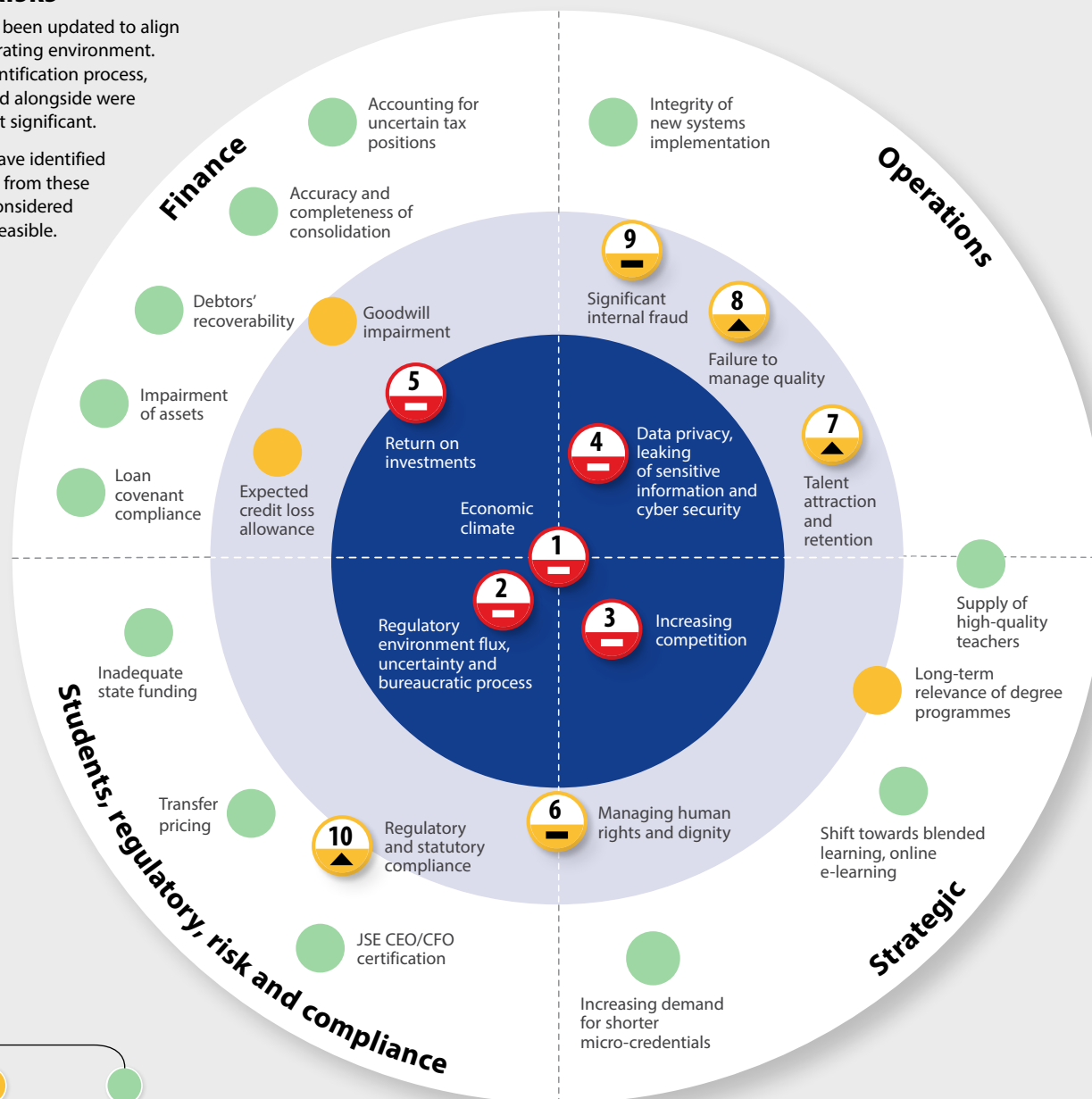
Constant ■ Increased ▲ Decreased ▼

Transformation (2022: risk 7) and pandemics: COVID-19 (2022: risk 8) are no longer in the top 10 but still form part of our broader risk universe.

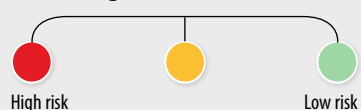
## SIGNIFICANT RISKS

Our risk universe has been updated to align with the current operating environment. Based on our risk identification process, the top 10 risks tabled alongside were identified as the most significant.

Where possible we have identified opportunities arising from these risks, which will be considered and pursued where feasible.



### Risk rating



1

## Economic climate

(2022: 1)

Continual deterioration of the economic climate preventing us from achieving strategic growth objectives.

Level of control: Medium

Board committee: Board

Key stakeholders impacted:



## MITIGATING ACTIONS

- There is continual review of expenses and efficient use of capex and investments to maximise returns
- Internal covenants for borrowings have been set at a more stringent level than have been granted by the bank
- Fees are being reviewed in line with effectiveness and efficiency models
- Ongoing monitoring of the group's debtor's book and continual improvement of collections process
- Investments into better performing economies in the rest of Africa are being prioritised
- Non-essential capex, operational costs and new hires have been carefully managed
- Enhanced systems and processes for optimising debt collection, which include the centralisation of systems and information through Group Shared Services (GSS)

## OPPORTUNITY

- Rollout of our mid-fee brands
- Exploring investment opportunities in the rest of Africa
- Driving efficiencies to be able to deliver value to our customers by the centralising of transaction processing and procurement, together with streamlining IT systems and entrenching enterprise capable systems across the group



2

## Regulatory environment flux, uncertainty and bureaucratic process

(2022: 2)

Ideology impacting on education and our accreditation. These accreditations are necessary for us to deliver on our strategy.

Level of control: Medium

Board committee: Board and ARCom

Key stakeholders impacted:



### MITIGATING ACTIONS

- Continual review of current and new requirements to ensure compliance and focusing on building relationships with regulators
- Focus on accreditation, both locally and internationally, and maintaining accreditation audits

### OPPORTUNITY

- Identifying optimal processes and continually streamlining efficiencies and proactive regulatory engagement

3

## Increasing competition

(2022: 3)

Increased competition from private education providers and/or public colleges and schools. Challenges in the public landscape.

Level of control: Medium

Board committee: Board and ARCom

Key stakeholders impacted:



### MITIGATING ACTIONS

- Continuously improving operational excellence and customer focus
- Exploring new markets (both segments and geographies)
- Research and development of relevant technological and operational innovation
- Robust and detailed evaluations precede any investments made
- The brand product and value proposition strategy are continually reviewed
- Education environment continually monitored for changes and appropriate responses
- Student acquisition and retention initiatives are constantly reviewed
- Competitive offerings are continually reviewed and acquisition propositions are made where appropriate

### OPPORTUNITY

- New brand and product offerings

### Our key stakeholders



4

## Data privacy, leaking of sensitive information and cyber security

(2022: 4)

Complex regulatory environments impacting on IT systems and data, including the Electronic and Communications Transactions Act and POPIA; complexity of IT systems; infrastructure and services; intentional user malfeasance; unintentional user error; hacking or infiltration by third parties.

Level of control: Medium

Board committee: ARCom

Key stakeholders impacted:



### MITIGATING ACTIONS

- Resilient technology solutions in place
- Business continuity including an IT disaster recovery plan is in place and all hard drives on laptops and information in transit are encrypted
- IT security incident process in place
- Group Chief Information Officer appointed as Group Information Officer and managing directors appointed as deputy information officers for the brands
- Established a privacy forum that meets quarterly to monitor, track and resolve issues/queries logged through the privacy helpdesk and that reports into the ICT Steering Committee
- Relevant data security and privacy policies in place
- IT security framework in place and independently evaluated
- Security awareness programmes in place
- Continued training and campaigns to create awareness of privacy laws and security risks

### OPPORTUNITY

- Our robust systems enhance our reputation in the market



## Return on investment

(2022: 5)

Risk of investments not performing to objectives/expectations.

Level of control: High

Board committee: Investment

Key stakeholders impacted:



### MITIGATING ACTIONS

- Careful due diligence is undertaken in respect of the ongoing operations and new acquisitions through market research and financial modelling
- Integration plans and teams are in place to optimise the integration of acquisitions into the business
- Post investment analysis (consisting of corrective actions and lessons learnt) are undertaken by the Investment Committee
- Optimising the capacity of all our sites

### OPPORTUNITY

- Allocation of funds to projects that maximise return on funds at the lowest risk
- Ensure synergies are derived from acquisitions



## Manage human rights and dignity

(2022: 6)

Ensuring that students, parents, employees and all other stakeholders are not discriminated on the grounds of race, gender or sexual orientation, among others. Additionally, that students are proactively protected against abuse and bullying, and by acting immediately once informed of infringements by way of decisive action.

Level of control: Medium

Board committee: TSEC

Key stakeholders impacted:



### MITIGATING ACTIONS

- Regulatory and legal compliance frameworks have been identified and are communicated groupwide
- The group fraud hotline/ethics hotline is in place and a business code of conduct has been implemented and is being consolidated
- Various policies are in place, such as the sexual harassment policy and social media policy
- A respect, diversity and inclusion programme is in place

### OPPORTUNITY

- Our reputation in this regard can make our value proposition as an employer of choice more compelling

### Our key stakeholders



Students and parents



Employees/independent contractors



Recruitment candidates and clients



Alumni



Investors, financiers and shareholders



Regulatory bodies and government



Community



Media



## Talent attraction and retention

(2022: 10)

Inability to attract and retain the right skills.

Level of control: High

Board committee: Remuneration Committee (RemCom)

Key stakeholders impacted:



### MITIGATING ACTIONS

- A proactive human resources strategy is in place to assist with talent attraction, retention, performance management and employee development
- Leadership development programmes in place to address succession planning
- Market-related rewards in place including incentives and bonus schemes
- Incentive scheme for teachers that links directly to student outcomes
- Gender pay gap analysis conducted to monitor pay gap relative to global and South African benchmarks
- Established a job evaluation committee to ensure consistent job grading and role differentiation
- A respect, diversity and inclusion programme in place
- A proactive equity resourcing plan in place to drive transformation
- A mobility policy in place to support the integration of businesses outside of South Africa into the primary business and drive a consistent mindset and culture groupwide
- Relevant Human Resources (HR) policies in place to promote a safe and inclusive working environment
- A comprehensive employee wellness programme in place
- Ongoing employee engagement through formal surveys to encourage retention and a cohesive organisational culture

### OPPORTUNITY

- Skilled and motivated employees result in a positive employee culture that leads to becoming an employer of choice

8

## Failure to manage quality

New

Failure of product and service quality, processes, systems and controls leading to reputational damage.

Level of control: High

Board committee: ARCom

Key stakeholders impacted:



### MITIGATING ACTIONS

- A Pulse Audit\* is conducted regularly
- Employees are vetted prior to hiring and performance assessments are undertaken to identify areas for ongoing development
- Regular international academic benchmarking using the Measures of Academic Progress (MAP) tool
- Curriculum offered across the IIE's brands is continually reviewed
- Throughputs are continually monitored
- Graduation and retention rates are closely monitored
- The use of Business Intelligence (BI) tools have been improved

### OPPORTUNITY

- Ongoing monitoring of quality ensures academic excellence and a competitive advantage

\* Pulse audits are systematic cyclical reviews of a variety of processes, practices, programmes and overall performance within the IIE, through a self-reflective approach that encourages stakeholders to engage in a continual process of self-assessment and improvement, fostering transparency, accountability, and a commitment to providing quality education and services aligned to our Quality Assurance Framework.

9

## Significant internal fraud

(2022: 9)

Breakdown in internal control systems and procedures that result in significant internal fraud.

Level of control: Medium

Board committee: ARCom

Key stakeholders impacted:



### MITIGATING ACTIONS

- Internal control processes, including segregation of duties, are in place groupwide
- Internal audit and peer review processes have been rolled out across the business, and significant internal audit findings are regularly tracked and actioned by management
- Qualified and competent financial personnel in key financial positions
- A code of ethics and behavioural standards in place for all employees
- A whistle-blower policy is in place
- External audit review of internal controls and processes
- Effective controls and automated systems
- Hotline in place in South Africa, as well as in the rest of Africa, for anonymous reporting purposes
- Robust recruitment checks in place for hiring new staff, including but not limited to police clearance

### OPPORTUNITY

- Positive reputation and improved return for shareholders

10

## Regulatory and statutory compliance

New

A lack of compliance with relevant legislation and implications thereof.

Level of control: High

Board committee: ARCom

Key stakeholders impacted:



### MITIGATING ACTIONS

- Legislative compliance function is centralised within Group Legal
- A comprehensive compliance universe is in place and is continually monitored by Group Legal
- A combined assurance model has been adopted for managing and monitoring compliance
- Schools and tertiary regulatory compliance functions are centralised within the respective division, with Group Legal as advisors
- The legislative compliance register, compliance risk management plan and updates are regularly considered and submitted to ARCom bi-annually
- A composite property report, dealing with property related compliance, is submitted at each board meeting, detailing the progress made in achieving compliance on a site-by-site basis

### OPPORTUNITY

- Being seen as a good corporate citizen and attracting international investors

The ARCom has monitored compliance with the risk appetite of the group and is satisfied that the group has, in all material respects, complied with the policy during the year under review. The committee further confirms that there were no undue, unexpected or unusual risks taken outside of the agreed risk tolerance levels. Looking ahead, we will continue to improve our risk management frameworks and processes to ensure increased accountability across all our operations, to track the group's performance against our strategy.

### Our key stakeholders



# Chief Executive Officer's Report

## ADvTECH DELIVERS ANOTHER STRONG SET OF RESULTS SUPPORTED BY A SOUND BUSINESS MODEL AND QUALITY ASSETS

*I am delighted to share our 2023 financial year-end results with you. ADvTECH has, once again, performed well, highlighting the resilience and strength of the group and its people. I'm honoured to be part of this impressive organisation and look forward to working with the team going forward.*

On behalf of the whole group, I would like to express my warm thanks to Roy Douglas for his enormous contribution to ADvTECH's success during his tenure. He leaves us on a series of highs, both commercially and academically, exemplified by the improvement in margins across the business and the positive movements across all key academic metrics.

As this set of financial year-end results were produced during his tenure, I will hand over to Roy to present the CEO report.

*Geoff Whyte*

Group CEO  
30 April 2024



## NEW GROUP CEO AND EXECUTIVE DIRECTOR, GEOFF WHYTE

Geoff brings to the role a wealth of experience, a global perspective and commitment to excellence.

He holds a master's degree in economics from the University of Aberdeen, Scotland and has more than 30 years' experience across various industries, including senior leadership roles at Unilever, PepsiCo, Cadbury-Schweppes and SAB Miller.

He has a record of success across geographies, including Europe, the UK, Africa, the Middle East and the United States.

"Geoff, we have full confidence in your ability to build upon the strong foundations and the leadership position that ADvTECH has achieved to date. We look forward to working alongside you, collectively shaping the future of education in South Africa and beyond and helping to realise the dreams of the next generation of young people in Africa."

Chris Boulle, Chairman

ADvTECH has, once again, delivered strong results in the 2023 financial year as we continued to build our sustainable competitive advantage through our focus on teaching and learning, embedding technology and leveraging scale to enhance the value proposition of our operations. The strategic decision to invest in selected markets in the rest of Africa, and in doing so diversifying earnings, continues to bear fruit and make a meaningful contribution to the group.

The result of our unrelenting focus on enhancing our value proposition to our students is evident in the group's continued enrolment growth, despite the challenging economic environment.

	Feb 2020	Feb 2021	Feb 2022	Feb 2023	Feb 2024	Feb 2024 vs Feb 2023 % increase
<b>Enrolments</b>						
Schools: South Africa	26 393	27 334	29 599	31 347	<b>32 786</b>	5%
Schools: rest of Africa	5 977	6 569	7 203	7 943	<b>8 224</b>	4%
<b>Schools division</b>	32 370	33 903	36 802	39 290	<b>41 010</b>	4%
<b>Tertiary: full qualifications</b>	44 975	45 647	47 539	49 341	<b>52 718</b>	7%
<b>Total group enrolments</b>	77 345	79 550	84 341	88 631	<b>93 728</b>	6%

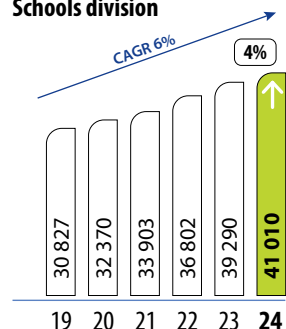


# CHIEF EXECUTIVE OFFICER'S REPORT - continued

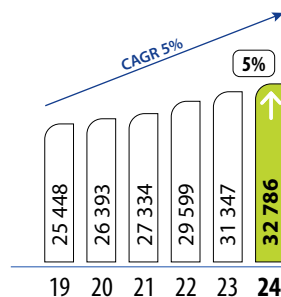
## Continued enrolment growth

Due to unrelenting focus on our student value proposition

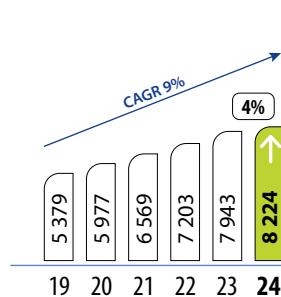
### Schools division



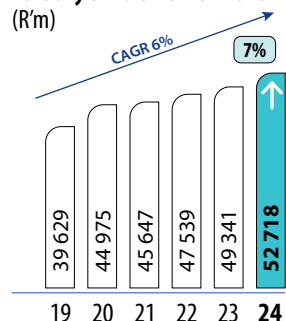
### Schools South Africa



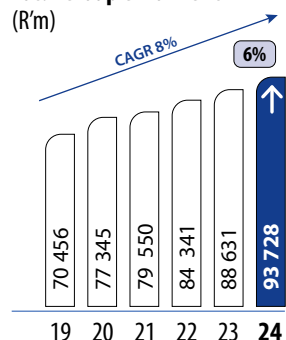
### Schools rest of Africa



### Tertiary division enrolment (R'm)



### Total Group enrolment (R'm)



All three of our divisions have performed strongly and in line with expectation, with revenue and profits up in all categories.

Having both schools and tertiary divisions within the group presents a distinct competitive advantage as we are able to leverage the benefit of our central academic team. This includes developing world class curricula, focused teacher training and investment in research and development programmes, specifically in the field of education.

We continue to focus on developing the most effective teaching and learning practices, benchmarked against international standards and underpinned by applied research and data, and flexible, adaptive technology and sophisticated systems and processes in order to create personalised learning plans and an interactive learning experience for each of our students as a means of clearly differentiating ourselves in our chosen markets. And, while the employment crisis in South Africa makes for a very tough environment, our resourcing division has found opportunities in the rest of Africa. This gives us confidence in the future and an expectation that we will continue our growth trajectory.

## 13%

Revenue

**R7 860 million**

## 18%

Operating profit

**R1 577 million**

## 19%

Headline earnings per share

## 20%

Normalised earnings per share

## 57.0 cents

Normalised earnings per share

(2022: 37.0 cents)

## 87.0 cents

Full year dividend

(2022: 60 cents)

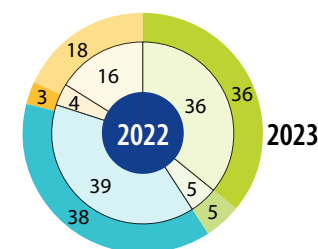
## STRONG FINANCIAL PERFORMANCE

The financial performance for the year was delivered off the back of higher enrolments and moderate fee increases across the education division, together with enhanced operating leverage, while in our resourcing division the positive momentum of our rest of Africa business continued.

The group's strong financial performance, solid cash generation and robust balance sheet are evidence of our sound business model, clear market focus and sustained emphasis on effectiveness and efficiencies. Group revenue grew by 13% to R7 860 million for the year due to good enrolment growth in both the schools and tertiary divisions, together with increased business activity in the resourcing division. Operating profit increased by 18% to R1 577 million with the group operating margin improving to 20.1%.

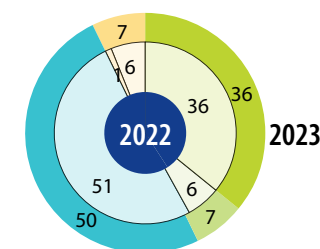
The operating margins of the combined education divisions improved to 23.8% through the benefit of operating leverage that, together with the continued efficiency drive, more than offset the additional costs incurred to enhance our offering through the introduction of additional global benchmarking and artificial intelligence tools. These are further efforts designed to support our journey to offering personalised learning to each of our students.

### Revenue contribution (%)



● Schools SA ● Tertiary ● Resourcing rest of Africa  
● Schools rest of Africa ● Resourcing SA

### Operating profit contribution (%)



Following the previously reported challenges experienced in the tertiary division with the migration to a new integrated business system that resulted in gross trade receivables for the group increasing, we have seen a marked improvement in collections during the year and the more favourable ageing of the debtors book. This resulted in credit losses for the group reducing by 34% to R170 million.

Obtain greater detail on our financial performance in the Group Commercial Directors Report on PG 31

## OPERATIONAL REVIEW

### SCHOOLS DIVISION

All of our brands have shown growth. This is recognition of ADvTECH's excellence in education which, together with our improved systems and processes, has ensured that we are gaining market share in a tough operating environment.

Enrolment continued to grow strongly into 2024, rising by 5% in South Africa to 32 786 and by 4% in the rest of Africa to 8 224.

Fundamental to current enrolment success is our absolute focus on academic excellence through teaching and learning, coupled with continued focus on our brand portfolio alignment, clear value propositions and improved attention to customer service. The benefits gained from the continued development of centralised structures have contributed meaningfully to the schools division this year, with robust debt collection and increased reliance on centralised procurement leading to enhanced efficiency and effectiveness across the division. This is evident in our operating margins, with schools in South Africa improving from 19.4% to 20.3%. Furthermore, the potential of the rest of Africa schools is clearly demonstrated by margins improving from 23.9% in 2022 to 30.0% in 2023.

The group recorded exceptional results in the 2023 Independent Examinations Board (IEB) examinations, retaining a leadership position in South Africa, with our students achieving an impressive 99.7% pass rate.

We are pleased with the solid progress made in building our online offering, Evolve Online School. While progress has been made in terms of actual numbers, the fact that Evolve would appear to have a much lower attrition rate than other online offerings is proof of the quality of the product. In addition, the first cohort of Evolve students to complete the IEB exams performed well, achieving a 93% pass rate and a 79% bachelor pass rate, well above the IEB and SACAI national averages.

The addition of the Cambridge International curriculum, which has shown encouraging early signs, is yet another important opportunity to grow our schools business across the continent.

Read more on the outstanding academic results section on PG 48.

### SCHOOLS SOUTH AFRICA



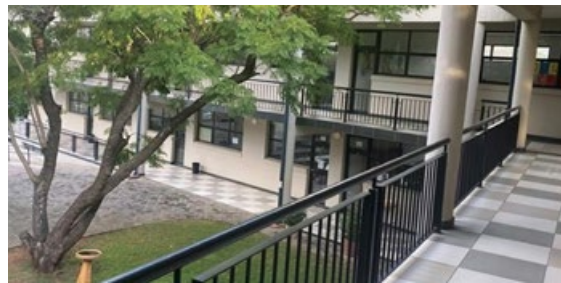
#### Solid cash generation and sound balance sheet

Revenue increased by 13% to R2 810 million and operating profit increased by 18% to R570 million.

All of our brands have shown volume and operating profit growth. This is testament to the recognition of ADvTECH's excellence in education coupled with a relentless focus on enhancing our value proposition. As a result, we continue to win market share in a tough operating environment.



Pinnacle Raslouw in Centurion had a successful opening in January 2023, with enrolments well ahead of expectations. Phase two of the expansion was brought forward to accommodate the 2024 intake.



The Bridge Assisted Learning School expanded its offering to a second school in Morningside, Johannesburg, which opened its doors in January 2024.

### SCHOOLS REST OF AFRICA



#### Capacity increases due to continued growth

All our school brands in the rest of Africa continue to experience strong enrolment growth and are operationally sound. Revenue increased by 14% to R381 million and operating profit increased by 43% to R114 million.

Gaborone International School continues to perform exceptionally well, with strong enrolment growth and market leading academic results. Due to the quality of the offering, demand remains strong and capacity is being increased to accommodate 3 250 students. The first phase of the expansion commenced at the beginning of 2022 and included the development of a state-of-the-art science and technology centre. The second phase is nearing completion and includes the refurbishment of the pre-primary school and expansion of the primary school.



Capacity was increased during the year at Crawford International School in Kenya in response to continued strong demand off the back of its market leading academic offering. The school has enjoyed much academic success, recently winning first place for academic excellence in

the 'Great Places to Schools' awards. All of the final year students who completed their A-Level qualification were accepted into international universities. Construction of the next phase of the campus will commence in 2024.

Our Makini Cambridge International curriculum schools offering, which launched in 2021, has materially outperformed the growth of the Makini national curriculum school. Parents are increasingly choosing the Cambridge International curriculum for their children over the Kenyan national curriculum. As a result, the decision was taken to close the Makini national curriculum high school in Nairobi. Although this action has affected enrolment growth in 2024, it will free up capacity to increase enrolments for the higher-fee Cambridge International curriculum school in future. These developments have placed our Makini schools in a positively beneficial position.

Read more in the schools division section on PG 46.



## TERTIARY/UNIVERSITY DIVISION

### Well established brand portfolio

Revenue increased by 10% to R2 988 million and operating profit increased by 16% to R787 million. The operating margin increased from 24.9% to 26.3%.

Our tertiary division performed well and continues to grow off the back of a well-established, quality brand portfolio that offers a comprehensive range of programmes and qualifications. Our ability to provide multi-modes of delivery (contact, hybrid, distance and online) on a full-time and part-time basis is fundamental to our value strategy and allows us to meet the requirements of every student at any time and at any location.

Rosebank College opened a new digitally enabled campus in Mbombela in January 2024, with enrolments ahead of target. Furthermore, the buildings adjacent to Rosebank College's Braamfontein and Pretoria mega campuses, which have reached full capacity, were acquired to allow for further growth. The Varsity College campuses in Pretoria and Midrand were expanded in response to growing demand.

In 2022, the Department of Higher Education and Training (DHET) published the draft regulations setting out the criteria to qualify as a "University". While the publication of the criteria was a welcome development, numerous concerns were raised.

Considering the extensive feedback received, the DHET indicated that a second draft would be forthcoming. However, to date no further drafts have been provided.

Please read more in the tertiary division on PG 55 to 62.



Rosebank College, Mbombela | Digitally enabled campus, opened January 2024, enrolments ahead of target



Rosebank College, Braamfontein | Mega campus



Rosebank College, Pretoria | Mega campus



Varsity College, Waterfall | Upgraded campuses



Varsity College, Pretoria | Upgraded campuses

## RESOURCING DIVISION

### Rest of Africa continues to drive growth

The strategy to expand into the rest of Africa continues to bear fruit with volumes growing substantially, resulting in revenue increasing by 26% to R1 452 million and operating profit by 28% to R105 million.

The South African business's revenue decreased by 9% to R229 million due to the disposal of the group's 51% share of the Contract Accountants group in the second half of the prior year, together with muted activity as a result of the tough trading environment.

Overall the division's revenue increased by 19% to R1 681 million, while operating profit increased by 20% to R106 million.

Read more on PG 63 to 64.

## BUILDING COMPETITIVE ADVANTAGE

### Our ongoing journey towards a sustainable competitive advantage

With a portfolio of brands, effective growth and a clear market focus, ADvTECH is now concentrating on building sustainable long-term competitive advantage, with the aim of becoming the dominant Pan-African education business.

Over the past few years, the group has built a solid base that includes a clearly defined strategy with well-positioned brands, highly capable skill sets and an agile and flexible business.

In our first phase of development, we improved structures, standardised systems and focused on brand propositions. The second phase enhanced operational efficiencies, including strengthening our performance management, establishing benchmarks and setting clear targets. We also introduced training and development programmes in pivotal areas, further defined our brand value propositions, improved customer service and consolidated and standardised our financial processes.

We are now in the third phase of development, which is creating a sustainable competitive advantage, through leveraging our unique position, which will be more difficult for competitors to replicate and further differentiates us in the market.

## PHASES OF DEVELOPMENT

### Building a solid platform

1st Phase	2nd Phase	3rd Phase
Standardise	Operational optimisation	Building a sustainable competitive advantage through leveraging unique competencies
<b>Revised and improved</b> <ul style="list-style-type: none"> <li>Structures</li> <li>Systems</li> <li>Brand portfolios and value proposition</li> <li>Brand resources</li> <li>Standardised systems <ul style="list-style-type: none"> <li>GSS – automated transactional finance</li> <li>D365 – finance system</li> <li>SIS – student information system</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Benchmarking</li> <li>Targets</li> <li>Performance management</li> <li>Development programmes: <ul style="list-style-type: none"> <li>Principals development programme</li> <li>Customer service</li> <li>Marketing</li> <li>Finance skills</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Teaching and learning</b> <ul style="list-style-type: none"> <li>Research</li> <li>Teacher training and development</li> </ul> </li> <li><b>Embedding technology</b> <ul style="list-style-type: none"> <li>Delivery of education</li> <li>Assessment and reporting process</li> <li>Data driven decision making</li> </ul> </li> <li><b>Leveraging scale</b> <ul style="list-style-type: none"> <li>Tertiary and schools</li> <li>Transaction processing</li> <li>Benchmarking for performance and quality</li> </ul> </li> </ul>

## ADvTECH has three great strengths:

1. We are uniquely positioned to become the experts in teaching and learning across the continent.
2. We have and are investing in technology, not only for efficiency and productivity enhancement, but to deliver superior teaching and learning.
3. We can leverage our scale to deliver value.

### Teaching and learning

The benefit of having both schools and tertiary within the group presents a distinct competitive advantage. We are able to leverage the substantial investment in intellectual property housed in our central academic team, allowing us to focus on developing the most effective teaching and learning practices through the use of applied research, technology and sophisticated systems and processes and to use these practices to bolster our internal teacher development programmes.

[\(www\)](#) Read more on PG 25 of the Sustainability report about the social impact our students, educators and the group have on society.

Through our tertiary brands, we are able to develop our own talent and bring the best of our graduate teachers into our system. This clearly differentiates us in our chosen markets and helps us to attract top-quality talent from across the continent.

[Read more on PG 58.](#)

### Embedding technology to enhance educational outcomes

We have made strides in integrating technology into the teaching and learning process, allowing us to extract data from our large database of students to personalise the student experience and enable predictive data-driven decision-making. This, together with the use of interactive dashboards that

provide information on progress to students, their parents and teachers, supports the best possible student and teacher experience.

We recognise the importance of technology in modern education. As such, ADvTECH continues to make strategic investments in cutting-edge technology solutions, such as ADVLEARN, our unique digital learning platform.

[Read more on PG 53.](#)

Our commitment to staying at the forefront of educational technology positions ADvTECH as a leader in the digital evolution of education.

[\(www\)](#) Read more on PG 28 of the Sustainability report.

### Leveraging our scale

Affordability, rather than demand, remains the ongoing issue in private education. To deliver real value to the consumer, we continue to focus on educational productivity by driving operational effectiveness and efficiencies, eliminating waste and duplication through our shared services and maintaining strong cost control measures. As an example, our standardised systems platform gives us the ability to work across the group, including in areas such as student registration, debt collection and customer management.

Together, these give us a further competitive advantage, both in South Africa and in the rest of Africa.



## ADvTECH's ESG journey

ADvTECH is committed to sustainability and to minimising our environmental impact across all operations in South Africa and the rest of Africa. Despite the ongoing challenge of loadshedding in South Africa, we have successfully implemented various measures to ensure that our ability to deliver high-quality education remains unaffected.

As part of our ESG strategy, we have identified four themes where ADvTECH can achieve a positive impact on society and the environment. These themes align with our vision and purpose and are underpinned by our robust governance and risk framework, stakeholder relations, policies and initiatives we undertake at our schools and tertiary campuses and in our business operations.

**Loadshedding:** Most of our sites have generators. In addition, our business has relatively low electricity usage and our costs in this regard remain contained. Despite an increase in student numbers, the group reduced electricity usage by 9%, which had the effect of reducing per capita usage by 12%. To achieve this, we use meters to track electricity usage, while constantly seeking out new opportunities to reduce consumption. Piloted solar solutions at five sites have been successful, confirming the viability of this mitigating action and plans are now under way for a rollout to 41 sites.

[www](#) Please read more in our Sustainability report on page 5.

## PROSPECTS

Demand for quality education persists across all of our chosen markets. We continue to focus on strengthening our competitive advantage by further enhancing our offering to deliver value in the provision of quality education. This, combined with the clear market positions of our brands in both the schools and tertiary divisions, has enabled us to enjoy good student growth.

We are determined to continue with this approach to optimise our performance in both South Africa and in the rest of Africa. Our revised structures and improved systems have not only realised efficiency benefits, but have also enabled us to be agile and responsive in dealing with both unforeseen challenges and a difficult socio-economic environment.

The inherent strong cash generation of our business model has further strengthened our balance sheet and will enable us to invest with confidence in areas of opportunity.

While we acknowledge that current economic conditions place South African consumers under pressure, we believe that ADvTECH is uniquely positioned to leverage all these advantages and to benefit from continued growth in demand for education in South Africa and particularly, in the rest of Africa, where this pressure is less pronounced. This, together with the good enrolment growth achieved at the start of 2024 in both our schools and tertiary divisions, gives us confidence and an expectation that we will continue our growth trajectory.

To ADvTECH employees and stakeholders, a very sincere word of thanks for your commitment, dedication, flexibility and willingness to go that extra mile.

This is my last report and it was an absolute privilege to serve the group during my tenure.

*Roy Douglas*

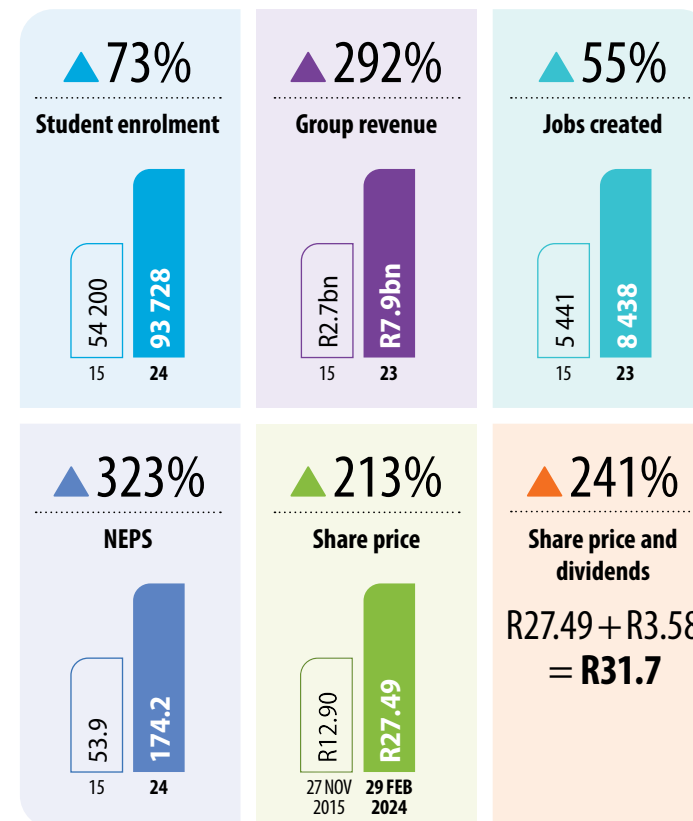
Retired Group CEO  
30 April 2024

## HIGHLIGHTS OF ROY'S TENURE AS CEO

### Strategic focus on

- **Quality education**  
Leveraged technology and AI into teaching and learning
- **Strong value propositions**  
Effectiveness and efficiencies
- **Successful expansion**  
into the rest of Africa

### Scorecard:



# Our strategy

*Academic excellence is at the very heart of our strategy and central to value creation. In executing our strategy we consider various elements including our stakeholders' feedback, risks and opportunities, and our material matters.*

We deploy our capital resources in an efficient manner that considers necessary capital trade-offs. Our strategy is executed through our three business divisions: schools, tertiary and resourcing, all of which are underpinned by our purpose and values. Our strategic objectives are the building blocks upon which we focus to drive our strategy.

Our ESG elements are embedded within our strategic objectives and our ESG strategy is discussed on page 30. Key enablers as depicted below ensure that ensure that our business is sustainable and can adapt in a dynamic operating environment robustly and resiliently, with substance and gravitas.

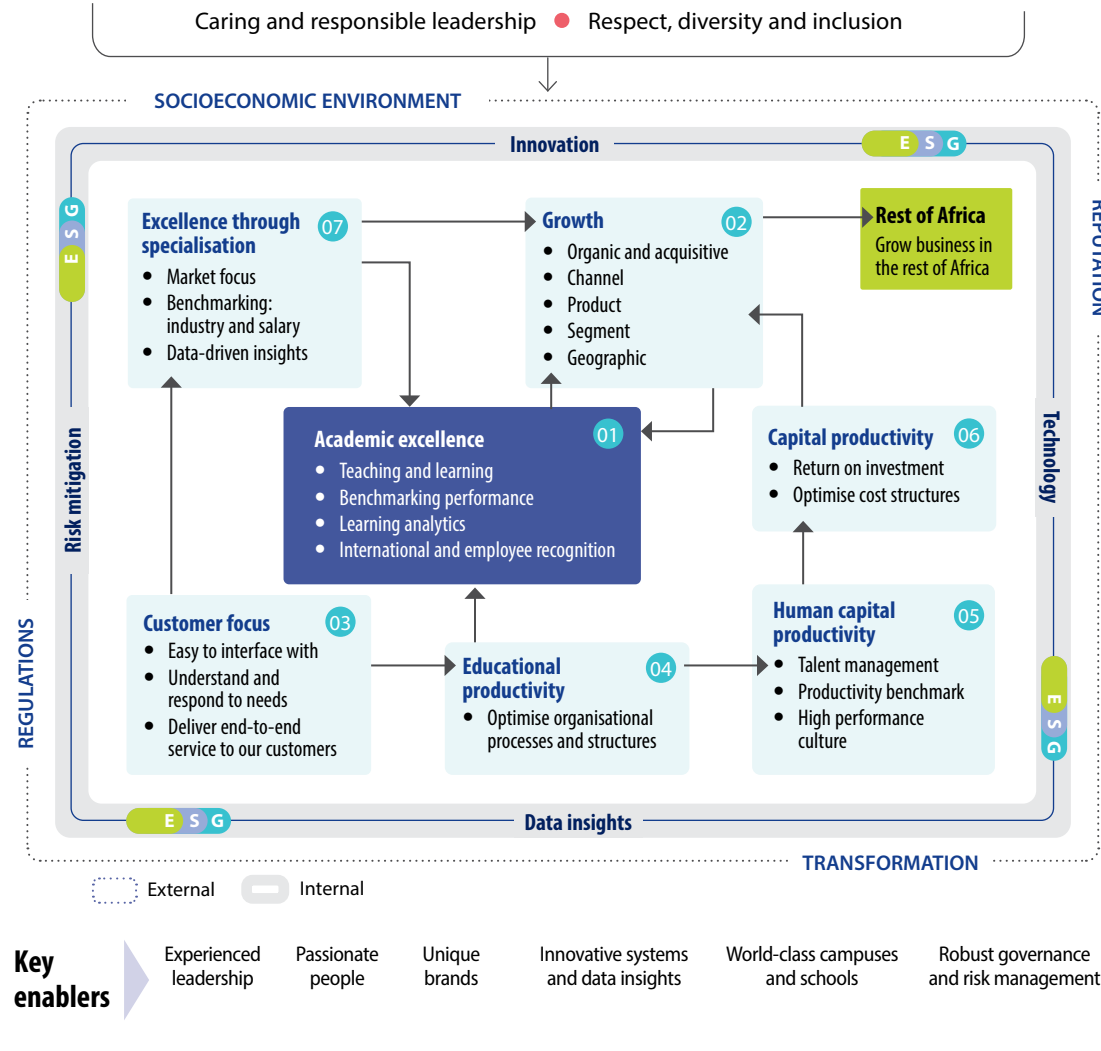
Our expansions into to the rest of the continent is motivated by the aim to make investments on the back of sound partnerships with local communities, established brands with great track records and businesses that are aligned with our ethos of academic excellence and enriching human capital. Partnerships offer financial and organisational stability and enable academic excellence. Our partners enjoy the benefits that come with access to our brand heritage and tapping into our experience. They also get extensive support from the group without compromising their existing brands and culture.

## OUR PURPOSE

To build and grow a highly capable organisation in education, training and placement to enrich people's lives and futures.

## OUR VALUES

Ethics • People centredness • High quality • Sustainability  
Caring and responsible leadership • Respect, diversity and inclusion



Our strategic process takes into account various factors such as:

- **Material matters** page 15
- **Risks and opportunities** page 17
- **Capital resources** page 9
- **Our key stakeholders** page 11

Our key stakeholders also play an important part in shaping our strategy through their constructive feedback.

## STRATEGIC OBJECTIVES

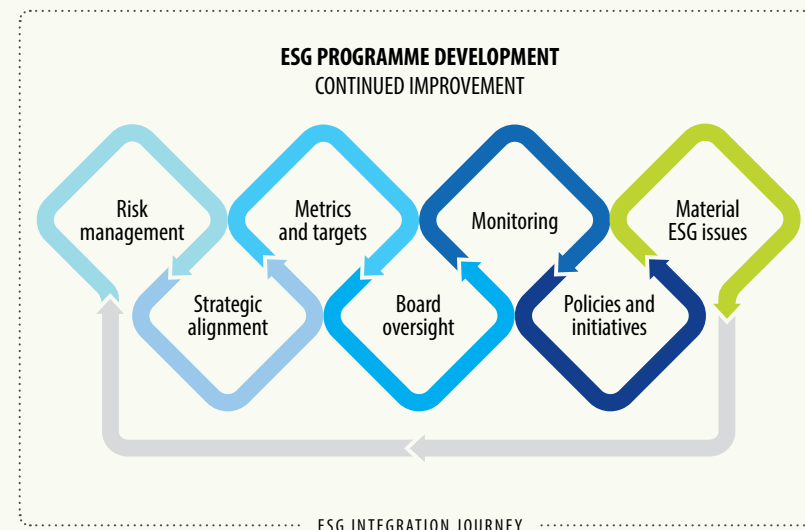
Our strategic objectives, depicted alongside, are the building blocks upon which we focus to achieve the group's strategy. They are influenced by our internal (risks and opportunities as well as material matters) and external (regulation and socio-economic environment) operating environments as well as our key stakeholders. These objectives are core to guiding our business and require ongoing innovation and data insights to maintain our respected reputation. They also ensure that we differentiate ourselves in the academic marketplace to attract and retain customers.

# Our sustainability approach

*Education promotes equality and enables social transformation, and we believe that our greatest impact lies in embedding ESG principles within our education curricula, projects and business activities. This impact aligns with academic excellence, which is at the heart of our strategy, our sustainability approach and central to value creation.*

## OUR ESG INTEGRATION JOURNEY

Our ESG journey continues to develop as we integrate ESG within our business activities, both from an academic perspective as well as operationally. As depicted in the graphic alongside, ESG integrates into all key business elements such as strategy, policies, risk management, metrics and goals. As our journey unfolds, our monitoring and oversight continue to become more robust as we determine our material ESG issues. ADvTECH's dedicated central academic team is instrumental in embedding ESG principles and achieves this by including the UN SDGs within our schools and tertiary curricula, to educate future generations about being responsible citizens. Quality education (SDG 4) is not only part of the UN SDGs, but also arguably the foundation to all SDGs, and is core to our offering.



## Sustainability themes

As part of our ESG strategy, we have identified four themes where ADvTECH can make a positive impact towards society and the environment. These themes align with our vision and purpose and are underpinned by the group's robust governance and risk framework, stakeholder relations as well as policies in place and initiatives we continue to undertake at our schools, campuses and within our business operations.

### Academic excellence

Academic excellence is the foundation upon which our service is built and is a key element to our success.



### Campuses

Campuses are not just locations where education is delivered – they are key elements to the group's identity, operational strategy and value proposition.



### Research and innovation

Research underpins the group's capacity to deliver high-quality education that is relevant and responsive to the needs of its stakeholders, which include students, parents, educators and the wider community.



### Stakeholder engagement and feedback

Stakeholder engagement and feedback are crucial for the group to ensure that its offerings are relevant, its business model is transparent, and its strategic objectives are aligned with the expectations and needs of those it serves.



## Leading responsibly by example

The group is aware of the growing concerns around climate change and is encouraged by the traction ESG is gaining in the quest to consistently and accurately measure the group's ESG metrics. We strive to lead by example in our everyday decisions and business activities across our divisions and sites. While our negative environmental impact is relatively low when compared to other businesses, given the nature of our product offering, we still strive to minimise our operations' carbon footprint by monitoring and reporting on our environmental impact. Our main ESG contribution relates to the social element as we educate students from pre-school to tertiary level about the importance of long-term environmental, social and governance elements, and to lead by example in our everyday decisions.

# Group Commercial Director's Report

*Didier Oezch*



## CONTINUED STRONG OPERATING PROFIT GROWTH DRIVES UP RETURN ON FUNDS EMPLOYED

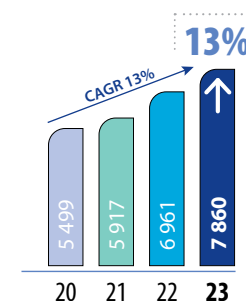
*We use cash generated by our business activities as well as funding, both debt and equity, to finance business growth organically and through strategic investments to support the group's short-, medium- and long-term sustainability and growth plans. We provide our shareholders with a return on their investments through regular dividend payments.*

A particularly pleasing aspect of ADvTECH's financial performance is the consistency, with operating profit and net earnings per share (NEPS) increasing at a compound annual growth rate over the last three years of 20% and 25% respectively. Return on funds employed has improved from 13.9% to 20.7% over the three year period, demonstrating the value created for shareholders from the investments the group has made.

The group continued its trend of delivering a consistent performance that reflects the quality of our assets and robustness of the business model. All divisions increased their operating profits in 2023, with the education divisions benefiting from enrolment growth and the resourcing division seeing an increase in the level of recruitment activity. The continued drive for operational efficiencies contributed to improved operating margins.

Also of note is the inherent cash generating capabilities of the group's business model with cash generated from operations now amounting to R2.00 billion (2022: R1.71 billion) with free operating cash flow before capex increasing by 9% to R1.27 billion (2022: R1.16 billion). This has allowed the group to scale up the business significantly over the years, through strategic investments, while also positioning it well to explore further expansion opportunities with confidence.

Group revenue (R'm)



South African schools' revenue increased by 13% to R2.81 billion (2022: R2.49 billion) with fees increasing in line with inflation and all brands showing enrolment growth. This is testament to the recognition of ADvTECH's excellence in education coupled with a relentless focus on enhancing our value proposition. Fees for boarding also showed a meaningful increase as additional capacity was created to accommodate demand.

Our schools in the rest of Africa saw a 14% increase in revenue to R381 million (2022: R334 million). These schools have demonstrated the quality of their academic offering at fee points that have made them extremely competitive, which has led to strong demand. Cumulatively, these schools have experienced annual enrolment growth of 10% or greater for the past four years. Makini continues to benefit from students switching from the Kenyan national curriculum to the Cambridge International curriculum, which is offered at a higher fee.

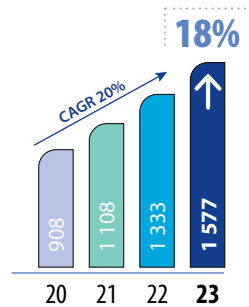
The tertiary division continued to grow enrolments increasing revenue by 10% to R2.99 billion (2022: R2.73 billion). Fee increases were marginally below inflation while the fee mix was positive owing to more students opting for degree qualifications that attract higher fees.

The strategic decision to expand the resourcing division into the rest of Africa continues to bear fruit as the business continued to build scale in the more buoyant markets across the continent, increasing revenue by 26% to R1.45 billion (2022: R1.155 billion).

The South African resourcing business' revenue decreased by 9% to R229 million (2022: R252 million) due to the disposal of the group's 51% share of the Contract Accountants group in the second half of the prior year, together with the muted activity as a result of the tough trading environment.



### Operating profit (R'm)



Group operating profit increased by 18% to R1 577 million (2022: R1 333 million) with group operating margins improving to 20.1% (2022: 19.1%) largely due to operating leverage resulting from enrolment growth and the continued focus on operating efficiency improvements.

South African schools increased their operating profit by 18% to R570 million (2022: R484 million) with the operating margin improving from 19.4% to 20.3%. This was achieved due to the operating leverage of improved capacity utilisation together with the continued initiatives that focused on eliminating wastage and duplication.

Schools in the rest of Africa increased operating profit by 43% to R114 million (2022: R80 million) despite the negative impact of the weakening Kenyan Shilling on translation into Rands. The disciplines, policies and procedures of the group are becoming entrenched in these schools and contributed to the operating margin improving to 30.0% (2022: 23.9%).

The tertiary division grew operating profit by 16% to R787 million (2022: R680 million) and improved its operating margin to 26.3% (2022: 24.9%) due to good cost controls and lower levels of credit losses on trade receivables.

The resourcing division achieved an operating profit of R106 million (2022: R89 million). This improvement was delivered as a result of increased placements across the rest of Africa together with good cost containment measures in South Africa.

### Non-trading items

The non-trading items resulted from a net profit on disposal of property, plant and equipment amounting to R1.2 million.

### Profit for the year and normalised earnings per share

Net finance costs increased to R190 million (2022: R173 million) due to increased finance costs on lease liabilities as a consequence of additional leases entered into and higher finance cost rates on borrowings.

A greater proportion of the group's profits are being earned in countries with a lower taxation rate than South Africa. This resulted in the effective taxation rate reducing marginally to 28.1% (2022: 28.3%).

Profit for the year increased by 19% with normalised earnings per share, which excludes non-trading items, increasing by 20% to 174.2 cents (2022: 145.7 cents) per share.

### Working capital and cash flow

The group has an inherently negative working capital model due to fees being payable in advance, while most costs are payable in arrears. Negative working capital amounted to R563 million at year end (2022: R623 million) with the decrease from last year attributed to increased trade and other receivables and a decrease in trade and other payables.

Following the previously reported challenges experienced in the tertiary division with the migration to a new integrated business system that resulted in gross trade receivables for the group increasing to R802 million at 31 December 2022, good progress was made in the year with trade receivables having normalised by 31 December 2023. This has led to gross trade receivables for the tertiary division remaining

unchanged from last year at R670 million despite a 10% increase in revenue. Gross trade receivables at schools increased at a marginally greater rate than the increase in revenue to R106 million (2022: R91 million) and represents 3.3% (2022: 3.2%) of revenue. Resourcing gross trade receivables reduced to R37 million (2022: R42 million) due to the continued focus on improving collections. Overall, gross trade receivables at 31 December 2023 amounted to R813 million, reflecting an increase of only 1% despite the 13% increase in revenue.

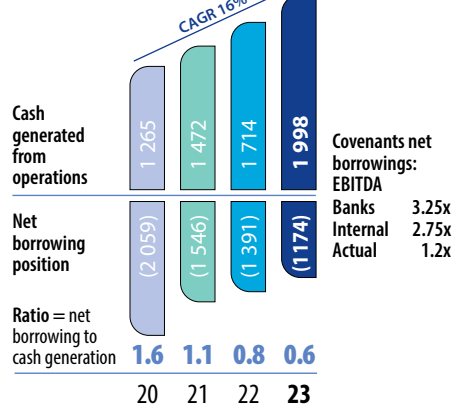
Due to the good collections during the year and the more favourable ageing of the debtors' book, the loss allowance reduced to R405 million (2022: R438 million), representing a 50% (2022: 55%) coverage of gross trade receivables. Credit losses for the group reduced by 34% to R170 million (2022: R257 million) due to the improved collections.

### Trade receivables and credit loss allowance

R'm	Group total 2023	Schools 2023	Tertiary 2023	Resourcing 2023	Group total 2022	Schools 2022	Tertiary 2022	Resourcing 2022
Trade receivables	813.0	106.3	669.9	36.8	802.0	90.5	669.5	42.0
Loss allowance	(405.3)	(64.0)	(337.9)	(3.4)	(437.5)	(54.4)	(380.2)	(2.9)
	407.7	42.3	332.0	33.4	364.5	36.1	289.3	39.1
Coverage of debtors' balance	50%	60%	50%	9%	55%	60%	57%	7%
Credit losses	169.8	27.0	141.9	0.9	257.1	24.9	230.5	1.7
Credit losses as % of revenue	2%	1%	5%	0%	4%	1%	8%	0%

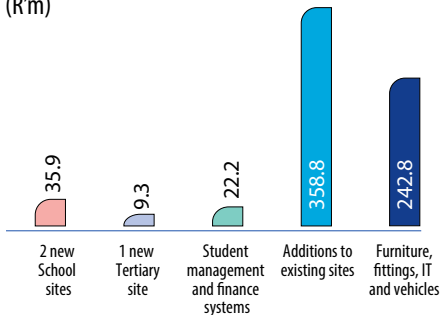
GROUP COMMERCIAL DIRECTOR'S REPORT - continued

**Cash vs net borrowing position**  
(R'm)



Free operating cash flow before capex increased by 9% to R1.27 billion, resulting in the cash conversion representing 127% of profit for the year. Cash generated by operating activities increased by 10% to R1.94 billion (2022: R1.77 billion). This enabled the funding of investments and capital expenditure of R669 million, payment of financing costs of R189 million, dividends of R415 million, taxation of R375 million, repayment of lease liabilities of R78 million and the net settlement of debt amounting to R189 million. This, again, emphasises the inherent cash generating ability of our business.

**Capex and acquisitions**  
(R'm)



Total capital expenditure for the year amounted to R669 million and was focused on the following:

- Building related capital expenditure was incurred to complete phase one of Pinnacle Raslouw that opened in January 2023 and to develop The Bridge Assisted Learning School in Morningside and Rosebank College in Mbombela, both of which opened in January 2024;
- the acquisition and refurbishment of the site adjacent to Rosebank College Braamfontein;
- increasing capacity on existing sites to meet demand;
- acquiring equipment to enhance our teaching and learning through technology; and
- enhancing our business systems to enable the standardisation of processes across the group and to allow for further efficiency improvements.

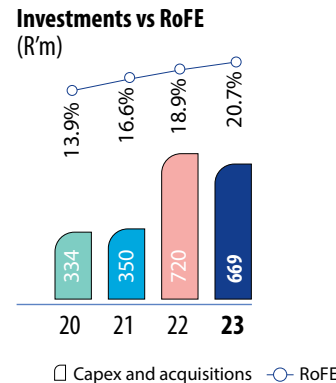
Increasing capacity on existing sites is more efficient capital expenditure and, at a relatively low cost, capacity of the schools division was increased by 6% to be able to accommodate 49 400 students. Capacity utilisation improved to 84% (2022: 83%) in 2023, but will reduce back to 83% in 2024 due to the capacity added being ahead of the 4% increase in enrolments. Capacity on existing sites can be increased to accommodate a further 13 100 students. Plans are in place to roll out the development of this capacity over approximately eight to ten years.

In 2024, the capital expenditure programme will focus on developing a new Pinnacle College in Radiokop and adding capacity to existing sites that will enhance the returns on these investments. In addition to developing a new school site, major projects for the year ahead are the development of a new campus for Vega in Pretoria, the expansion of Crawford International in Nairobi, continuing with the refurbishment of Rosebank College Braamfontein and the installation of solar solutions on several sites. Capacity will be added at an additional six sites.

**Schools building capacity**

	Feb 2020	Feb 2021	Feb 2022	Feb 2023	Feb 2024
Students enrolled ('000)	32.4	33.9	36.8	39.3	41.0
Existing building capacity ('000)	41.2	41.5	44.5	46.7	49.4
% Existing building capacity utilised	79%	82%	83%	84%	83%
Ultimate capacity ('000)	56.8	56.8	56.8	59.8	60.3
% of ultimate capacity utilised	57%	60%	65%	66%	68%

**Return on funds employed (RoFE)**



As capacity utilisation improves, together with the benefits of our continuing efficiency drive, there has been a significant increase in RoFE, a trend that is expected to continue.

Average net assets in 2023 amounted to R7.6 billion (2022: R7.1 billion) and with operating profit in 2023 amounting to R1.6 billion (2022: R1.3 billion), RoFE increased from 18.9% in 2022 to 20.7% in 2023.

**Taxation strategy**

ADvTECH is committed to a transparent and responsible approach to taxation. We pay our taxes and comply fully with the relevant taxation legislation and disclosure requirements in

all our operating jurisdictions. Our approach encompasses various elements including governance, resources and objectives. The group's taxation approach is continually monitored and adapted to changes in taxation laws, regulations and the business environment.

ADvTECH's taxation governance structure and processes include defining roles and responsibilities for taxation-related decisions and ensuring compliance with relevant laws and regulations. This effective taxation governance framework ensures transparency in taxation reporting and prevents taxation-related risks.

[www](#) Read more about our taxation strategy in the Sustainability report on pages 10 to 12.

[www](#) Refer to our Group and Company Audited Financial Statements.

**Banking facilities and net borrowings**

During the year, the group had access to a revolving credit facility of R1 350 million as well as a term loan of R600 million.

These facilities, together with an overdraft facility of R100 million, brings the group's total facilities to R2.05 billion (2022: R2.05 billion) and are available to July 2025.

GROUP COMMERCIAL DIRECTOR'S REPORT - continued

The make-up of these facilities allows the group to fund its long-term needs while maximising the benefits of its seasonal cash flows. These facilities are expected to provide sufficient funding for the rollout of the planned investment programme while still allowing for headroom against the covenants.

Net borrowings, excluding lease liabilities, decreased to R1.2 billion (2022: R1.4 billion) at year-end due to strong cash generation during the year that exceeded the capital expenditure incurred and dividend pay-outs. The group remains well within its covenants (not more than 3.25 times EBITDA) at year-end, with net borrowings (including lease liabilities) equating to approximately 1.3 times (2022: 1.5 times EBITDA), while gearing decreased to 42% (2022: 47%).

The group's inherently strong organic cash flow, which is expected to increase in line with earnings growth, together with the funding facilities in place, positions the group well to fund its future investments and enables it to consider significant additional growth opportunities that may become available.

### Capital allocation

When considering investment decisions, the group uses the internal rate of return (IRR) as the primary measure for evaluating investments.

In determining the required hurdle rate, the starting point is the sum of the group's weighted average cost of capital (WACC) and the single project premium. The level of risk associated (including country risk) with the specific project is then considered to determine the specific project risk premium that is then added to the sum of the WACC and single project premium to get the final hurdle rate that needs to be achieved for the project.

While IRR is the primary measure for evaluating investments, the following additional evaluation measures are used to sense check the viability of the investment:

- Simple payback period
- Discounted payback period
- Breakeven point (enrolments and revenue)

Currently, the group is not constrained by funding and therefore can consider implementing all investment opportunities that achieve the required hurdle rates, provided there is sufficient management capacity to ensure successful implementation.

### Capital structure

The board has determined that the appropriate long-term capital structure for the group as a percentage of total assets be made up as follows:

- Equity – 45% to 50%
- Interest bearing debt – 35% to 40%
- Interest free funding – approximately 15%

This equates to long-term borrowings levels of approximately two times EBITDA and achieves a balance between being reasonably geared while still providing sufficient headroom to fund new projects and acquisitions.

Additionally, this capital structure enhances the return on equity while maintaining an appropriate level of financial risk.

The group's capital structure at year-end is as follows:

- Equity – 58%
- Interest bearing debt – 25%
- Interest free funding – 14%

		Net income		Sales		Ave assets
ROE	=	Sales	x	Ave assets	x	Ave equity
<b>2023</b>		998		7 860		8 831
<b>19.1%</b>	=	7 860	x	8 831	x	5 225
		12.7%		0.89		1.69
<b>2022</b>		842		6 961		8 197
<b>18.0%</b>	=	6 961	x	8 197	x	4 680
		12.1%		0.85		1.75

Therefore at year-end equity was 10% to 15% above the appropriate long-term range and interest bearing debt the same amount below the range.

This informed the board's decision to increase the dividend pay-out as detailed below. After taking into account the group's cash generation and funding requirements, the board will continue to consider the level of dividend pay-out while also considering undertaking share buybacks, provided it meets the group's capital allocation requirements, to manage the group towards the appropriate long-term capital structure.

In 2023, the group repurchased 762 370 shares at an average cost of R21.15 per share.

### Dividends

The significant investments made by the group over an extended period are now contributing meaningfully to earnings and cash generation. This has resulted in borrowings reducing. The group is now in a position where it is generating cash in excess of that required to fund its investment programme. Consequently, in order to better manage the group's capital structure and optimise return on equity, the board has decided to reduce the dividend cover and increase the dividend.

The group declared a final dividend of 57.0 cents (2022: 37.0 cents) per ordinary share in respect of the year ended 31 December 2023, which together with the interim dividend of 30.0 cents (2022: 23.0 cents) brings the total dividend for the year under review to 87.0 cents (2022: 60.0 cents) per share, representing a 45% increase over the prior year.

The dividend cover ratio is 2.0 times (2022: 2.4 times) relative to normalised earnings. While the board considers the needs of the group and the investment opportunities available to it in deciding on the level of dividend pay-outs, barring any significant changes in circumstances, it is their intention to maintain a dividend cover ratio similar to the current year.

### Appreciation

I would like to thank our shareholders and funders who have provided the means and support for us to carry out our expansion programme, the benefits of which are now apparent.

I would also like to thank the financial staff across all our divisions groupwide, not only for their commitment to accurate and relevant financial reporting, but also for their continued focus on our process and efficiency improvement initiatives. The strength of the team and robustness of our systems allowed for the smooth operating of the financial function throughout the year. Your diligence and commitment are critical to our ability to provide quality information that informs the decision making of management, the board and our stakeholders.

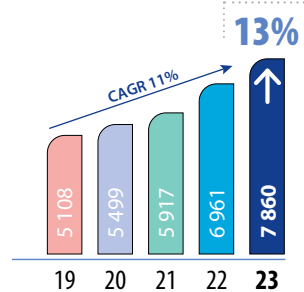
*Didier Oezch*

Group Commercial Director  
30 April 2024

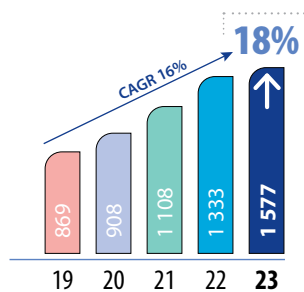
# Five year financial review

for the year ended 31 December 2023

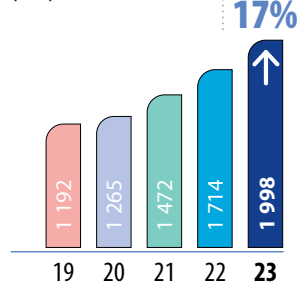
Group revenue (R'm)



Operating profit (R'm)



Cash generated from operations (R'm)



	2023 R'm	2022 R'm	2021 R'm	Restated* 2020 R'm	2019 R'm
<b>Summarised statements of comprehensive income</b>					
Revenue (including bursaries and discount allowed)	7 859.9	6 960.6	5 917.2	5 499.2	5 108.0
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)	1 961.5	1 678.2	1 422.8	1 254.5	1 173.6
Depreciation and amortisation	(384.4)	(345.7)	(314.5)	(346.4)	(304.5)
Operating profit before interest and non-trading items	1 577.1	1 332.5	1 108.3	908.1	869.1
Non-trading items	1.2	14.3	12.2	(28.8)	13.5
Net finance costs paid	(189.7)	(172.6)	(161.4)	(204.8)	(221.8)
Profit before taxation	1 388.6	1 174.2	959.1	674.5	660.8
Taxation	(390.4)	(332.3)	(279.7)	(209.0)	(192.5)
Total comprehensive income for the year	998.2	841.9	679.4	465.5	468.3
Attributable to minority interest	(47.2)	(36.5)	(14.5)	(4.4)	(1.1)
Profit attributable to equity holders of the parent	951.0	805.4	664.9	461.1	469.4
<b>Headline earnings</b>	<b>950.1</b>	<b>794.1</b>	<b>656.5</b>	<b>494.1</b>	<b>463.7</b>
<b>Normalised earnings</b>	<b>950.1</b>	<b>790.1</b>	<b>656.0</b>	<b>486.3</b>	<b>459.2</b>
<b>Summarised statements of financial position</b>					
Shareholders' equity	5 498.3	4 951.2	4 409.1	3 867.8	3 420.3
Interest bearing debt	1 555.3	1 745.6	1 791.4	2 241.2	2 725.3
Lease liabilities	1 130.3	952.7	757.7	565.0	485.5
Other non-current liabilities	51.8	49.2	48.3	50.1	74.4
Deferred taxation liability	128.1	127.4	152.1	152.6	170.9
Other current liabilities	1 106.2	1 101.5	908.4	764.0	767.6
	9 470.0	8 927.6	8 067.0	7 640.7	7 644.0
Non-current assets	8 539.6	8 077.3	7 446.1	7 129.6	7 041.1
Bank balances and cash	381.4	355.1	245.0	181.7	170.5
Other current assets	549.0	495.2	375.9	329.4	432.4
	9 470.0	8 927.6	8 067.0	7 640.7	7 644.0
<b>Summarised cash flows</b>					
Cash generated from operations	1 997.5	1 713.8	1 471.9	1 264.5	1 192.1
Net cash inflow from operating activities	962.2	939.4	898.4	895.1	454.8
Net cash outflow from investing activities	(644.1)	(689.9)	(302.9)	(273.8)	(998.6)
Net cash (outflow)/inflow from financing activities	(283.8)	(144.2)	(542.2)	(566.9)	489.9
Net increase/(decrease) in cash and cash equivalents	34.3	105.3	53.3	54.4	(53.9)

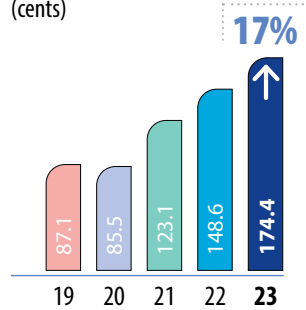
\* The 2020 year was restated to correct an error in the weighted average numbers of shares.



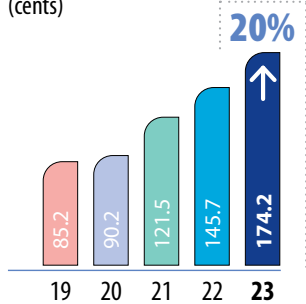
# Ratios and statistics

for the year ended 31 December 2023

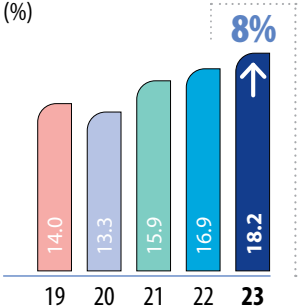
## Earnings per share (cents)



## Normalised earnings per share (cents)



## Normalised earnings on average shareholders' funds (%)



	2023 R'm	2022 R'm	2021 R'm	Restated* 2020 R'm	2019 R'm
<b>Earnings and distribution</b>					
Earnings per share (cents)	174.4	148.6	123.1	85.5	87.1
Headline earnings per share (cents)	174.2	146.5	121.6	91.6	86.0
Normalised earnings per share (cents)	174.2	145.7	121.5	90.2	85.2
Distributions to shareholders per share (cents)	87.0	60.0	50.0	20.0	15.0
<b>Profitability</b>					
EBITDA on revenue (%)	25.0	24.1	24.0	22.8	23.0
EBIT (before non trading items) on revenue (%)	20.1	19.1	18.7	16.5	17.0
Operating profit on average shareholders' funds (%)	30.2	28.8	27.1	24.1	27.0
Normalised earnings on average shareholders' funds (%)	18.2	16.9	15.9	13.3	14.0
Return on funds employed (%) <sup>#</sup>	20.7	18.9	16.6	13.9	14.3
<b>Productivity</b>					
Revenue per average fixed assets (Rand)	1.4	1.3	1.2	1.1	1.1
Revenue per employee (R'000)	931.5	880.4	752.3	700.3	648.6
Revenue per square metre (Rand)	11 551.9	10 543.8	9 291.2	8 893.2	8 334.7
<b>Finance</b>					
Current assets to current liabilities	0.4	0.3	0.3	0.3	0.3
Operating cash flow per share (cents)	173.4	169.4	162.0	162.2	82.9
Capital expenditure – excluding acquisitions (R'millions)	669.0	725.9	346.8	308.4	704.6
Capital expenditure – acquisitions (R'millions)	0.0	0.0	8.4	21.0	320.0
Free operating cash flow before capex per share (cents)	232.3	213.7	194.7	148.1	106.4
Net asset value per share (cents)	991.0	892.9	795.1	700.9	623.2
Debtors days as at 31 December	21.8	22.1	18.1	17.9	23.3
Net gearing ratio (%)	41.9	47.3	52.3	67.9	88.9
<b>Other</b>					
Total shares in issue (millions)	554.8	554.5	554.5	551.8	548.8
Weighted average number of shares in issue (millions)	545.3	542.1	540.1	539.4	539.0
Diluted weighted average number of shares in issue (millions)	549.3	547.6	545.9	540.6	539.0
Employee headcount at year-end	8 438	7 906	7 866	7 853	7 876
Total capacity occupied ('000 m <sup>2</sup> )	680.4	660.2	636.9	618.4	612.9

<sup>#</sup> The return of funds employed is calculated by dividing the normalised EBIT by the average funds employed for the year. The funds employed for each year is calculated by taking total assets for the year less cash balances and all non-interest bearing liabilities.

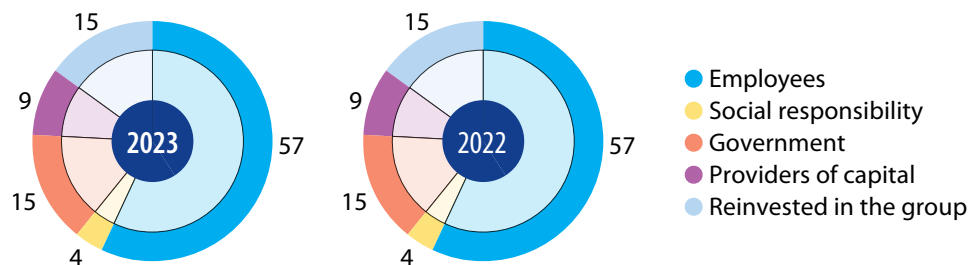
\* The 2020 year was restated to correct an error in the weighted average numbers of shares.

# Value added statement

for the year ended 31 December 2023

	2023 R'm	2022 R'm
<b>Value added</b>		
Revenue (net of bursaries and discounts)	7 859.9	6 960.6
Bursaries and discounts	243.0	225.5
Interest received	17.1	7.4
Cost of providing services	(1 572.7)	(1 498.4)
	<b>6 547.3</b>	5 695.1
<b>Value distribution</b>		
<b>Employees</b>		
Net benefits paid to employees	3 735.2	3 235.6
<b>Social responsibility</b>		
Bursaries and discounts	243.0	225.5
<b>Government</b>		
Government taxes	390.7	333.9
Net VAT paid	71.5	74.9
PAYE	532.6	474.1
<b>Providers of capital</b>		
Finance costs	622.3	500.7
Distributions to shareholders	206.8	180.0
	<b>415.5</b>	320.7
<b>Reinvested in the group</b>		
Retained to sustain and grow the group	952.0	850.4
	<b>6 547.3</b>	5 695.1

**Value distribution**  
(%)



# Extract of audited financial statements

for the year ended 31 December 2023

## EXTRACT OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the year ended 31 December 2023

R'm	Notes pages 41 to 42	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
<b>Revenue from contracts with customers</b>	2	13%	<b>7 859.9</b>	6 960.6
Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA)		17%	<b>1 961.5</b>	1 678.2
<b>Operating profit before interest and non-trading items</b>		18%	<b>1 577.1</b>	1 332.5
Non-trading items	3		<b>1.2</b>	14.3
Net finance costs			<b>(189.7)</b>	(172.6)
Interest earned			<b>17.1</b>	7.4
Finance costs incurred			<b>(91.7)</b>	(84.0)
Finance costs on lease liabilities			<b>(115.1)</b>	(96.0)
Profit before taxation		18%	<b>1 388.6</b>	1 174.2
Taxation			<b>(390.4)</b>	(332.3)
<b>Profit for the year</b>		19%	<b>998.2</b>	841.9
<b>Profit for the year attributable to:</b>				
Owners of the parent		18%	<b>951.0</b>	805.4
Non-controlling interests			<b>47.2</b>	36.5
			<b>998.2</b>	841.9
<b>Earnings per share (cents)</b>				
Basic		17%	<b>174.4</b>	148.6
Diluted		18%	<b>173.1</b>	147.1

## HEADLINE AND NORMALISED EARNINGS

for the year ended 31 December 2023

R'm	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
<b>Determination of headline earnings</b>			
Profit for the year attributable to owners of the parent		<b>951.0</b>	805.4
Items excluded from headline earnings per share		<b>(0.9)</b>	(11.3)
Profit on disposal of property, plant and equipment		<b>(1.2)</b>	(11.4)
Profit on disposal of subsidiaries		<b>-</b>	(3.1)
Taxation effects of adjustments		<b>0.3</b>	3.2
<b>Headline earnings</b>	20%	<b>950.1</b>	794.1
<b>Headline earnings per share (cents)</b>			
Basic	19%	<b>174.2</b>	146.5
Diluted	19%	<b>173.0</b>	145.0
<b>Determination of normalised earnings</b>			
Headline earnings		<b>950.1</b>	794.1
Items excluded from normalised earnings per share		<b>-</b>	(4.0)
Corporate action costs		<b>-</b>	0.2
Remeasurement of deferred taxation due to rate change		<b>-</b>	(4.2)
<b>Normalised earnings</b>	20%	<b>950.1</b>	790.1
<b>Normalised earnings per share (cents)</b>			
Basic	20%	<b>174.2</b>	145.7
Diluted	20%	<b>173.0</b>	144.3

Normalised earnings is a non-IFRS measure that is included to provide an additional basis to measure the group's normalised earnings performance. It excludes the impact of certain operational income and expense items that are not from the day-to-day operations of the business. No adjustments were required in the current year. In the prior year, it included legal fees incurred for loan facilities and the remeasurement of deferred taxation due to the change in the South African company's taxation rate.

## EXTRACT OF AUDITED FINANCIAL STATEMENTS - continued

## EXTRACT OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

R'm	Notes pages 41 to 42	Audited 31 December 2023	Audited 31 December 2022
<b>Assets</b>			
<b>Non-current assets</b>		<b>8 539.6</b>	8 061.8
Property, plant and equipment		<b>5 911.8</b>	5 527.6
Proprietary technology systems		<b>115.1</b>	110.6
Right-of-use assets		<b>891.7</b>	769.4
Goodwill		<b>1 434.7</b>	1 454.4
Other intangible assets		<b>135.4</b>	145.3
Deferred taxation assets		<b>39.5</b>	45.3
Investment in joint venture		<b>11.4</b>	9.2
<b>Current assets</b>		<b>930.4</b>	850.3
Inventories		<b>10.3</b>	7.0
Trade and other receivables	4	<b>469.5</b>	421.4
Taxation		<b>14.6</b>	26.1
Prepayments		<b>54.6</b>	40.7
Cash and cash equivalents		<b>381.4</b>	355.1
Non-current assets held for sale		<b>–</b>	15.5
<b>Total assets</b>		<b>9 470.0</b>	8 927.6
<b>Equity and liabilities</b>			
<b>Equity</b>		<b>5 498.3</b>	4 951.2
<b>Non-current liabilities</b>		<b>1 714.2</b>	1 542.9
Long-term bank loan		<b>600.0</b>	600.0
Deferred taxation liabilities		<b>128.1</b>	127.4
Lease liabilities		<b>934.3</b>	766.3
Acquisition liabilities		<b>51.8</b>	49.2
<b>Current liabilities</b>		<b>2 257.5</b>	2 433.5
Current portion of long-term bank loan		<b>0.3</b>	0.1
Short-term bank loans		<b>955.0</b>	1 145.5
Current portion of lease liabilities		<b>196.0</b>	186.4
Trade and other payables		<b>623.4</b>	636.4
Current portion of acquisition liabilities		<b>9.2</b>	9.1
Fees received in advance and deposits		<b>470.6</b>	453.6
Shareholders for capital distribution		<b>0.8</b>	0.8
Shareholders for dividend		<b>2.2</b>	1.6
<b>Total liabilities</b>		<b>3 971.7</b>	3 976.4
<b>Total equity and liabilities</b>		<b>9 470.0</b>	8 927.6

## EXTRACT OF CONSOLIDATED SEGMENTAL REPORT

for the year ended 31 December 2023

R'm	Percentage increase/ (decrease)	Audited 31 December 2023	Audited 31 December 2022
Revenue from contracts with customers	13%	<b>7 859.9</b>	6 960.6
Schools	13%	<b>3 190.6</b>	2 825.8
– South Africa	13%	<b>2 809.7</b>	2 491.5
– Rest of Africa	14%	<b>380.9</b>	334.3
Tertiary	10%	<b>2 988.3</b>	2 727.6
Resourcing	19%	<b>1 681.0</b>	1 407.2
– South Africa	(9%)	<b>228.9</b>	252.2
– Rest of Africa	26%	<b>1 452.1</b>	1 155.0
Operating profit before interest and non-trading items	18%	<b>1 577.1</b>	1 332.5
Schools	21%	<b>683.6</b>	564.1
– South Africa	18%	<b>569.5</b>	484.1
– Rest of Africa	43%	<b>114.1</b>	80.0
Tertiary	16%	<b>787.4</b>	679.9
Resourcing	20%	<b>106.1</b>	88.5
– South Africa	(83%)	<b>1.1</b>	6.4
– Rest of Africa	28%	<b>105.0</b>	82.1
Property, plant and equipment, proprietary technology systems, right-of-use assets and non-current assets held for sale	8%	<b>6 918.6</b>	6 423.1
Schools	10%	<b>4 660.9</b>	4 238.4
– South Africa	11%	<b>4 176.8</b>	3 773.9
– Rest of Africa	4%	<b>484.1</b>	464.5
Tertiary	4%	<b>2 233.5</b>	2 156.9
Resourcing	(13%)	<b>24.2</b>	27.8
– South Africa	(11%)	<b>21.8</b>	24.5
– Rest of Africa	(27%)	<b>2.4</b>	3.3



## EXTRACT OF AUDITED FINANCIAL STATEMENTS - continued

## EXTRACT OF CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

R'm	Notes pages 41 to 42	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
<b>Cash flows from operating activities</b>				
Cash generated from operations	5	17%	<b>1 997.5</b>	1 713.8
Movement in working capital			<b>(56.7)</b>	52.4
Cash generated by operating activities		10%	<b>1 940.8</b>	1 766.2
Net finance costs paid (inclusive of borrowing costs capitalised to assets and finance costs on lease liabilities)			<b>(189.2)</b>	(168.2)
Taxation paid			<b>(374.5)</b>	(337.9)
Dividends paid			<b>(414.9)</b>	(320.7)
Net cash inflow from operating activities			<b>962.2</b>	939.4
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment			<b>(646.8)</b>	(704.9)
Additions to proprietary technology systems			<b>(22.2)</b>	(15.4)
Proceeds on disposal of property, plant and equipment			<b>24.9</b>	27.5
Proceeds on disposal of subsidiaries			<b>-</b>	2.9
Net cash outflow from investing activities			<b>(644.1)</b>	(689.9)
<b>Cash flows from financing activities</b>				
Shares repurchased			<b>(16.1)</b>	-
Settlement of non-current bank loan			<b>-</b>	(600.0)
Settlement of current bank loans			<b>(1 140.0)</b>	(590.0)
Drawdowns of current bank loans			<b>950.0</b>	1 140.0
Repayment of principal portion of lease liabilities			<b>(77.7)</b>	(98.2)
Cash received on exercise of share options			<b>-</b>	4.0
Net cash outflow from financing activities			<b>(283.8)</b>	(144.2)
Net increase in cash and cash equivalents			<b>34.3</b>	105.3
Cash and cash equivalents at beginning of the year			<b>355.1</b>	245.0
Net foreign exchange differences on cash and cash equivalents			<b>(8.0)</b>	4.8
<b>Cash and cash equivalents at end of the year</b>			<b>381.4</b>	355.1

## FREE OPERATING CASH FLOW BEFORE CAPEX PER SHARE

for the year ended 31 December 2023

R'm	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
Profit for the year		<b>998.2</b>	841.9
Adjusted for non-cash IFRS and other adjustments (after taxation)		<b>36.0</b>	35.8
Net operating profit after taxation – adjusted for non-cash IFRS and other adjustments		<b>1 034.2</b>	877.7
Depreciation and amortisation		<b>384.4</b>	345.7
Repayment of principal portion of lease liabilities		<b>(77.7)</b>	(98.2)
Taxation adjustment on IFRS 16 leases		<b>(16.3)</b>	(11.1)
Profit on disposal of property, plant and equipment (after taxation)		<b>(0.9)</b>	(8.2)
Operating cash flow after taxation	20%	<b>1 323.7</b>	1 105.9
Movement in working capital		<b>(56.7)</b>	52.4
Free operating cash flow before capex	9%	<b>1 267.0</b>	1 158.3
Free operating cash flow before capex per share (cents)	9%	<b>232.3</b>	213.7

Free operating cash flow before capex is calculated by subtracting non-cash items, repayment of lease liabilities net of taxation, and movement in working capital from profit for the year. This is a non-IFRS measure. Free operating cash flow before capex per share is calculated by dividing free operating cash flow before capex by the weighted average number of ordinary shares in issue during the year, net of shares repurchased and the group's interest in its own ordinary shares.

## TRADE AND OTHER RECEIVABLES

R'm	Percentage decrease	Audited 31 December 2023	Audited 31 December 2022
Trade receivables		<b>813.0</b>	802.0
Loss allowance		<b>(405.3)</b>	(437.5)
Other receivables		<b>407.7</b>	364.5
Trade and other receivables		<b>61.8</b>	56.9
<b>Profit or loss impact</b>		<b>469.5</b>	421.4
Credit losses*	(34%)	<b>169.8</b>	257.1

\* Include the profit or loss impact of net bad debts written off and the movement in the loss allowance.

## NOTES TO THE EXTRACT OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

### 1.1 Statement of compliance

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa applicable to summarised financial statements. The Listings Requirements require summarised consolidated financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), 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 and methods of computations applied in the preparation of the consolidated financial statements, from which the summarised consolidated financial statements were derived, are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements. The information contained in the summarised consolidated financial statements has been correctly extracted from the underlying full consolidated financial statements.

The preparation of the group's summarised consolidated financial statements for the year ended 31 December 2023 was supervised by Didier Oesch CA(SA), the group's commercial director and chief financial officer. The directors take full responsibility for the preparation of the summarised consolidated financial statements.

### Independent auditor's opinion

These summarised consolidated financial statements for the year ended 31 December 2023 have been audited by Ernst & Young Inc., who expressed an unmodified opinion thereon (the auditor also expressed an unmodified opinion on the consolidated financial statements from which these summarised consolidated financial statements were derived). A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report (with key audit matters) on the consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports. The auditor's report does not necessarily cover all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's work, they should obtain a copy of their report together with the accompanying financial information from the company's registered office. Copies of the consolidated annual financial statements may also be requested from ADvTECH's group company secretary at [cossec@advtech.co.za](mailto:cossec@advtech.co.za).

Any reference to future financial performance included in this announcement, has not been audited or reported on by the company's auditors.

### 1.2 Events after the reporting period

The directors are not aware of any matter or circumstance between the date of the statement of financial position and the date on which these financial statements were authorised for issue that materially affects the results of the group and company for the year ended 31 December 2023 or the financial position at that date.

### 1.3 Financial instruments

The directors consider that the carrying amount of the financial assets and financial liabilities recognised in the summarised consolidated financial statements approximate their fair values.

All of the group's financial instruments are carried at amortised cost.

R'm	Audited 31 December 2023	Audited 31 December 2022
<b>2. Revenue from contracts with customers</b>		
The group derives its revenue from the transfer of services over time in the following major income streams. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 (see summarised consolidated segmental report):		
Education services – Schools <sup>#</sup>	<b>3 190.6</b>	2 825.8
– Tuition	<b>3 217.3</b>	2 866.3
– Bursaries and discounts	<b>(175.9)</b>	(175.4)
– Boarding fees	<b>52.5</b>	43.4
– Enrolment and application fees	<b>40.1</b>	36.1
– Extramural activities and aftercare	<b>56.5</b>	54.8
– Education material and uniforms	<b>0.1</b>	0.6
Education services – Tertiary <sup>#</sup>	<b>2 988.3</b>	2 727.6
– Tuition	<b>3 009.3</b>	2 747.2
– Bursaries and discounts	<b>(67.1)</b>	(50.1)
– Boarding fees	<b>15.0</b>	11.4
– Enrolment and application fees	<b>31.1</b>	19.1
Placement fees	<b>1 681.0</b>	1 407.2
	<b>7 859.9</b>	6 960.6

<sup>#</sup> In order to improve disclosure, revenue has been further disaggregated. The prior year has also been presented on this basis.

## EXTRACT OF AUDITED FINANCIAL STATEMENTS - continued

## NOTES TO THE EXTRACT CONSOLIDATED FINANCIAL STATEMENTS continued

for the year ended 31 December 2023

### 3. Non-trading items

Net profit on disposal of property, plant and equipment	1.2	11.4
Corporate action costs	-	(0.2)
Profit on disposal of subsidiaries	-	3.1
	<b>1.2</b>	<b>14.3</b>

Land and buildings which were no longer required, with a carrying value of R15.5 million, were disposed of for proceeds of R15.6 million. The balance of the net profit on disposal of property, plant and equipment in the current year resulted from the disposal of smaller assets.

The non-trading items in the prior year related to:

- In addition to the disposal of smaller assets, land and buildings which were no longer required, with a carrying value of R9.1 million, were disposed of for proceeds of R22.2 million.
- Corporate action costs related to legal fees incurred in relation to loan facilities.
- The profit on disposal of subsidiaries related to the disposal of a 51% shareholding in the Contract Accountants Group.

### 4. Trade and other receivables

R'm	Percentage decrease	Audited 31 December 2023	Audited 31 December 2022
Trade receivables		<b>813.0</b>	802.0
Loss allowance		<b>(405.3)</b>	(437.5)
		<b>407.7</b>	364.5
Other receivables		<b>61.8</b>	56.9
Trade and other receivables		<b>469.5</b>	421.4
<b>Profit or loss impact</b>			
Credit losses*	(34%)	<b>169.8</b>	257.1

\* Include the profit or loss impact of net bad debts written off and the movement in the loss allowance.

### 5. Note to the extract consolidated statement of cash flows

R'm	Audited 31 December 2023	Audited 31 December 2022
<b>Reconciliation of profit before taxation to cash generated from operations</b>		
Profit before taxation	<b>1 388.6</b>	1 174.2
Adjusted for non-cash IFRS and other adjustments (before taxation)	<b>36.0</b>	35.8
Share based payment expenses	<b>39.5</b>	36.9
Other non-cash adjustments	<b>(3.5)</b>	(1.1)
	<b>1 424.6</b>	1 210.0
Adjustments	<b>572.9</b>	503.8
Depreciation and amortisation	<b>384.4</b>	345.7
Net finance costs	<b>189.7</b>	172.6
Net profit on disposal of property, plant and equipment	<b>(1.2)</b>	(11.4)
Profit on disposal of subsidiaries	<b>-</b>	(3.1)
<b>Cash generated from operations</b>	<b>1 997.5</b>	1 713.8

### 6. Share information

	Percentage increase	Audited 31 December 2023	Audited 31 December 2022
Number of shares in issue (million)		<b>554.8</b>	554.5
Number of shares in issue net of treasury shares (million)		<b>548.2</b>	544.3
Weighted average number of shares for purposes of basic earnings per share (million)		<b>545.3</b>	542.1
Weighted average number of shares for purposes of diluted earnings per share (million)		<b>549.3</b>	547.6
Net asset value per share including treasury shares (cents)	11%	<b>991.0</b>	892.9
Net asset value per share net of treasury shares (cents)	10%	<b>1 003.0</b>	909.6
Free operating cash flow before capex per share (cents)	9%	<b>232.3</b>	213.7
Gross dividends per share (cents)	45%	<b>87.0</b>	60.0

# Central academic team

ADvTECH's intellectual capital, particularly through academic excellence, is what enables the delivery of our strategy. Our central academic team's structural and operational support, at brand and site level as well as centrally in both the school and tertiary divisions, enables effective and efficient development and refinement of the group's intellectual capital capability. Cooperation between divisions is a differentiator that supports data driven and research led improvements. The central academic team are accountable for quality assurance and ensuring the efficient and effective delivery of the group's academic offerings.

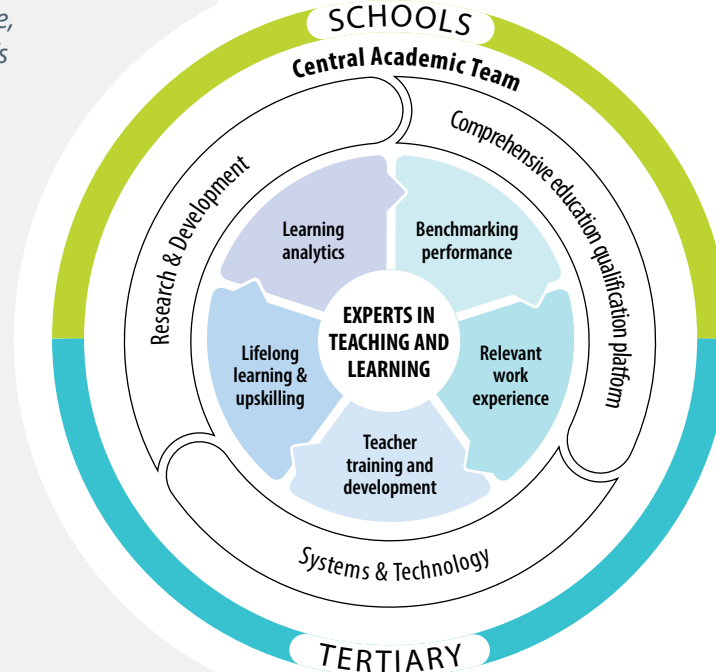
We offer our students and their families value for money and a superior academic product.

- Academic excellence and student success.
- Global citizenship incorporating the values of respect, diversity and inclusion and global competencies.
- The implementation of the EdTech framework underpins the various digital literacy elements to enhance learning.

Our systems, processes and employee development all focus on delivering value and successful outcomes. This is measured by school progression and completion, and graduation and employability at the tertiary level.

Our systems allow us to quickly embed our intellectual capital at new sites and in programmes, so that we can shorten development cycles and improve the outcomes of all initiatives. We preserve value by focusing on the core values of graduating work-ready and well-rounded citizens in the tertiary division and ensuring that every student in our schools develops incrementally in an engaging, inspiring and challenging learning environment that is globally benchmarked.

By balancing the objectives of being able to monitor and assure quality, while not limiting the application of individual professional competencies on the part of our academics, we create value as insights uncovered can be deployed for wider use. We invest substantially in the ongoing development of our academic employees, and we also contribute to the broader body of knowledge through the publication of our research. When using our capital resources, we engage with key stakeholders and balance capital trade-offs. This process culminates in value creation and preservation as depicted alongside.



## ADvTECH's intellectual capital is reinforced by:

- Exceptional teaching and learning
- Data driven decision-making
- Local and international accreditation



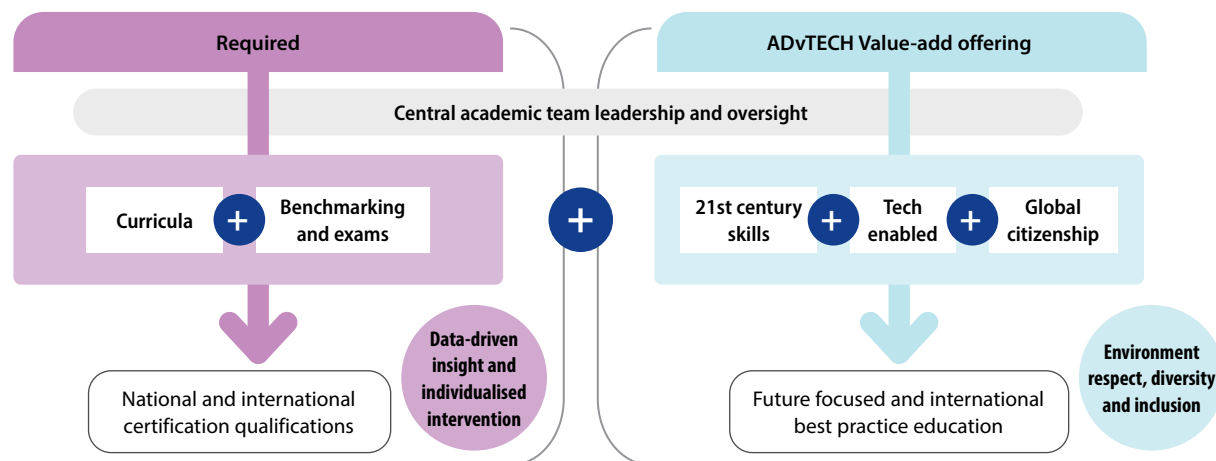
## OUTLOOK

- Continuing to leverage systems, processes and intellectual capital to embed leading academic practise.
- Ongoing formalised research, particularly in the tertiary division, on the quality and substance of our academic model, so that we contribute more formally to knowledge management in the sector broadly.



## HOW WE MANAGE INTELLECTUAL CAPITAL, ACADEMIC EXCELLENCE AND ACADEMIC GOVERNANCE TO SUSTAIN OUR EDUCATION BUSINESS

### Academic excellence and governance



### Academic excellence

Our commitment to academic excellence is at the core of our strategy and is fundamental to ADvTECH's success. Our comprehensive educational offering, flexible delivery methods, improved systems, market leading pastoral support and ability to transition seamlessly between online platforms and physical space, enable us to provide quality education without interruption in a challenging and changing environment. These differentiating factors form the basis of our competitive advantage. The group has continually improved, through targeted initiatives that include improved structures, investment in systems and enhanced technological capability.

Academic excellence remains central to our value proposition. We invest significant resources in teaching, innovative curriculum development and learning, benchmarking and learning analytics to ensure every student has the best chance at success, even at the early childhood development (ECD) phase. The central academic team focuses on best practice, which considers the latest educational developments and international standards in pedagogy and technology, enabling the group to leverage this advantage and deliver value, as evidenced by our academic results across our schools.

In keeping with our academic excellence commitment, addressing the literacy issues in South Africa is important to us as a

business focused on education. Through our Measuring Academic Progress (MAP) framework we conducted research to track our foundation phase students' literacy levels by looking at how competent they are within the four basic language skills: listening, speaking, reading and writing. Following this assessment the central academic team proposed a literacy enrichment intervention. This intervention will be carried out by implementing an integrated teaching approach that will be focused on MAP benchmark testing, having a designated time to read in class with guided readers, utilising the expertise of educational specialists and engaging parents on their children's progress.



### Academic integrity

ADvTECH recognises the crucial role that academic integrity plays in terms of credibility and reputation. Throughout all divisions we prioritise and aim to uphold academic integrity. We also convey to students, faculty and stakeholders that we value honesty, fairness and ethical conduct.

ADvTECH proactively promotes and maintains academic integrity through educating students and employees on ethical conduct, as well as implementing clear policies and procedures, to prevent and address academic misconduct. This takes into account developments on the technological front that could impact academic integrity, such as the rapid proliferation of artificial intelligence (AI).

We seek to ensure that ADvTECH's academic programmes and qualifications are reputationally credible and respected by external stakeholders, other educational institutions and professional organisations.

## Brand differentiation and central academic leadership

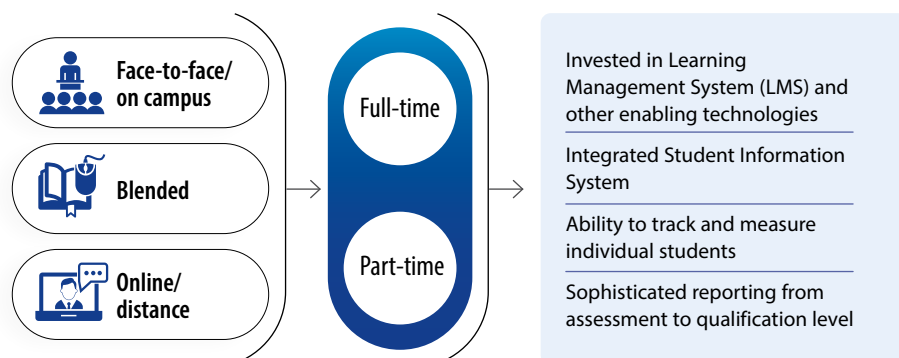
ADvTECH, through its multi-brand strategy, is committed to brand differentiation to meet specific market needs. This differentiated strategy leverages scale opportunities provided by the shared base of principles, processes and systems resourced through the dedicated central academic team experts, which support both divisions' synergies, efficiencies, teaching and learning.

Common policies, standards and quality assurance systems enable quick and effective data-driven comparisons, which allow for immediate and focused support.

Having both schools and tertiary divisions allows us to integrate these through our central academic team, which uniquely positions ADvTECH to become the experts in teaching and learning across the African continent. Our investment in research and development is significant and we are able to integrate this investment across divisions regarding curricula, teacher training and development.

Developing our own talent and conducting research leads to an enhanced student education experience.

The group also benefits from its systems capability and standardisation. The central academic team focuses on best practice, which considers the latest educational developments and international standards in pedagogy and technology that enable the group to leverage this advantage and deliver value, as evidenced in our academic results across our schools and tertiary brands.



## Multi-channel modes of delivery

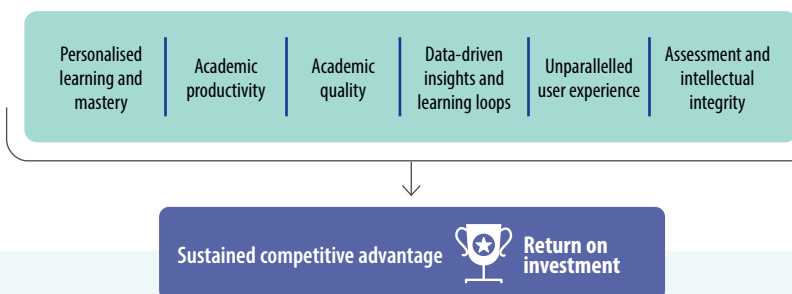
Our multi-channel modes of delivery (contact, blended, online, full-time, part-time and distance) are fundamental to our value proposition and allow us to meet the requirements of every student at any time and at any location.



## Technology

Technology is a key enabler and therefore our approach to technology in education is a focus area. We continue to identify the technologies that will help us deliver first class teaching to provide the best possible student experience. Through our student base (93 728) the group can make informed decisions using data-driven insights, particularly in the areas of adaptive and personalised predictive learning.

## Creating a tech-enabled environment






# Schools division

## GOOD ENROLMENT GROWTH AND SOLID FINANCIAL PERFORMANCE

Brand	Description	No of schools	Established	Location
<b>PROGRESSIVE/MODERN</b>				
	<b>Crawford International</b> is a trailblazer in innovative and forward-thinking education, offering well-rounded contemporary education from Grade 0000 to Grade 12 in Pre-primary, Preparatory and College in our South African schools and from Kindergarten to Year 13 (KG – A Levels) offering the Cambridge Curriculum in our Kenya School. Every student is acknowledged and offered the opportunity to excel. The child-centred approach inherent in every school prompts students to examine and realise their own potential, ensuring every child is a masterpiece.	27	1993	Gauteng KwaZulu-Natal Kenya
<b>TRADITIONAL/HOLISTIC</b>				
	<b>Trinityhouse</b> is founded on Christian principles and traditional values, and comprises pre-primary, preparatory and high schools. Its students are offered a healthy balance of academic, sports and cultural activities within a structured, secure and disciplined environment from Grade 0000 to Grade 12.	20	1997	Gauteng Western Cape
<b>SPECIALISED ACADEMIC SUPPORT AND ASSISTED LEARNING</b>				
	<b>The Bridge Assisted Learning School</b> provides specialised education for Grade R, primary school and high school students who require learning intervention. Through small classes and individual attention, the school is able to instil not only the skills, but also the self-esteem that will allow students to take on their learning journey with confidence.	6	2018	Gauteng
	<b>Abbotts College</b> recognises the individual needs of its students and helps them to develop their full academic potential in an inclusive, caring and focused environment. Catering for Grade 8 to Grade 12 students, the college helps high school students achieve their best possible results by combining methods of expert teaching, pure academic focus and unique processes.	5	1971	Gauteng Western Cape
<b>MID-FEE</b>				
	<b>Pinnacle Colleges</b> provides a sound academic footing while preparing pupils for life beyond matric. This is achieved through a focus on the delivery of an excellent academic programme and a strong extramural offering from Grade 0000 to Grade 12.	38	2018	Gauteng Western Cape
	<b>Gaborone International School (GIS)</b> defines itself as a place where excellence in English-medium education combines with a holistic approach to foster the academic, physical and moral growth of each learner. From affordable private education in pre-school through primary school (Standard 1 to Standard 7 PSLE curriculum) to a comprehensive high school education covering Form 1 to Form 4, IGCSE curriculum, our commitment is unwavering. We proudly offer the prestigious Cambridge A Levels (AS and A2), an internationally recognised qualification that opens doors to a world of opportunities. At Gaborone International School, where education transcends the ordinary, we unlock the potential of every student. Experience excellence and embrace growth.	3	1993	Gaborone Botswana

Schools are categorised by development stages such as primary, primary, high school or college. Often three schools are found on a campus.

Brand	Description	No of schools	Established	Location
<b>MID-FEE</b>				
	<b>Makini Schools</b> is unwaveringly dedicated to fostering significant academic progress and students' well-being while remaining affordable. Founded in 1978, Makini School follows the national; Competency Based Curriculum (CBC) Kenyan national curriculum, the hallmark of the school's success, as well as the Cambridge curriculum. Makini Schools has campuses in Nairobi and Kisumu.	6	1978	Nairobi Kisumu
<b>EARLY CHILDHOOD DEVELOPMENT</b>				
	<b>Junior Colleges</b> nursery schools provide superior quality education and care to children aged from six weeks to six years. A formal curriculum creates a meaningful and happy early learning experience in a safe environment which prepares students for their entry into formal education.	5	1971	Gauteng
<b>ONLINE/HOMESCHOOLING</b>				
	<b>Evolve Online School</b> is designed to take each child on a journey of personal mastery, using cutting edge curriculum mapping systems developed by MIT, where they progress at their own deliberate or accelerated pace. We place students within subjects according to their abilities, letting them progress faster where they are gifted and work at a more deliberate pace to master content they struggle with. The result? Each student's learning experience is tailored to them and they are encouraged to grow at a pace that suits their ability and enthusiasm. Through the use of this phased approach and machine learning, our curriculum takes your child on a journey where they can master their work without artificial limits. Join us in helping your child evolve to thrive in today's world.  Grade R-12. Offering the IEB CAPS and Cambridge International curricula.	3	2020	Online





The schools division has over the years been at the forefront of educational and academic development in South Africa and more recently in the rest of Africa. It places great emphasis on academic excellence and has consistently maintained excellent academic results. We strive to prepare our students for their future through the schools division's global citizenship framework.

## COMPREHENSIVE BRAND PORTFOLIO



### FINANCIAL PERFORMANCE

Revenue  
contribution  
(for period under review)

41%  
(2022: 41%)

R3.2 billion  
(2022: R2.8 billion)

#### Schools division

13%

Revenue

21%

Operating profit

#### Schools South Africa

13%

Revenue

18%

Operating profit

- All brands, including premium brands, have shown growth
- Continued to win market share in a tough operating environment

#### Schools in the rest of Africa

14%

Revenue

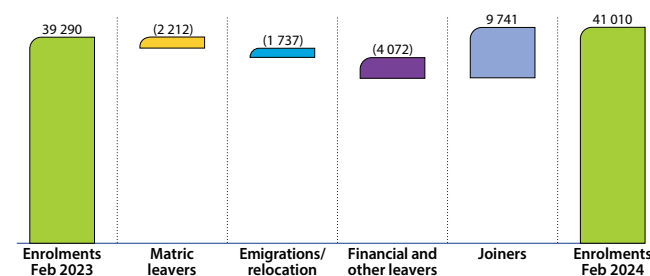
43%

Operating profit

- Strong enrolment growth with commitment to quality education and efficiency gains
- Confidence for future expansion

### Good enrolment growth and solid financial performance

The graph below shows the enrolment movement comparatively, with explanations for the material movements during the year.



Enrolment growth 4%



## ACADEMIC RESULTS

SOUTH AFRICA

		Matric pass rate*	Bachelor degree pass rate*
Independent Examination Board (IEB) results	ADvTECH IEB students	99.7%	93.1%
	IEB students	98.5%	87.7%
	ADvTECH students	2 669 Distinctions	1.93 average of distinctions per student

### IEB acknowledgments and achievements

**Top 5% Outstanding Achievement**  
(in 6 or more subjects + level 7 in LO)

8 students

**Top 1% in one subject or more**

94 students

**Top 5% Commendable Achievement**  
(in 5 or more subjects + level 7 in LO)

19 students

**Top 5% in 6 subjects or more and level 7 in LO**

18 students

REST OF AFRICA

**Cambridge International students**  
**327 distinctions**

All of the Crawford International, Kenya final year students who completed their A-Level qualifications were accepted into international universities.



## OUTCOMES IN 2023

### South Africa

All of our brands have shown volume and operating profit growth. This is testament to the recognition of ADvTECH's excellence in education coupled with a relentless focus on enhancing our value proposition. As a result, we continue to win market share in a tough operating environment.

- Continued enrolment growth in 2023 – up 4.6% on the comparative period.
- New schools opened
  - Pinnacle Raslow in Centurion had a successful opening in January 2023 with enrolments well ahead of expectations.
  - The Bridge Assisted Learning School expanded its offering to a second school in Morningside, Johannesburg, which opened its doors in January 2024.
- Students at Abbotts Colleges wrote their first IEB matric exams. ADvTECH made the decision to migrate Abbotts from the NSC to the IEB exams, to ensure Abbotts students also benefit from the future-focused teaching and learning inherent in the IEB approach.
- IEB has a strong focus on inquiry based teaching, which is a strategic imperative of the ADvTECH academic strategy to prepare students for the future. The cognition levels of the IEB assessments build these competencies in our students, while the examination and professional learning support from the IEB, with collaborative subject user groups, further benefit our students.
- Leveraging AI in teaching and learning – ADVLEARN implemented across all of schools division.
- Enhancing data dashboards and insights where gaps are identified across all schools.

### Rest of Africa

All our school brands in the rest of Africa continue to experience strong enrolment growth and are operationally sound.

- Preparation for the rollout of ADVLEARN in 2024.
- Transformed Gaborone International School into a mega campus.
- Capacity was increased during the year at Crawford International School in Kenya in response to continued strong demand off the back of their market leading academic offering.
- Due to the quality of the offering at Gaborone International Schools, demand remains strong and capacity is being increased to accommodate 3 250 students.

## OUTLOOK

### South Africa

- Continuing to deliver quality education in line with our customer value propositions.
- Opening Pinnacle College Ridge View 2025
- We remain committed to expanding our niche offering to meet the diverse needs of students and parents.

### Rest of Africa

- Exploring expansion opportunities across the continent.
- Continuing to deliver quality education at affordable prices and delivering on our customer value propositions.

Our Makini Cambridge International curricula schools offering, which opened its doors in 2021, has materially outperformed the growth of the Makini national curriculum schools. Parents are increasingly choosing the Cambridge International curriculum for their children in response to the national curricula change across Kenya.

Consequently, due to the successful introduction of the Cambridge International curricula, the decision was taken to close the Makini High School in Nairobi. Although this action has affected enrolment growth in 2024, it will free up capacity to increase enrolments for the higher fee Cambridge International curricula school in future. These developments have placed our Makini schools in a positively beneficial position.

## CENTRAL ACADEMIC TEAM

The workstreams were redefined to align to the central academic team strategy to focus on:

- Academic excellence and student success.
- Global citizenship incorporating the values of respect, diversity and inclusion and global competencies.
- Implementing the EdTech framework that underpins the various digital literacy elements to enhance learning.

Academic advisors support schools within the following workstreams: early years phase specialist, foundation phase specialist, Intersen phase specialist, college specialist, psycho-social support, respect, diversity and inclusion support,

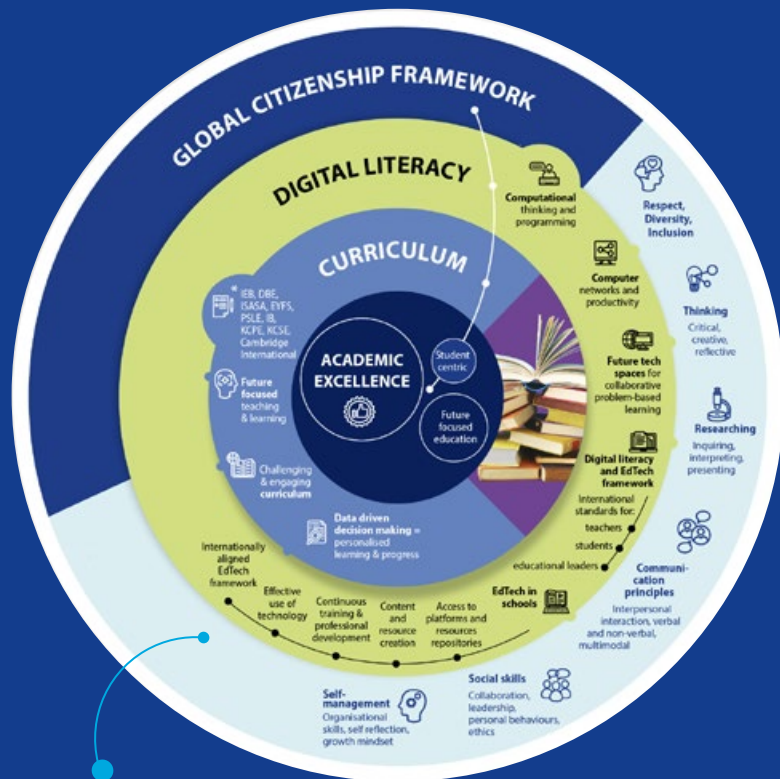
WESSA support; edtech and data-driven instruction; and ADVLEARN.

The central academic team's updated strategy has enhanced our support of the strategic initiatives across the schools, to ensure that we are better able to drive quality assurance, benchmarking and improvement in teaching and learning alongside professional development. The support of the academic heads of each brand, together with specialists in the central academic team, have enabled better collaboration to implement and support this strategy at school level as well as providing leadership within crucial phases and on specific group strategies and initiatives.

➔ Please refer to PG 43 for details on our central academic team for both schools and tertiary divisions. The information on the next page includes the central academic team progress in 2023 for the schools division.

\* Excluding Abbotts College's matric results attributed to the decline in South Africa's academic results due to the niche brand model catering to students who require academic support.





## The value of the respect, diversity and inclusion programme within the foundation phase

ADvTECH's aims to build non-discriminatory schools. We have intensified support for schools by presenting respect, diversity and inclusion workshops for teachers and students, where they were able to engage with various relevant topics.

Our respect, diversity and inclusion programme and Global Citizenship framework help students thrive in a dynamic, diverse, global and connected world and improve their ability to navigate complex problems and communicate solutions to social, personal, global and environmental issues. However, in order for our students to thrive as global citizens, we need to start teaching them values that speak to the respect, diversity and inclusion programme in the foundation phase of their education journey. This foundation phase remains a critical phase in education that sets up a student for the rest of their lives with values that will accompany them into the rest of their schooling, tertiary and world of work experience.

Foundation phase teachers implement suitable curricula that are appropriate for a child's age and stage of development. It is also important to teach children between the ages of three and eight how to be kind and understand that helping others and seeing their peers as unique and deserving of compassion and empathy will help ensure they develop into well-rounded global citizens.

## ACADEMIC EXCELLENCE

ADvTECH's schools division academic strategy ensures that each student progresses incrementally towards mastery, in a learning environment that is flexible, inspiring, engaging and challenging.

### Value-based discipline programme to harness academic excellence and student retention

ADvTECH's values are centred on ethics, people-centredness, high quality, sustainability, caring and responsible leadership and our respect, diversity and inclusion programme. We have adopted an approach to a value-based discipline programme at our schools, which will serve as a framework for all employees, students and parents and result in academic excellence and student retention.

Within the school's division, our objective is to ensure every student develops incrementally, to the best of their abilities. Our teachers facilitate this by utilising assertive discipline to ensure that academic excellence and learner retention is achieved. To support this value-based discipline programme, continued and positive engagement between the students, parents and teachers is encouraged. This integrated learning discipline approach ensures that teachers have an internal locus of control which instils intrinsic motivation for the students to live ADvTECH's values.

### Academic governance and benchmarking performance

#### GOVERNANCE

Increased attention to coordinated and principle driven policy ensures ongoing improvement of common standards without undermining differentiation. The schools' central academic team coordinates brand collaboration in the consultation and development process of these standards and policies.

ADvTECH's innovative teacher performance success model (page 66) is aimed at driving our teaching and learning capability and optimising our value proposition. This model challenges teachers to invest in their own growth and development and rewards those who demonstrate a positive impact on outcomes such as academic success with above average salary increases and performance bonuses. The model encourages accountability and ensures that our academic teams are focused on delivering value and providing a stellar customer experience for our students and parents.

#### BENCHMARKING

Benchmarking provides us with an objective framework to systematically compare our students' performance against their peers in other classes, schools and countries. It is also used to monitor the effectiveness of our focus on consistent student growth and to track effective teaching and learning.

ADvTECH uses the international benchmarking MAP that enables schools to objectively compare their students' performance against students in other schools (including online) and other countries. These ranking measures achievement and growth in maths, reading, language usage and science. Data obtained adds value by building individual and class profiles on support opportunities and empowers students to take charge of their own learning. This tool was rolled out to additional grades during 2023.



## International benchmarking

With the ongoing growth of online schooling in South Africa, parents are increasingly considering this route as a viable option for their children. Additionally, the quality varies from school to school, therefore, it is crucial that parents' choice of online school is based on an objective assessment of the quality and standard of the offering.

According to an education expert, one of the best indicators of a school's ability to provide the highest quality of academic excellence in an online environment is its international benchmarking MAP ranking. International benchmarking enables schools to objectively compare their students' performance against students in other schools both online and brick-and-mortar and countries. It is a tool to monitor the effectiveness of a school's focus on consistent student growth and to track effective teaching and learning.

MAP is used in 1 500 schools in 145 countries, with nine million students participating. Data is presented at the individual level but also provides school, regional, continental and global comparisons. MAP's growth tests evaluate mathematics, reading and language usage for students from kindergarten through Grade 12, and the tests are given two to three times per year to measure progress, most often at the beginning, middle and end of the year. Since Evolve online schooling began participating in MAP benchmarking it has consistently scored in the top percentile against other schools.

**Evolve Online School** is a brand of ADvTECH that caters to Grade R-12 students following the IEB-aligned CAPS Curriculum and Stage 4-9 students following the Cambridge International Curriculum. It also combines a user-experience focus with a trendsetting curriculum mapping system developed at MIT to personalise each child's learning experience. Each child's learning journey will be designed based on exclusive subject and skill maps using the latest research.

The Evolve Online School model uses Apple/iOS technology and incorporates content developed by master teachers drawn from across the country to develop curriculum content. It also ensures a complete digital learning journey instead of copying and pasting the physical class into a virtual space. Learning coaches help develop crucial 21st century skills and global competencies in students.

Visit [www.evolveonline.co.za](http://www.evolveonline.co.za).

## THE IMPACT OF ACADEMIC EXCELLENCE – EMPIRICAL EVIDENCE

*"It is undeniable that the link between early years education and the ultimate success of an economy is linked, given that learning experiences in early years lay the solid foundation for all future learning and life in general. Early years learning, especially during the developmental stages plays an important role in shaping leaders, innovators and individuals who engage in active community-based roles."*

**DESIREE HUGO**

*Academic Head, ADvTECH Schools division*

### Early childhood development (ECD)

ECD programmes are widely recognised as crucial for enhancing the cognitive, social, emotional and physical development of young children. ADvTECH schools have been focused on developing and implementing pioneering ECD programmes, with the aim of implementing the following features across ADvTECH ECD schools:

**Learning spaces** that are aesthetically pleasing, ergonomically designed and conducive to play-based learning, where students can explore, discover and interact with various materials and resources.

**Learning experiences** that are informed by research and data-driven instruction, where students engage in deeper learning about the world around them with confidence and conviction.

**A learning culture** that is inclusive, affirmative and collaborative, where students have a strong sense of belonging and wellbeing and where they have strong reciprocal relationships with their peers and teachers.



A Junior Colleges study was conducted to measure the impact of a structured and well-designed programme, including the socioeconomic impact and return on investment associated with quality early learning experiences. This study sampled more than 1 000 Grade 1 students and it sought to substantiate the significance of students' exposure to an ADvTECH early years education, compared to those who only recently joined our schools.

One of the key components of the research study was the utilisation of the MAP assessment where the students' progress was measured over time. The data gathered determined the growth of the students as well as the quality of learning the experiences provided. The data gathered also evidenced that students who started with an ADvTECH school in the foundation phase of their schooling career, and stayed for the rest of their career, performed incrementally better than a student who came to an ADvTECH school after having completed their foundation phase at another school. The MAP assessment also highlighted that a structured early learning programme with a well-designed curriculum plays an important role in the development of future focused skills.

The ECD programmes of ADvTECH schools have a positive and significant impact on the students' performance, wellbeing and identity by creating inclusive, affirmative and innovative learning spaces, experiences and culture that enhanced their cognitive, social, emotional and physical development, and prepared them for lifelong learning and success.



### Ongoing professional development focus in support of ECD best practice

In 2023, our professional development focused on rotational foundation phase teaching and learning, global competencies and learning through inquiry, as well as assessment and integration of Edtech. ADvTECH's ECD approach of preparing and cultivating the learning environment, embracing best practice and building strong reciprocal relationships, are just a few elements underlying the success of our programmes. It is evident that our approach to provide young students with many opportunities to hone their skills, understandings and knowledge, and to articulate their thinking and learning clearly in different ways, are having a fundamental impact on their preparation for primary school and beyond.



### CURRICULUM AT SCHOOLS AND 21ST CENTURY SKILLS

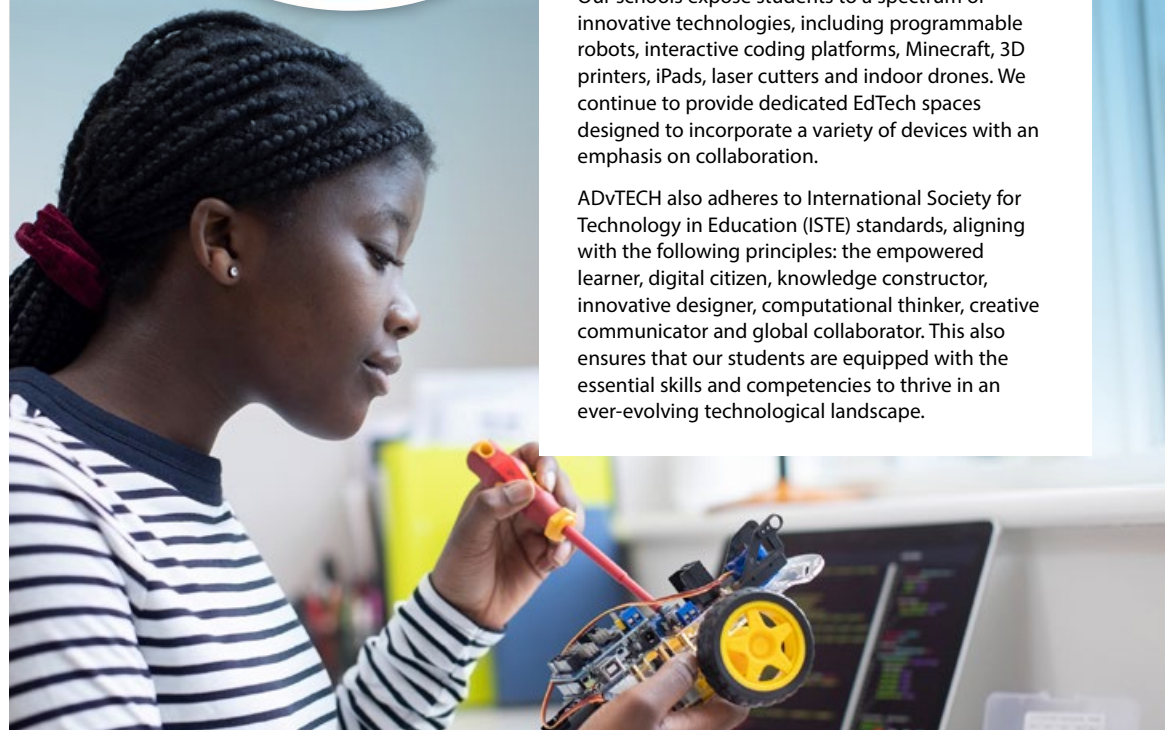
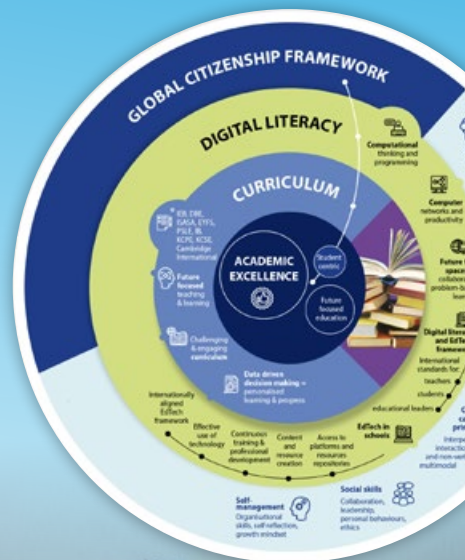
ADvTECH incorporates the development of 21st century skills throughout the curriculum, embedding skills needed to succeed in the information age.

#### School curricula and leaving examinations

We prepare our students for school-leaving examinations by exposing them to world-class curricula, ensuring that our academic standards generate quality outcomes for our students' performance. In South Africa, all ADvTECH schools, other than Greenwood Bay College, completed the IEB Grade 12 examinations.

All our schools in the rest of Africa as well as Greenwood Bay offer the Cambridge International Assessments.

Cambridge's International General Certificate of Secondary Education (IGCSE), AS and A levels are externally set and marked, with certificated examinations from the University of Cambridge. From 2023, ADvTECH's online school Evolve offers both the IEB and Cambridge International Assessments. In addition to the Cambridge International Assessments, the national Kenyan certificates of primary and secondary education (KCPE and KCSE) continue to be offered at Makini Schools. The local Botswana Primary School Leaving Examination (PSLE) is offered at Gaborone International School.



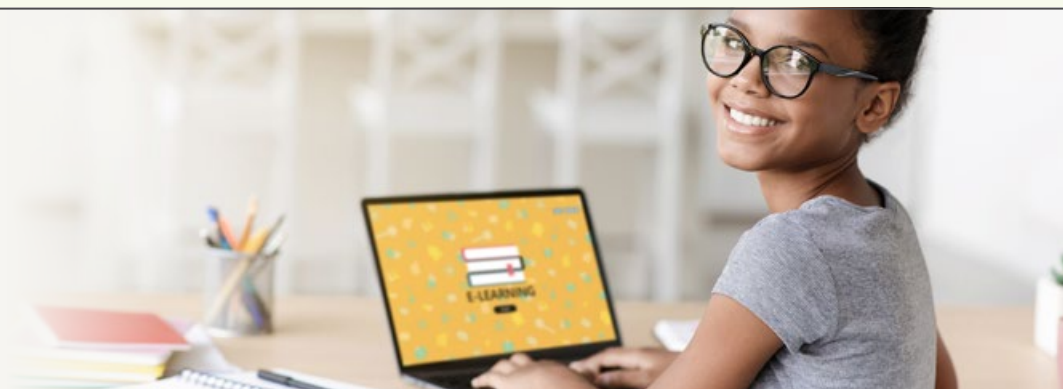
### DIGITAL LITERACY

ADvTECH provides its students with an exceptional and comprehensive EdTech programme seamlessly integrated into the curriculum, equipping them to navigate the challenges of their evolving digital landscape. We incorporate the latest technologies while also focusing on digital citizenship. Digital citizenship engages students and shows them how to safely connect with one another through digital tools, platforms and devices. It also provides a clear understanding of the interconnection between tech-life and real-life citizenship skills to create knowledgeable, responsible and mindful online interaction. We actively address and discourage negative digital habits, such as cyberbullying, irresponsible social media usage and unsafe internet practices, with an emphasis on instilling good digital citizenship both in the classroom and at home.

Our schools expose students to a spectrum of innovative technologies, including programmable robots, interactive coding platforms, Minecraft, 3D printers, iPads, laser cutters and indoor drones. We continue to provide dedicated EdTech spaces designed to incorporate a variety of devices with an emphasis on collaboration.

ADvTECH also adheres to International Society for Technology in Education (ISTE) standards, aligning with the following principles: the empowered learner, digital citizen, knowledge constructor, innovative designer, computational thinker, creative communicator and global collaborator. This also ensures that our students are equipped with the essential skills and competencies to thrive in an ever-evolving technological landscape.

CASE STUDY



## ADvLEARN: supporting students and teachers through adaptive learning technology

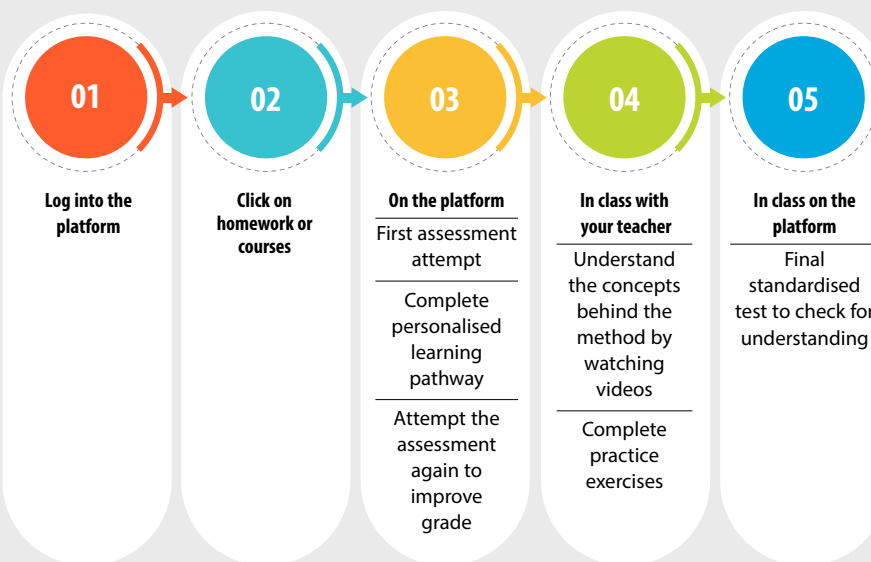
“ADvTECH’s commitment to digital innovation in education marks a transformative step forward in equipping students with the tools they need to thrive in the ever-evolving landscape of modern learning. With ADvLEARN’s widespread implementation, ADvTECH further solidifies our position as a leader in pioneering educational solutions.”

**DESIREE HUGO**

Academic Head of ADvTECH  
Schools Division

ADvTECH’s unique digital learning platform, across grades 7-12, is a South African-developed personalised learning digital platform called ADvLEARN which ensures we remain at the forefront of global technological innovation and emerging best practice. ADvLEARN enables personalised learning development using adaptive technology to deliver data-driven insights and learning analytics. Students across grades 7 to 12 can enjoy a unique learning experience while constantly improving their understanding in core areas.

We use ADvLEARN to enhance learning in Mathematics grades 7 to 12, physical sciences grades 10 to 12 and mathematical literacy grades 10 to 12. The pedagogy of ADvLEARN is finding and filling the gaps to ensure students improve understanding in core areas.



In addition to enhancing student learning, ADvLEARN also gives teachers the ability to instantly allocate relevant student work and homework to student devices, immediately access student performance and achievement data, as well as easily view and identify concepts needing additional teaching and review.

This system also supports students who want to progress faster and students requiring reinforcement of key concepts.

The insights into teacher practices are evident from the data and behaviour. This guides the school leadership to build support and development structures for individual teachers.

### How successful has ADvLEARN been?

In 2023, ADvLEARN was implemented across all of ADvTECH’s South African schools, impacting 13 500 students. Plans are under way to expand to ADvTECH schools in Kenya and Botswana in 2024, benefiting around 4 700 additional students

The primary goal remains consistent which is fostering academic excellence through digital literacy tailored to meet curriculum requirements

This platform has significantly supported students in achieving academic success, offering personalised pathways, enhancing engagement and providing vital support for students encountering difficulties with specific concepts. Automated grading and data analysis ensure that teachers can efficiently identify and bridge gaps in students’ learning

We have witnessed an increase in student motivation and performance where ADvLEARN is used to full capacity. Improvements of 5% to 15% have been seen in academic performance

CASE STUDY – ADvLEARN: supporting students and teachers through adaptive learning technology continued

### Teacher feedback

#### Grade 11 - Mathematics

Cycle 1	50%	Cycle 2	77%
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One of my students improved from 50% last cycle to 77% in the exam. He said he used ADvLEARN, and this boosted his confidence.

**TANDEE COPPIN**

*Crawford International College Lonehill*

There is a high correlation between performance with the ADvLEARN percentages and students' term mark. I analysed the data and noted that my Grade 9B class a 76% correlation and my Grade 9D class has a 78% correlation. This indicates that the more effort the students make and the more assessments they do the better they perform in the term. It also demonstrates that their performance on ADvLEARN is an indication of their term performance.

**NATALIA DE FREITAS**

*Trinityhouse Glenvista*

### Parent feedback

#### Grade 10 - Mathematics

#### Grade 9 final mark – 55%

Cycle 1	64%	Cycle 2	72%
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My daughter decided to access the platform in preparation for the June exam. She picked the sections she needed to prepare and watched videos to understand and practice the problems until she was confident. Her Mathematics marks improved from 55% in Grade 9 to 64% in Cycle 1 and 72% in Cycle 2 in Grade 10. This platform can be accessed from anywhere. Thank you ADvTECH and ADvLEARN.

### Student feedback

Using the ADvLEARN platform has completely transformed my learning experience with its interactive features, personalised self-paced learning, challenging questions, effective repetition and helpful video content, making it a standout educational tool that I wholeheartedly recommend for a comprehensive and tailored learning journey.

**BAKANG LEDWABA**

*Southdowns College – Grade 10 Physical Sciences*

The ADvLEARN application is an exceptional and informative learning tool that enhances students' educational abilities through additional practice on topics covered in school. It effectively tests students' knowledge with multiple-choice answers, promoting critical thinking. I believe every learner should use ADvLEARN to improve their understanding of class materials.

**NICOLE REID**

*Elkanah House – Grade 11 Mathematics*

## CASE STUDY

### ADvLEARN rolled out to schools in the rest of Africa

"We welcome the forthcoming innovative developments on the ADvLEARN platform, as we are committed to providing all our students with a 21st century education that fosters academic excellence and personalised learning experiences."

Following ADvLEARN's success in South Africa, we implemented this innovative platform to ADvTECH schools across the rest of Africa.

The ADvLEARN platform assists students with the Cambridge Curriculum in:

Mathematics Year 7 to 12

Physics Year 10 to 11 (IGCSE)






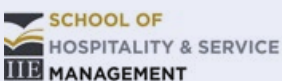


Physics Year 12 (AS Levels)

Chemistry Year 10 to 11 (IGCSE)

Chemistry Year 12 (AS Levels)








# Tertiary (university) division

Brand	Description	No of campuses	Established	Location
	<p><b>The Independent Institute of Education (IIE)</b> is responsible for academic leadership and governance in the group. As a national provider, the IIE oversees a total of 25 DHET registered sites in the group.</p> <p>The IIE is the most accredited private higher education provider in SA and it is registered with the Department of Higher Education and Training.</p>		2005	
	<p><b>Varsity College</b> was established over 33 years ago and is at the forefront of private higher education in South Africa. With eight state-of-the-art campuses across the country, students are able to thrive in a nurturing environment with a strong focus on academic excellence, balanced with an exciting sport and social student life.</p>	8	1991	Gauteng, KwaZulu-Natal, Western Cape, Eastern Cape
	<p><b>IEMSA</b> students can study an array of IIE accredited degrees, honours and masters qualifications. They offer a multi-cultural environment with state-of-the-art facilities to enhance learning and growth.</p>	1	2001	Gauteng
	<p><b>Rosebank College</b> offers quality education that is practical, innovative and relevant to the demands of the modern workplace. Their student-centric approach ensures that students receive individualised attention and support from their experienced faculty and dedicated student advisors.</p>	10	1948	Gauteng, KwaZulu-Natal, Free State, Limpopo, Western Cape, Eastern Cape, Mpumalanga
	<p><b>Vega</b> is built on an academic environment that is based on experiential learning where creatives are trained in strategy and strategists in design-thinking. Vega delivers undergraduate and postgraduate degrees, diplomas and higher certificates in design, brand communication and brand management.</p>	4	1999	Gauteng, KwaZulu-Natal, Western Cape
	<p><b>IIE School of Hospitality &amp; Service Management</b> is a centre of service education excellence. We offer a new standard in industry-aligned service and hospitality-focused qualifications, each underpinned by a strong commercial learning foundation.</p>	2	2020	Gauteng, Western Cape
	<p><b>Capsicum Culinary Studio</b> is South Africa's largest chef school. The professional courses offered are internationally accredited and allow graduates entry into the global marketplace. Capsicum's purpose is to support students in developing the key skills, qualities and attitudes required for a successful career in the culinary arts industry.</p>	6	2003	Gauteng, Western Cape, KwaZulu-Natal, Eastern Cape
	<p><b>Oxbridge Academy</b> offers a diverse array of nationally recognised courses, empowering its students to advance their careers while balancing work and personal commitments. Our flexible distance learning model seamlessly integrates theoretical knowledge with practical experience, preparing you for success in today's competitive landscape.</p>	1	1997	Western Cape



ADvTECH's tertiary (university) division continues to grow its reputation as the leading provider of quality private higher education in South Africa.








## WELL-ESTABLISHED BRAND PORTFOLIO

 <ul style="list-style-type: none"> <li>Higher certificates</li> <li>Diplomas</li> <li>Degrees</li> <li>Postgrad to masters</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Face-to-face</li> <li>Online</li> <li>Blended</li> <li>Full-time</li> <li>Part-time</li> <li>9 campuses</li> </ul>	 <ul style="list-style-type: none"> <li>Higher certificates</li> <li>Diplomas</li> <li>Degrees</li> <li>Postgrad to masters</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Face-to-face</li> <li>Online</li> <li>Blended</li> <li>Full-time</li> <li>Part-time</li> <li>10 campuses</li> </ul>	 <ul style="list-style-type: none"> <li>Higher certificates</li> <li>Diplomas</li> <li>Degrees</li> <li>Postgrad to doctoral</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Face-to-face</li> <li>Online</li> <li>Blended</li> <li>Full-time</li> <li>Part-time</li> <li>Short courses</li> <li>4 campuses</li> </ul>	 <ul style="list-style-type: none"> <li>Vocational</li> <li>Higher certificates</li> <li>Diplomas</li> <li>Advanced diplomas</li> <li>Degrees</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Face-to-face</li> <li>Online</li> <li>Blended</li> <li>Part-time</li> <li>Short courses</li> <li>8 campuses</li> </ul>	 <ul style="list-style-type: none"> <li>Vocational</li> <li>Higher certificates</li> <li>Diplomas</li> <li>Short courses</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Distance</li> </ul>
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## QUALIFICATIONS

229 Accredited programmes	National certificates	Higher certificates	Advanced certificates	Diplomas	Advanced diplomas	Degrees	Postgraduate diplomas	Honours	Masters	Doctorate	TOTAL
	79	28	2	32	4	44	17	14	8	1	229
Pipeline	22	7		7	1	14	7	5	7	1	71

## FACULTIES

7 faculties		Finance and Accounting
		Commerce
		Information and Communications Technology
		Humanities and Social Sciences
		Law
		Engineering and Health Sciences
		Education

## FINANCIAL PERFORMANCE

### Revenue contribution

**38%**  
(2022: 39%)

**R3.0 billion**  
(2022: R2.7 billion)

**10%**

Revenue

**16%**

Operating profit

**33 campuses** (2022: 32)

- Continuing the trend of good performance
- Quality academic offering with multi-channel modes of delivery

## ACADEMIC RESULTS

**11 739**

Graduates  
(2022: 11 030)

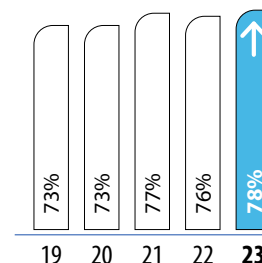
**78%**

Average module success rate

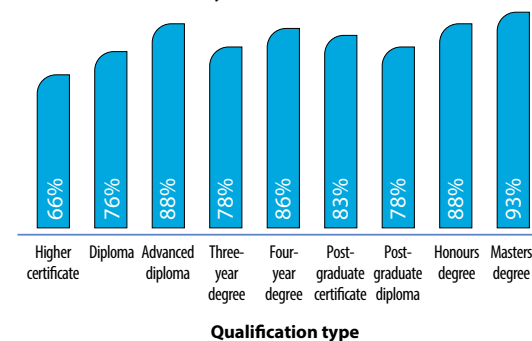
**24 287**

Job placements since 2013

### Average module success rate by year



### Module success rate by module NQF level



## CURRICULA DESIGN AND CONTENT RATING

During 2023, our educators rated our curricula design and content, and we achieved an average rating of 88% across various measures. These ratings are important for ensuring that we remain relevant from an academic perspective and that we maintain our position as leaders in teaching and learning.

## OUTCOMES IN 2023

- Our tertiary division performed well and continues to grow off the back of a well-established, quality brand portfolio that offers a comprehensive range of programmes and qualifications. Our ability to provide multi modes of delivery (contact, hybrid, distance and online) on a full-time and part-time basis is fundamental to our value strategy and allows us to meet the requirements of every student at any time and at any location.
- Implemented improvements and enhancements for the integrated student information system across the division with the objective to streamline and enhance the student journey and academic reporting.

## OUTLOOK

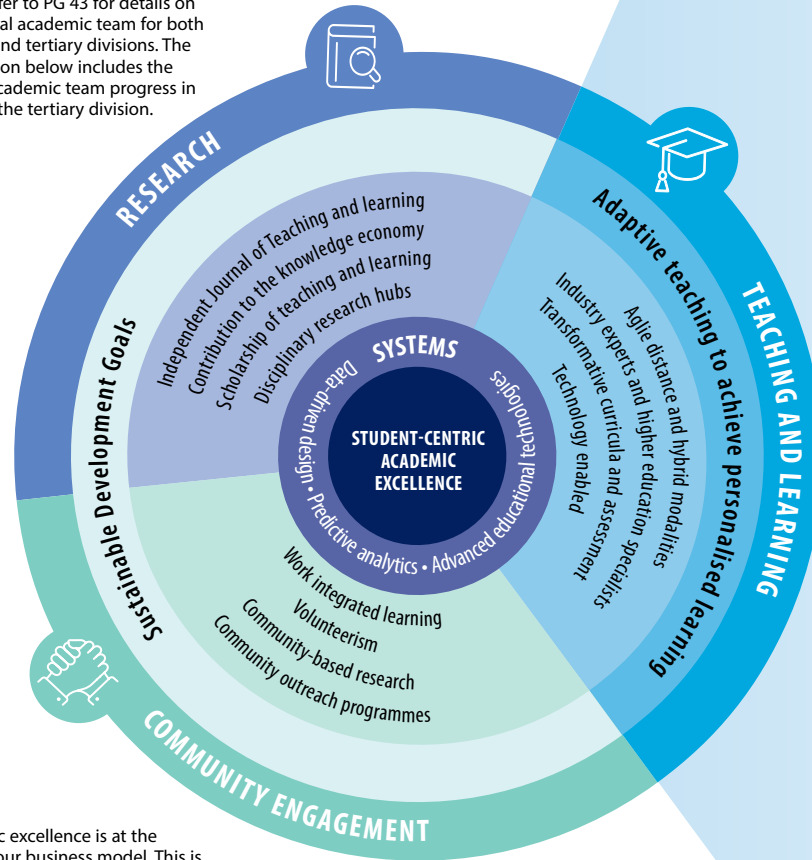
- The consolidation of the internal back office functions was implemented to streamline internal efficiencies and effectiveness by aligning processes and systems. This will improve customer delivery, operational effectiveness and efficiency.
- Rosebank College opened a new digitally enabled campus in Mbombela to further expand their footprint.
- Continued focus on growing the Rosebank College mega campuses in Braamfontein and Pretoria.
- The Varsity College campuses in Pretoria and Midrand were expanded to increase capacity in response to growing demand.
- There is an ongoing continued focus on internal operational processes, efficiencies and improved customer service delivery.
- Continued focus on achieving university status.

## UNIVERSITY STATUS

The tertiary division remains steadfast in its commitment to the key strategic imperative of achieving recognition for University status. An updated draft of the criteria is imminent and will then undergo another round of public comment. We acknowledge that this process is likely to pose challenges and may extend over several years.

## TERTIARY CENTRAL ACADEMIC TEAM

Please refer to PG 43 for details on our central academic team for both schools and tertiary divisions. The information below includes the central academic team progress in 2023 for the tertiary division.



Academic excellence is at the heart of our business model. This is discussed in more detail on PG 9

### Adaptive teaching to achieve personalised learning

#### Phase A

- 2nd generation Learning Management System (LMS) with industry-leading functionality and accessibility
- First-tier learning: Micro-accessibility and responsive rapid content authoring
- Custom user interface (UI)
- Content enhancement and optimisation

#### Phase B

Personalised learning pathways through diagnostic assessment and conditional release of custom content

#### Phase C

- Intelligent Content Management System (ICMS)
- Advanced learning pathways
- Dynamic and continual assessment
- Intelligent and personalised gamification elements
- Intelligent student grouping for peer learning
- Advanced predictive analytics

### Graduate attributes

#### Our graduates have a transformative mindset and are:

- **Innovative co-creators** who seek ethical and meaningful solutions and promote transformative knowledge that addresses challenges faced by individuals and society.
- **Holistic thinkers** who adopt eco-systemic perspectives on global issues and local contexts and view challenges and solutions critically and comprehensively.
- **Change advocates** who skilfully and mindfully challenge the status quo and champion meaningful solutions through principled leadership.
- **Engaged citizens** who promote social cohesion, diversity, equity and inclusion, and who leading with purpose, influence and integrity within their respective spheres of influence.
- **Resilient navigators** who approach learning, transformational and personal challenges with unwavering perseverance and a willingness to adapt.
- **Empowered Individuals** who are self-directed life-long learners who seek opportunities for growth and continually expand their knowledge and skills in pursuit of personal and professional success.
- **Intellectually curious individuals** who are self-reflective with a tolerance for ambiguity and the intellectual curiosity to explore new ways of thinking, knowing, being and understanding.
- **Versatile communicators** who can both collaborate effectively within a team and work independently, with well-developed negotiation and networking skills.

### Professional accreditation and affiliations

- Department of Higher Education and Training (DHET)
- Council on Higher Education (CHE)
- South African Qualifications Authority (SAQA)
- British Accreditation Council (BAC)
- South African Institute of Chartered Accountants (SAICA)
- Engineering Council of South Africa (ECSA)
- Legal Practice Council (LPC)
- South African Council for Educators (SACE)
- Financial Sector Conduct Authority (FSCA)
- South African Private Higher Education (SAPHE)
- Golden Key Society (GKS)

## feature

### Faculty of Education

Education degrees in ADvTECH's tertiary division have consistently been in the top five most popular fields of study for new students. Some education graduates are employed at ADvTECH schools. Aspiring student teachers are mentored, exposed to diverse educational settings and assisted to develop the practical skills essential for excellence in teaching.

## ACADEMIC EXCELLENCE IN TERTIARY (UNIVERSITY) DIVISION

ADvTECH's tertiary division continues to grow its reputation as the leading provider of quality private higher education in South Africa. In keeping with our commitment to academic excellence, substantial investment ensures that ADvTECH can grow its footprint through students accessing the educational offerings at our campuses, across South Africa or through distance education programmes.

### Student focus

ADvTECH aims to build student careers through curricula that are relevant to the modern world of work. We have developed strong industry, academic and professional body partnerships to ensure this relevance. In addition to our work-focused curricula, prospective students continue to be drawn to our brands as they provide smaller class sizes and personal attention. We also aim to develop graduates who are socially responsible citizens in the 21st century.

### Success to date

**24 287**  
job placements  
since 2013 of which

**16 066**  
are Rosebank  
College graduates.

### CASE STUDY

## GRADUATE EMPOWERMENT PROGRAMME (GEP) introduced at Rosebank College in 2013

Rosebank College has been successful in taking their students through the GEP. Through career coaching sessions, graduates are taught to effectively apply and interview for employment thus empowering graduates with the tools they need to increase their chances of securing employment. The GEP also raises self-awareness, and motivates self-employment and entrepreneurship as career options, which encourages innovative business start-ups. While theoretical grounding is important, students also need practical training that prepares them for the world of work.

### International and national employer recognition



A key feature of the Rosebank College graduates, who go through the GEP is that they start their own businesses. These graduates contribute to the economy by creating jobs for the unemployed in their neighbourhoods. They do this by identifying a gap in the market through providing a needed service or product.

### Entrepreneurial success stories

#### BULELANI SOGA'S

business Craftybluesa, established in January 2023, is a digital platform that provides access to a variety of products such as jewellery, artwork and clothing. Bulelani's business directly boosts the e-commerce sector, which has been a large contributor to the South African economy. In 2020, South African consumers increased their online shopping activity and the value of e-commerce transactions in South Africa are expected to surge 150% to R225bn by 2025. With these statistics in mind, Bulelani's business is sure to grow.



Bulelani is grateful for the workshops he was part of through the GEP and encourages other Rosebank College students to go through the programme as it prepares them for the world of work, either as an employee or an entrepreneur.

#### THUSO MOLEOFANE

saw an opportunity to open his own carwash to make extra money. He already had the equipment as he frequently washed his mother's car. He then branched out and started washing his friends' cars, which attracted more customers. His biggest challenge is loadshedding. When there is no electricity, he is unable to wash any cars, which negatively impacts his business's bottom line. His proudest moment is seeing repeat customers who are happy with the service he provides. To retain these customers, Thuso now runs discounts and promotions for his customers.



Thuso expressed his gratitude to Rosebank College for putting him through the GEP, as it taught him critical skills that he would not have necessarily been taught in a lecture room. There was also an opportunity to build a community through the workshops, encouraging collaboration and an exchange of ideas.

### Job placement success stories

#### AYANDA ZIKALALA

studied Bachelor of Business Administration at Rosebank College and also went through the GEP. She says the GEP helped her by creating awareness of career paths, employment opportunities and preparation for the world of work. Through the GEP, Ayanda was able to secure employment at a company that specialises in workplace claims.



#### KHENSANI ENSTANCE

studied Bachelor of Business Administration in Logistics and Supply Chain Management. She is currently a Finance Intern at a financial services company. She says the GEP provided her with valuable insights into the corporate world. She is grateful to the GEP team and appreciates her internship experience, especially given the current high unemployment rate.





## EXCEPTIONAL TEACHING AND LEARNING

### How we monitor and measure our student performance

We monitor student progression at the level of assessments, modules, programmes and qualifications. Using our data analytics platform, we make informed decisions on interventions to enhance the success of our students, cohorts and lecturers.

Our Learning Management System (LMS) supports qualifications, modules and student learning journey, while standardised module structures ensure teaching and learning strategy principles are attained and maintained. A dedicated team of instructional designers and content developers collaborate with heads of programmes to deliver content. Lecturers undergo training to effectively leverage LMS content, promoting active learning and fostering student engagement.

### CASE STUDY

## Leading in teaching and learning practice



The tertiary division hosted its 13th Annual IIE Research and Teaching-and-Learning Symposium, which focused on presentations by established international scholars on topics that are of interest to the broader academic community. The IIE is determined to lead in the best teaching and learning practices, having developed an integrated education business in both schools and tertiary through our central academic team.

At this year's symposium, there was a focus on the potential and implications of making use of AI in various aspects of teaching and learning.

There was a presentation on AI and Teaching and Learning and ChatGPT's ability to model critical thinking by mimicking human thinking

as well as a discussion around assessing the awareness and perceptions of AI among information specialists and/or librarians at a private higher education institution in South Africa. The prospect of creating work ready graduates considering the rapid growth and adoption of AI in the workplace was also a key feature of the discussions, as technology is already disrupting the way in which work is carried out in some industries.

A presentation on recognising the role of emotional and social intelligence within the entrepreneurial intention of graduate students formed part of the discussions. Research has shown that entrepreneurs who are emotionally and socially intelligent are adept at maintaining good morale in the workplace as this enables them to have good relations with customers and other stakeholders. Facing the reality that jobs are scarce in South Africa necessitates entrepreneurial skills where graduates are taught the value of identifying a gap in the market and starting a business that addresses that particular market. Entrepreneurship is also a catalyst for job creation, which in turn, contributes to South Africa's economy.

## PROFESSIONALISM

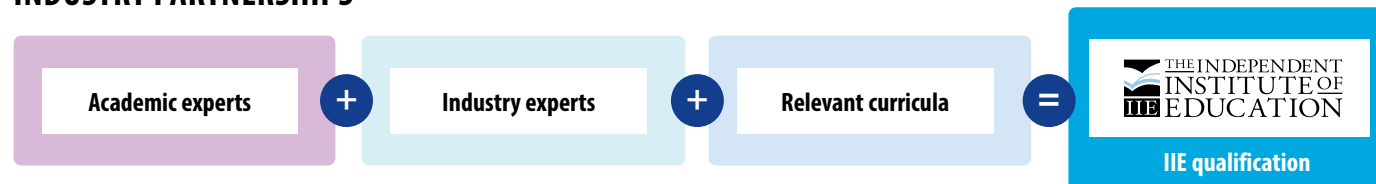
### Governance and oversight

The IIE's academic work for the tertiary division is coordinated by our central academic team, comprising over 100 academic post-schooling professionals along with an accreditation and quality assurance department, who support about 2 500 professionals across campuses and distance education units. The central academic team oversees the IIE's maintenance of the required standards for registration and accreditation at post-school level and is responsible for assuring academic quality on all campuses and managing curricula, assessments and certifications.

A formal governance structure, inclusive of a senate, a teaching and learning committee, research and post graduate studies and faculty boards, oversee the development and implementation of academic policies. This structure facilitates the delivery of quality learning experiences on campus and online. The quality assurance system incorporates peer reviews of lecturers and tutors, programme reviews involving academics and industry leaders, and a range of student success and graduate tracking projects. The use of data and fact-based evaluations is core to our objectives.



## INDUSTRY PARTNERSHIPS



### The Independent Institute of Education (IIE)

The IIE is South Africa's leading 'private university' with a track record of academic leadership. It benchmarks against the highest local and international standards. While each ADvTECH brand has its own focus, the success of the IIE, and the rest of the tertiary division, can be attributed to its commitment to launching and developing students' careers.

#### Accreditations

##### THE INDEPENDENT JOURNAL OF TEACHING AND LEARNING

The IIE has the only DHET accredited and peer reviewed academic journal managed by a private higher education institution in South Africa. The Independent Journal of Teaching and Learning is in its 17th year of publication, with two editions annually available on open access platforms.

##### LOCAL ACCREDITATION

The IIE offers higher education qualifications from higher certificate to PhD level. All qualifications are accredited by the HEQC and CHE, registered on the NQF by SAQA and registered by the DHET.

The IIE was also recently inducted as a member of the Golden Key International Honour Society (GKS). The GKS is the world's largest collegiate

honour society for graduate and undergraduate students and has strong relationships with over 400 universities around the world. GKS is built on the pillars of academics, leadership and service and their chapters are committed to implementing service projects and leadership development for all students on their campuses.

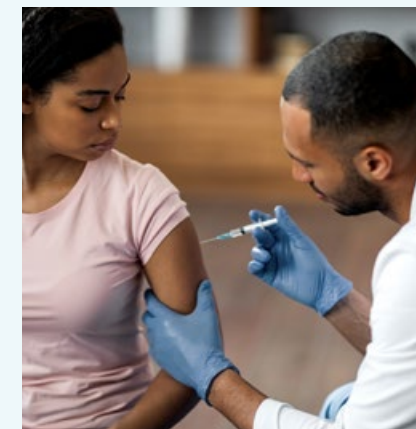
##### INTERNATIONAL ACCREDITATION (BRITISH ACCREDITATION COUNCIL (BAC))

The IIE was the first private higher education provider to be accredited in South Africa by the BAC (internationally recognised quality assurance agency). The BAC is an independent authority in the UK that also accredits private providers in other countries including Greece, Switzerland, Singapore, India, Mauritius and the United Arab Emirates. The continued BAC accreditation represents an objective confirmation of the world-class standards our institutions have attained.

##### TRADE AND OCCUPATIONAL QUALIFICATION ACCREDITATIONS

Other post-school qualifications, particularly those offered at Capsicum Culinary School and Oxbridge Academy, enjoy accreditation either directly from the Quality Council of Trades and Occupations (QCTO) or from one or more sector education training authorities (SETAs). Several brands and qualifications enjoy endorsement from various international professional associations.

## CASE STUDY



### THE IIE BACHELOR OF PUBLIC HEALTH DEGREE: An important, unique new tertiary programme in South Africa

In recognition of the challenges in the public healthcare system in South Africa, the IIE launched its IIE Bachelor of Public Health qualification. Undergraduate public health qualifications differ from medical or healthcare degrees by focusing mostly on the detection, surveillance and prevention of disease. The objective of this discipline is to reach populations and communities and to detect and prevent health problems before they start. The public health approach is based on a preventative health model rather than a curative health model.

IIE MSA has publicly expressed the need for a more collaborative strategy between Government and the private sector by leveraging the additional capacity public health graduates can provide.



CASE STUDY

## OXBRIDGE ACADEMY: Progress in 2023

A key accomplishment in 2023 is in academic excellence, particularly within our Business Management programmes. We reported a 74% module pass rate, underscoring our commitment to providing quality education that empowers our students for success. This achievement reflects our colleges dedication and our students' diligence and commitment.

While we operate as a distance learning institution, we hosted our in-person open day and first-ever virtual graduation ceremony. We recognise the importance of fostering community and celebration among our students. This open day allowed potential students to learn more about our college, while the virtual graduation ceremony created a unique campus-like environment. Both these events allowed us to connect with our students meaningfully and reinforced the sense of belonging within our college community.



CASE STUDY







## PROVIDING A UNIQUE STUDENT EXPERIENCE AND DRIVING STUDENT RETENTION

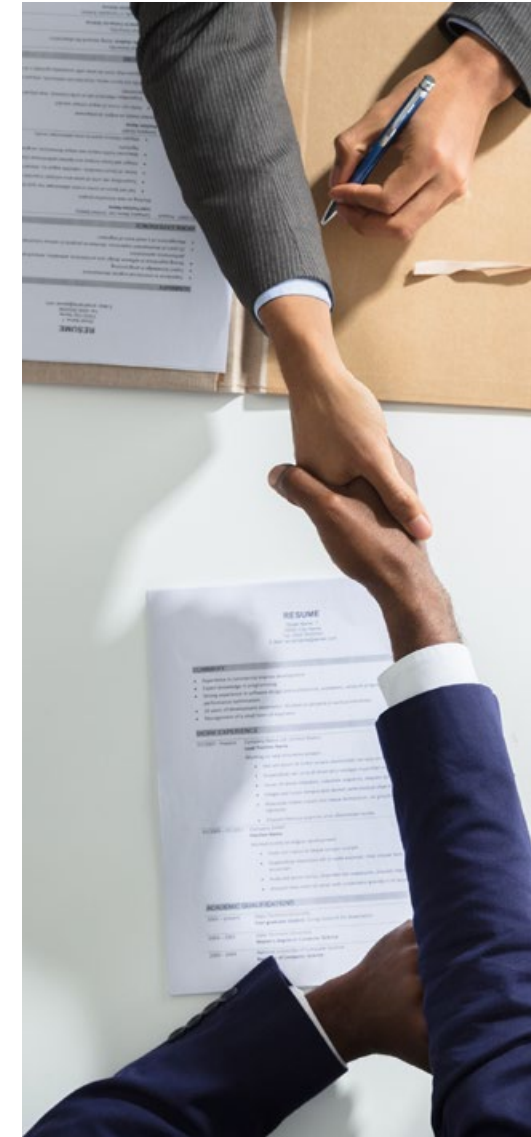
ADvTECH aims to build student careers through curricula that are relevant to the modern world of work. We have developed strong industry, academic and professional body partnerships to ensure this relevance. In addition to our work-focused curricula, prospective students continue to be drawn to our brands as they provide smaller class sizes and personal attention. We also aim to develop graduates who are socially responsible citizens in the 21st century.

Within the tertiary division, we have focused on ADvTECH's strategic imperatives, namely academic excellence, enrolment growth and customer satisfaction. These inform the IIE priorities, which include improving student retention and the student experience across our campuses and student retention. Following the lockdowns during the COVID-19 pandemic, with students and educators migrating to online teaching and learning, a different kind of student has emerged. With the easing of lockdowns globally, a "new normal" has ensued. The IIE has conducted research on what drives students to come to and stay on campus. The research showed that the quality of students' campus experience and level of integration into the academic social system were the primary elements that ensured student retention.

Some motivators for students to stay on campus include participating in student committees and providing stipends to committee members; incorporating industry-specific excursions; encouraging student-led buddy programmes; providing ergonomic spaces that support the student's campus experience; and providing effective visual and video-based student communication platforms for quick access to information. With these measures in place, the IIE aims to increase student retention.

# Resourcing division

Brand	Description	No. of sites	Established	Location
 <b>Communicate Recruitment</b>	<p><b>Communicate Recruitment</b> is a specialist recruitment company with over three decades of experience. We skilfully combine the art and science of recruitment to connect great people in Engineering, Finance, IT, Freight and Contracting throughout Africa. We aim to partner with our clients and candidates and introduce them to exceptional people and opportunities on a permanent, contracting or temporary basis.</p>	2	1982	Gauteng, Western Cape
 <b>NETWORK CONTRACTING SOLUTIONS</b>	<p><b>Network Contracting Solutions</b> offers high-speed access to on demand contracting talent. The brand is a well-known, trusted partner to a broad range of South African and overseas companies, supplying top Engineering, Finance and IT contractors, bringing a depth of specialist knowledge, skills and experience to the building high-performance, scalable contracting teams.</p> <p>The team uses innovative sourcing techniques enabled by technology and a large detailed database of highly skilled contracting candidates to deliver quality talent in the shortest possible time, while ensuring that all administration and contractor management practices are legally compliant and digitally enabled.</p>	1	2019	Gauteng
 <b>NETWORK RECRUITMENT</b>	<p><b>Network Recruitment</b> is a leading specialist recruitment company in the fields of IT, Finance, Engineering and Supply Chain. Since our establishment in 1987, our thorough industry knowledge ensures successful permanent and contract placements to both candidates and clients in our niche areas. Our optimum recruitment solutions further entrenches our position as market leaders.</p>	3	1987	Gauteng, Western Cape
 <b>the working earth</b> Recruiting for your World	<p><b>The Working Earth</b> is a recruitment solutions company, offering technology-enabled Talent Management solutions, specialist HR Support Services and professional recruitment services. Our e-recruitment solution reduces 'time/cost to hire' while improving quality and increasing overall recruitment efficiency.</p>	1	2000	Gauteng
 <b>africaHRsolutions</b>	<p><b>Africa HR Solutions</b> offers payroll and compliance solutions across the African continent. Africa HR is based in Ebene, Mauritius, with a network that has been expanded through years of hard work to cover various African countries. Africa HR offers local and expat outsourcing solutions.</p>	1	2015	Mauritius
 <b>CA GLOBAL</b> AFRICA RECRUITMENT	<p><b>CA Global Headhunters (Pty) Ltd</b> is the holding company of CA Global Finance (Pty) Ltd, CA Mining (Pty) Ltd and CA Global HR (Pty) Ltd.</p> <p>The team and directors have extensive recruitment knowledge on the African continent, which provides clients with the talent required for their business success.</p>	1	2007	Western Cape





RESOURCING DIVISION - continued

The South African resourcing division's strategy of owning various operating brands under one umbrella allows for brand niche specialisation and ensures that clients get the best possible recruitment solutions for permanent, temporary and contract placements. In the rest of Africa, the resourcing division focuses on providing full-service human resources, outsourcing, payroll management, executive and headhunting searches.

Each brand within the resourcing division is an accredited member of the Federation of African Professional Staffing Organisation (ASPO), the Institute of Personnel Consultants (IPSC) and the Confederation of Associations in the Private Employment Sector (CAPES). ASPO represents member recruitment companies in their dealings with government and related bodies, while promoting and ensuring adherence to the ethical and professional standards of business within the recruitment community.

## COMPREHENSIVE BRAND PORTFOLIO

**6 brands**  
(2022: 7)

**Resourcing in 19 countries across Africa**  
(2022: 19)

## FINANCIAL PERFORMANCE

### Revenue contribution (for period under review)

**21%**  
(2022: 20%)

**R1.7 billion**  
(2022: R1.4 billion)

**19%**

Revenue

**20%**

Operating profit

## REST OF AFRICA

**Revenue**  
increased by **26% to R1.5 billion**  
(2022: R1.2 billion)

**Operating profit**  
increased by **28% to R105 million**  
(2022: R82 million)

- Strong overall performance led by outstanding performance in the rest of Africa
- Strategy to expand into the rest of Africa delivers good results
- Increased market share in the rest of Africa
- Maintain market share in SA in a tough environment

## OUTCOMES IN 2023

### South Africa

- The South African business's revenue decreased due to the disposal of the group's 51% share of the Contract Accountants group in the second half of the prior year, together with muted activity as a result of the tough trading environment.
- Maintaining market share in a tough environment.

### Rest of Africa

- Pivot into rest of Africa demonstrates our ability to successfully execute outside SA.
- Strategy to increase contracting revenues in key markets is gaining momentum.
- Growing additional business segment.

## OUTLOOK

### Rest of Africa continues to drive growth

- The focus on permanent and contracting placements and payroll management contributed to the sustainability of the business, both locally and in the rest of Africa
- Division remains highly cash-generative

## CASE STUDY

## Harnessing Africa's demographic growth dividend

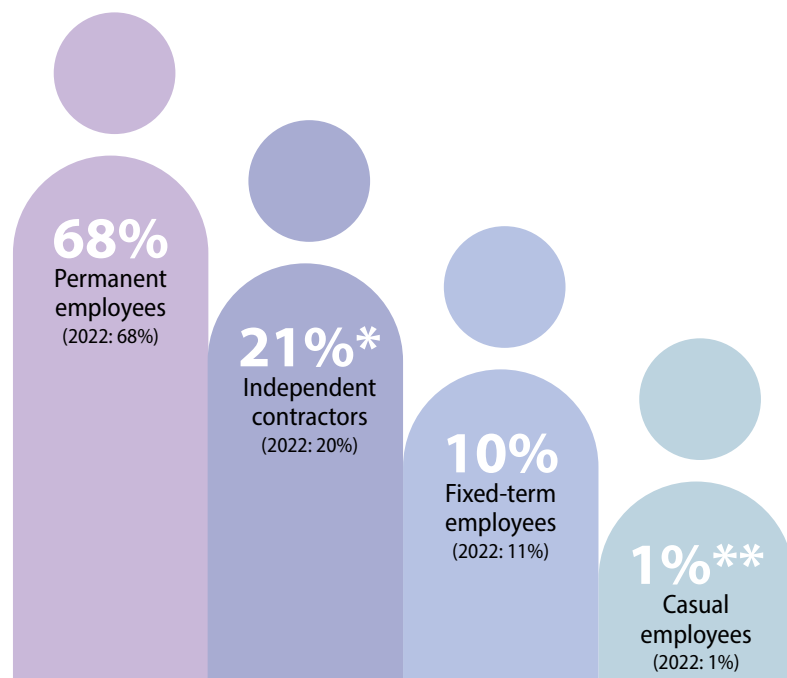
To counter the impact of muted recruitment activity in the struggling South African economy, the resourcing division has increasingly focused on expanding its permanent, contracting and payroll services across the African continent. Multinational organisations across the globe have identified the enormous, mainly younger populations of African countries as a ready source of growth for their businesses, and are investing to position themselves to harness this opportunity.

As demand for human resources rises steadily across the continent, the resourcing division is investing resources to identify and develop talent pools and increase the presence and awareness of its brands. At the end of 2023, the resourcing division brands enjoy a large following of African candidates on LinkedIn compared to other recruitment agencies across the world. We have quality talent in each of our specialist niche areas ready for delivery to clients as job assignments are received.

# Our people

We are a 'people business' and ADvTECH's employees are our ambassadors and are instrumental in delivering exceptional customer service. We continue to focus on innovative ways to identify key talented individuals and potential leaders, provide performance-driven incentive remuneration and support our employees with the tools and resources needed. Everything we do is underpinned by our integrated wellness strategy that enables how we attract and retain talent.

## KEY EMPLOYEE STATISTICS



## VALUE OUTCOMES

### Value created

- Invested R24 million (2022: R19 million) in employee training and conferences to boost development
- A new rewards model created for graduate teachers to rapidly build earning potential and drive commitment and retention
- Created a science, technology, engineering and mathematics (STEM) teacher talent pool through attraction campaigns and career fairs to build a pipeline of critical skills and enable business continuity
- Built a talent pipeline through the creation of bursary and internship opportunities for tertiary education graduates in the schools division

### Value preserved

- Continued quality academic offering through our well-established central academic team
- Continued investment in teaching and learning capability for all teachers, including instructional leadership for principals to develop master teachers and deliver superior student outcomes
- Embedded the teachers performance success tool for teachers who leverage academic rigour to build the reputation of the institution
- Sustained focus on delivering the social metrics contained in the ESG strategy

## OUTLOOK

- A fit-for-purpose total operating model and optimal ways of working, with a competitive talent pool
- Superior talent management practices to enable the delivery of ADvTECH's strategic imperatives
- Improved productivity through optimal performance management and engagement practices
- A new HR and payroll system to improve the employee experience
- New investments into building organisational capability to drive productivity

\*Independent contractors: We use a number of non-employee workers, academics and industry experts to enhance our market offering through the delivery of additional services in the sports, social and cultural spheres and also use experts in the provision of some academic services.

\*\*Only 1% of the employees are wage earners who are leveraged at peak enrolment times.

## OVERVIEW

### How we manage human capital to sustain our business

Our business success is directly attributable to our 8 438 (2022: 7 906) dedicated employees, including independent contractors who fill key positions (such as sports coaches), who together work tirelessly in support of our business model, entrenching our competitive advantage.

Investment in our human capital development is a further lever in our competitive landscape. Education and learning are considered essential to creating a culture of high performance and engagement. Every individual is enabled with an individual development plan in support of their long-term career growth. Plans are reviewed annually to ensure they remain aligned to both personal and professional needs.

Our skills development programmes focus on building management and leadership skills, functional expertise, commercial competence, interpersonal proficiency and critical 21st century thinking skills, all of which are required to support the holistic development of our students.

### Rigour in reward

The group's remuneration philosophy aims to embed a culture of high performance by aligning the elements of remuneration directly with business objectives, values, purpose and strategy. We aim to leverage remuneration to:

- Attract and retain high-quality talent and scarce skills that provide world-class education and recruitment expertise.
- Motivate and reward high performance to drive a culture of superior performance.
- Provide fair pay and incentives in line with our high standards of corporate governance.
- Minimise barriers to career development and mobility.
- Ensure compliance with all the applicable regulatory requirements.

Recognition of top performers is also integral to our overall employee value proposition.

### Award category 2023

Long-service awards are presented on completion of five-year service intervals to acknowledge the important contribution of longer-serving employees.

During 2023, employees reached the following milestones, illustrating dedication and commitment to the shared values of ADvTECH:

Years' service	5	10	15	20	25	30	Total
2023	319	114	86	31	18	5	573
2022	365	155	112	32	15	2	681
2021	568	232	131	45	23	2	1 001
2020	351	183	85	49	7	1	676

## LEARNING AND DEVELOPMENT

Investing in employee development remains a priority for ADvTECH.

During the year, 268 (2022: 166) managers were upskilled and R24 million (2022: R19 million) was invested in employee training and conferences groupwide. In alignment with our demographics, 84% of all employees trained in 2023 were women.

In 2023, ADvTECH's learning strategy has continued to align to our overall strategic objective of building a sustainable competitive advantage through leveraging our unique competencies. Six core capabilities (see alongside) that enable the optimal delivery of our strategic imperatives have been identified and underpin the learning interventions offered across all programmes.

A suite of programmes and modules, designed to be scalable across divisions, is available to employees. All follow a blended learning approach, namely a combination of face-to-face and online/virtual learning, to encourage discussions that in-person learning offers, while improving reach.

### The 70/20/10 learning principle underpins our ADvTECH Learning Architecture:



In 2023, ADvTECH implemented a groupwide framework for measuring return on investment (ROI) of interventions linked to building employee capability. This framework incorporates the measurement of training statistics, enabling ADvTECH to conduct regular learning and development benchmarking to ensure that our programmes are aligned to appropriate standards. The 'Big 8' training impact model was the primary model used in the 2023 schools capability plan, which required each participant to consider how their participation in training impacts the operations.

### Core capabilities

Digital fitness

Commercial acumen

Customer centricity

Superior execution

Teaching and learning

Consumer-led brand propositions

## ADvTECH HR Academy

Our HR Academy aims to build key competencies that will enable HR to partner with the business in achieving strategic objectives and developing and improving current and future performance. The Academy has a four-phase approach, aimed at moving business partners from efficiency to agility and improved decision making.

Our HR Academy has completed its second phase, which focused on:

- Building expertise in performance success.
- Delivering ROI for learning programmes.
- Developing learning needs analysis that meaningfully shift the business.

All of this is underpinned by building competence to become 'trusted advisors' to the business.

## Schools division capability programmes

The schools capability journey (illustrated alongside) is a programme that is currently in its third year of roll out. Initially designed to equip employees with the capabilities needed to deliver in both the current context and the longer term, it emphasises building key competencies in all teachers and school management teams and, in doing so, enhancing each brand's capability.

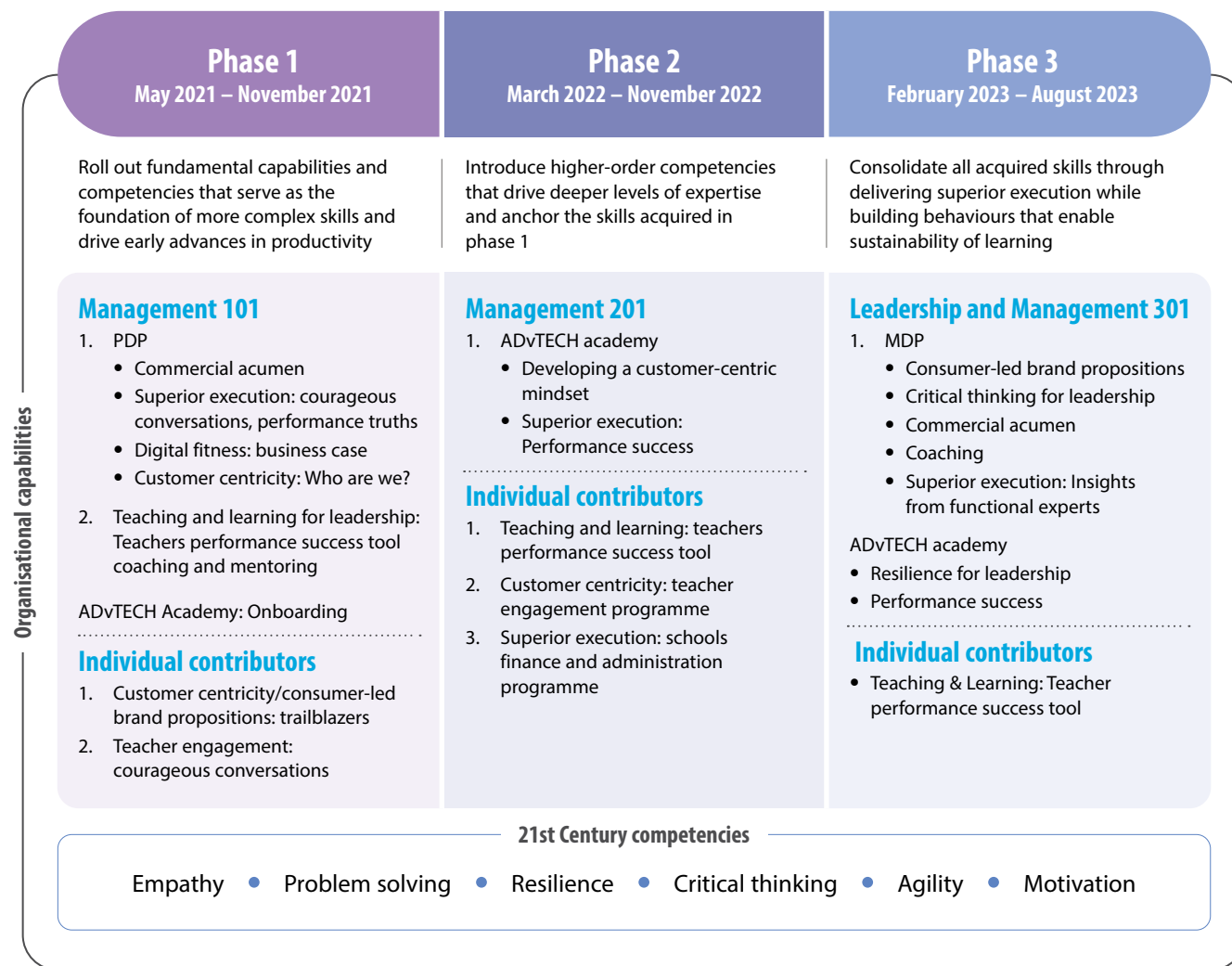
During 2023, the journey was refreshed to incorporate ADvTECH's growth culture and values. This focus on ADvTECH values and performance success, underpinned by 21st century skills, is intended to ensure the learning journey is sustainable.

By the end of 2023, 2 463 teachers had participated in the capability journey, with positive results and excellent feedback from participants. Whilst ROI in 2023 focused on qualitative measures, with some standard quantitative measures, two distinct competencies have shown good traction and visible results:

- The customer centricity module enables development of skills that drive enhanced engagements with parents and students to build enduring relationships.
- The courageous conversations module builds skills that enable teachers to provide feedback to parents and students in a constructive manner that builds trust and openness.

Feedback on these modules has also indicated an overall improvement in teachers' mental health and well-being.

## Schools' capability journey





## Bursaries and internships

In the 2022-2023 funding cycle, ADvTECH enjoyed a significantly larger allocation (R5 million) from the Education, Training and Development Practices Sector Education and Training Authority (ETDP SETA), affording us the opportunity to invest in internships and bursaries.

**Internships:** Twenty-six interns, of which 96% were African, Coloured or Indian (ACI), were placed in the business at a total investment of R2.5 million. Six teacher interns were placed on 24-month internships at an investment of R0.9 million. Engaging teacher interns in a 24-month internship means that they can experience two academic cycles and therefore integrate more effectively into the ADvTECH system. The additional 12 months means that these interns continue to receive the focused support required to build the requisite skills that new teachers need to navigate their environment. The remaining interns are completing 12-month internships at support offices, schools and tertiary divisions. A total of R2.3 million was invested in 63 interns.

## Employee skills development



Male			
African	Coloured	Indian	White
24%	3%	1%	1%



Female			
African	Coloured	Indian	White
51%	10%	3%	7%

The ETDP SETA has confirmed that R5.5 million in funding has been awarded to ADvTECH for the 2023-2024 funding cycle, which will enable the business to continue its investment in teacher and lecturer interns and focus on funding bursaries for master's and doctorate qualifications, in support of upskilling employees for the university project.

To support the successful implementation of the SETA-funded programmes, an ADvTECH skills development framework and comprehensive group internship programme were launched in 2023, for implementation in 2024.

## TRANSFORMATION

In 2023, we enhanced our employment equity strategy by providing a framework to guide the development contributions of employment equity to meet ADvTECH's strategic business objectives. The framework's primary objective was to articulate the fundamental principles of employment equity embraced by ADvTECH and describe how we seek to realise these principles. It also sets out the guiding philosophy that will govern our Employment Equity Plan.

In anticipation of the Employment Equity Amendment Bill, ADvTECH consistently assesses and refines its recruitment and development efforts and practices. We prioritise filling roles with individuals from under-represented groups, while creating a talent pipeline of these individuals for future roles.

### Current transformation demographics

**49%**

Black  
management  
(2022: 47%)

**60%**

Black  
employees  
(2022: 57%)

**74%**

Female  
employees  
(2022: 74%)

## PERFORMANCE SUCCESS AND REMUNERATION

ADvTECH's performance success process is designed to include the core principles of empowerment, growth and accountability. This process has empowered employees, while also establishing a transparent and equitable framework for acknowledging and rewarding outstanding contribution.

### Targeted reward

Rewarding our teachers' performance through our performance success tool drives excellence in teaching and learning. The performance success tool promotes professional growth and fosters a culture of recognition. The model pairs teachers with coaches and challenges and rewards those teachers who invest in their own development and, in doing so, positively impact student outcomes. It forms the basis of salary increases, bonuses and short-term incentives, ensuring that teachers are no longer passive recipients of market-related salaries but are, instead, actively accountable for improving their reward levels through delivering sustainable student outcomes.

### Benefits include:

- Enhanced productivity, commitment and loyalty.
- Improved student outcomes.
- Improved engagement, attraction and retention of experienced teachers.

### Outcomes in 2023

Stretch performance development goals were set across the business that focus on developing mastery in teaching and learning competence. ADvTECH paid out 40% more (year-on-year) in enrolment and other bonuses to teachers based on goal achievement. In 2023, teachers earned an average salary increase over 2% higher than our closest key competitors (differentiated by progress driven by the development tool). In addition, there was an increase in the number of internal teacher and student referrals which resulted in financial rewards.

### Gender pay gap analysis

According to the International Labour Organisation, the average global gender pay gap is 20%. In South Africa, the average gender pay gap ranges between 23% and 35%. ADvTECH's average gender pay gap improved to 13% in 2023. Overall, our general pay differential statistics reflect positive progress. The three-year trend indicates that there has been a consistent and sustained improvement over this time to improve equity within ADvTECH, demonstrating ADvTECH's progressive remuneration practices.

## Succession planning

At ADvTECH, we use succession planning as a strategic business driver to identify and develop future leaders in critical roles across all levels, not just limited to top management. By prioritising career development, we are able to offer a meaningful employee value proposition and attract top talent in the education industry, while supporting business continuity.

The group's succession planning focus for 2023 was on solidifying a strong and diverse succession plan, aligned to our transformation objectives. This included assessing and evaluating employees against a set of criteria and identifying developmental areas linked to competencies required for future goals.

ADvTECH remains committed to a meaningful transformation journey. Aligning our learning and development programmes to the talent management process helps us identify high potential equity talent and support the development of the leadership pipeline.

Robust individual development plans for these employees enable us to fast track the closure of skills gaps to support growth within the organisation, while placing middle management leaders on focused leadership programmes (such as the ADvTECH management development programme) to support a solid transformative leadership pipeline.

## Pay scales

Remuneration packages, including benefits, are a vital part of attracting and retaining quality people to the group. Our redesigned remuneration practices, which were created based on detailed market analysis and correlate productivity and reward, are an industry first and are essential in a market where quality teachers are an increasingly competitive and critical skill.

## Tertiary academic job evaluation project

Job evaluation is a critical element in organisational design as it enables optimal organisational structures, informs reward and recognition and assists with career pathing linked to group objectives. As our tertiary division moves towards obtaining university status, an assessment of current academic, operations and student support roles is under way.

## EMPLOYEE STATISTICS

### Key statistics

	Unit	2023	2022
Total employees	Number	8 819	7 906
Employee turnover	%	19%	21%
Voluntary turnover		17%	19%
Total number of new hires by grade	Grade A to F	1 108	
Employee satisfaction survey response rate	%	86	n/a <sup>1</sup>
Total spend on training and development and conferences	R million	24	19
Employees trained	%	12%	10%
Number and type of grievances reported with associated impacts related to salient human rights issues		None	None
Average gender pay gap		13%	14%
Total employee bursaries awarded		63	47

<sup>1</sup> Previous survey conducted in 2021 had a 75% response rate.

### Transformation

#### Employees by economically active population group

2023	Male				Female			
	Black	Indian	Coloured	White	Black	Indian	Coloured	White
Permanent employees	54%	9%	8%	29%	37%	11%	8%	44%
Fixed-term contractors	74%	4%	6%	16%	51%	3%	7%	39%
Independent contractors	59%	9%	6%	26%	44%	12%	7%	37%
Casual employees	58%	23%	15%	4%	71%	15%	8%	6%
2022								
Permanent employees	54%	8%	9%	29%	36%	11%	9%	44%
Fixed-term employees	73%	2%	6%	19%	59%	5%	5%	31%
Independent contractors	53%	10%	8%	29%	40%	12%	8%	40%
Casual employees	62%	25%	13%	0%	51%	17%	30%	2%

### Nationality

93%

Employees from SA

7%

Other foreign national employees

### Type of employees

Unskilled/semi-skilled	19.3%
Educators and administrative employees	73.4%
Middle management	6.2%
Senior management	0.9%
Top management	0.2%

### Total employees in management positions (%)

	Black	White
Junior managers	54%	46%
Middle managers	51%	49%
Senior and top managers	32%	68%

Percentage of female managers **74%**

Percentage of male managers **26%**

	SA	Kenya	Botswana
<b>Number of employees per country</b>	<b>8 172</b>	<b>432</b>	<b>215</b>
Permanent employees	5 592	323	0
Temporary employees	2 524	109	215
Non-guaranteed hours employees	56	0	0

CASE STUDY

## EMPOWERING FIRST-YEAR TEACHERS BY PROVIDING CONTINUOUS TRAINING AND DEVELOPMENT OPPORTUNITIES

ADvTECH's central academic team and senior managers conducted research on the recruitment and retention of first-year teachers in our schools, with the purpose of creating a nurturing, empowering environment for young teachers, while ensuring the academic excellence that underlines ADvTECH's absolute focus and creating a talent pipeline. Prioritising recruitment and retention of quality teachers also enhances operational efficiency and effectiveness, including strengthening performance management, establishing benchmarks and setting clear targets.

Aligned with our commitment to being the leaders in teaching and learning, we introduced training and development programmes for our first-year teachers to help them bridge the gap between life as education students and being employed as teachers in the classroom. This equipped them with the necessary skills and competencies to make a successful transition. Three modules were developed to support these teachers and make their teaching experience a fulfilling one:

- **Module 1: Classroom Management Training**
- **Module 2: Engagement with Parents**
- **Module 3: Administrative System**

### Benefits

- Empowering the skill sets of teachers
- Removing the disconnect felt by teachers
- Keeping teachers focused on their core functions
- Reducing teacher turnover
- Enhancing our competitive advantage

### SDGs impacted



### Social impact

Bridging the gap between the education student's experience during their studies and the transition into employment as teachers

## MOBILITY POLICY

The global mobility policy was launched in 2023, with revised expatriate contracts. A tax assessment of remuneration in Kenya was conducted and identified tax optimisation opportunities that will be implemented in 2024. These enhancements will provide some relief to employees with the increase in personal tax legislated this year.

## HEALTH AND WELLNESS

Employee wellbeing remains a priority. ADvTECH's mission is to build and grow a high-quality organisation in education, training and placement that is widely recognised for passionate commitment to, and success in, enriching people's lives and futures. As employee wellbeing is central to achieving this mission, our wellness plans are designed to provide employees with the tools and resources needed to pursue their own health and wellness journeys and, in doing so, boost engagement and productivity.

We have formulated a comprehensive wellbeing strategy and framework, centred around the concept of 'Purposeful', that empowers all employees to make informed decisions regarding their mental, emotional and physical wellbeing. The framework is effectively implemented through targeted communication of the group's strategy, community programmes and individual social investments.

Our Employee Assistance Programme, delivered in collaboration with the South African Depression and Anxiety Group (SADAG) continues to provide a confidential mental health support system.

## HUMAN RIGHTS

In alignment with our aspiration to be best in class across our ESG principles, we have addressed several areas to advance our journey in 2023. ADvTECH's code of business conduct serves as the foundation for our stance on human rights. Our commitment to respecting human rights is ingrained in our core values, with the aim of upholding human rights throughout all stakeholder groups impacted by the business.

In 2023, we published the group human rights policy, highlighting our commitment to promoting the rights of our employees, stakeholders and communities. The policy

comprehensively addresses various facets, including our approach to diversity, equity and inclusion, methods employed to cultivate a secure and healthy workplace, our stance on forced labour and human trafficking and our commitment to upholding employees' rights to freedom of association. The policy was reviewed by TSEC and presented to the board for their approval to ensure good governance.

## HIV/AIDS

We are well positioned to use our learning environments to educate tertiary students about HIV/AIDS and to promote responsible behaviour. We continue to encourage and support voluntary testing and education to minimise the stigma and prevalence of HIV/AIDS.

## EMPLOYEE ENGAGEMENT

Results of ADvTECH's 2021 engagement survey indicated that, overall, employees felt engaged, supported and understood, while also identifying areas for improvement. Our 2023 engagement survey focused on assessing employee engagement with ADvTECH's organisational and cultural objectives. This current survey achieved an 86% participation rate, marking a significant increase from the 2021 rate of 75%.

The overall results were favourable across 10 of the 12 measured elements, particularly when compared with the 2021 results. Among the top scoring themes in 2023 was understanding, which relates to how well employees *understand* how they contribute to the group's strategy and includes clarity around job responsibilities. This result can largely be attributed to the intentional effort to communicate a strategy that was driven by the leadership teams through the CEO and MD roadshows in 2023.

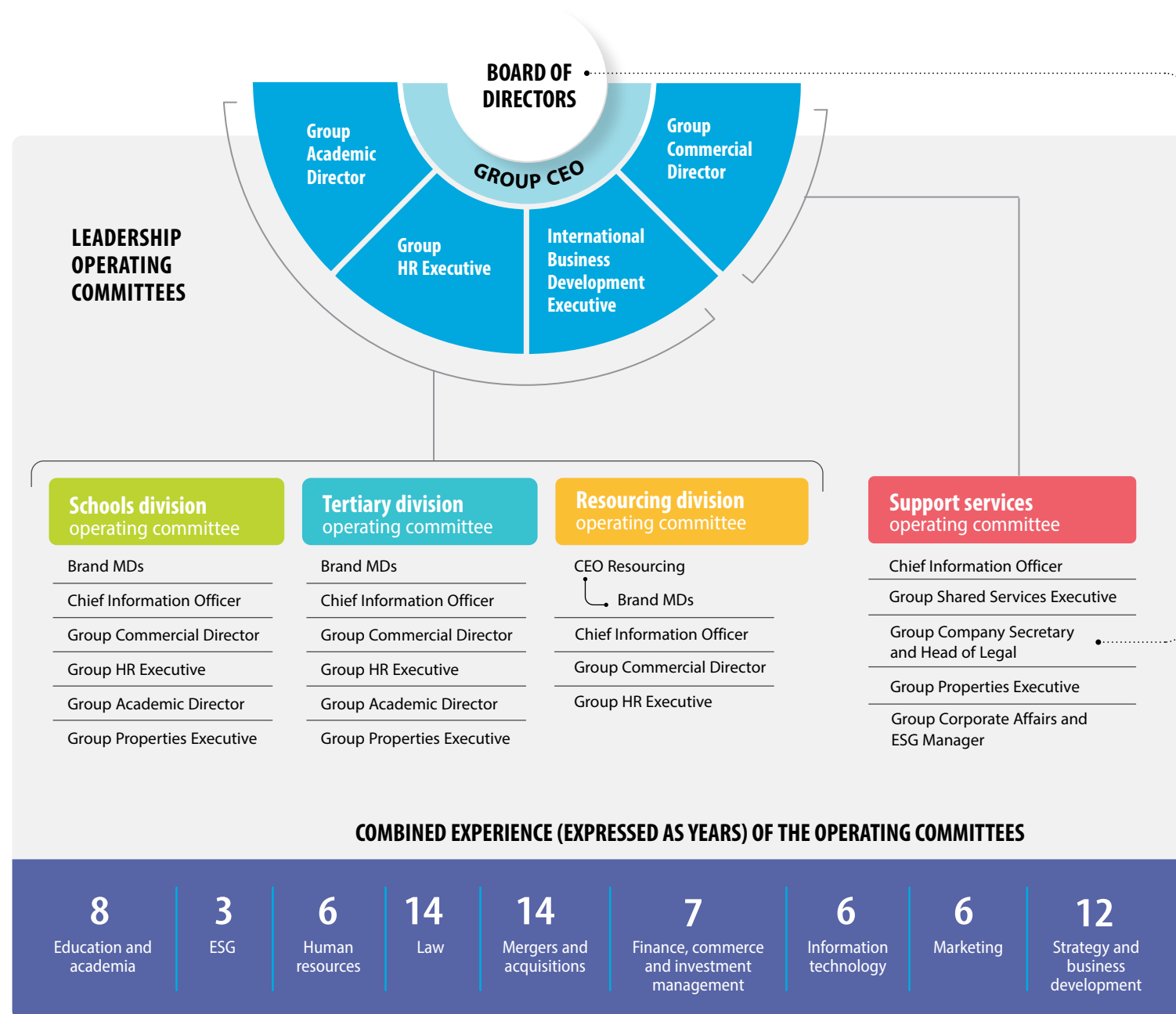
Results also show that employees feel they have *good line management and good support in delivering their jobs*. They believe that leaders are driven by a solid set of values and lead a culture of dignity and respect across the group. ADvTECH's purpose is well understood, and individuals appreciate how their roles contribute to the group's goals.

# Leadership structures

ADvTECH group's strategic leadership structure optimises decision-making and the implementation of strategic and operational initiatives. Each of the three divisions, schools, tertiary and resourcing as well as the centralised group support services, are governed by an operating committee and includes key decision makers and relevant stakeholders.

This ensures the efficient use of their skills and knowledge to directly influence and contribute to the success and development of the brands and the growth of the division, while group support services provide back-office support and efficient transaction processing.

Each operating committee benefits from executives with a broad range of experience and skills covering various disciplines. These committees consist of a total of 24 committee members and their combined experience is tabled alongside.





# Board of directors

## CURRENT CHAIRPERSON



Appointed 2011

### CHRISTOPHER BOULLE (52)

*Chairman (to retire 5 June 2024 )  
Independent non-executive director  
(to retire 5 June 2024)*

BCom, LLB, LLM (WITS)

- Corporate governance
- Corporate and trust law
- Commercial, finance and tax law
- Mergers and acquisitions
- Transformation and leadership development



## INCOMING CHAIRPERSON



Appointed 2022

### ALEXANDRA WATSON (Prof) (67)

*Independent non-executive director  
Chairperson  
(to step down from ARCom 5 June 2024)*

BCom (Hons), CA(SA)

- Accounting
- Corporate and financial reporting
- Education



## CURRENT CEO



Appointed 2024

### GEOFF WHYTE (57)

*Executive director (effective 1 March 2024)  
Group chief executive officer  
(effective 1 March 2024)*

MA (Economic Science), University of Aberdeen

- Strategy, marketing, business development and general management
- International commerce and management
- Transformation and leadership development



## RETIRED CEO



Retired 2024

### ROY DOUGLAS (66)

*Retired, effective 29 February 2024  
Group chief executive officer*

BSocSci (Economics) UKZN, MBA (UCT)

- International commerce and management
- Strategy, marketing, business development and general management
- Mergers and acquisitions



## COMMITTEES

- Chair
- Nominations Committee
- Audit and Risk Committee
- Transformation, Social and Ethics Committee
- Investment Committee
- Remuneration Committee

ESG Environmental, Social and Governance

SVC Strategic value contribution

BOARD OF DIRECTORS - continued



Appointed 2005

**DIDIER OESCH (58)**

*Executive director  
Group commercial director  
Chief financial officer*

BCompt (Hons) UNISA, CA(SA)

**SVC**

- Financial management and commerce
- Mergers and acquisitions
- Corporate finance
- Corporate governance

ESG



Appointed 2017

**JACQUELINE CHIMHANZI (Dr) (50)**

*Independent non-executive director*

BSc (Hons), MBA, PhD (Cardiff)

**SVC**

- Strategy development and execution
- Marketing
- Business development
- African enterprises

ESG



Appointed 2022

**STEWART VAN GRAAN (68)**

*Independent non-executive director*

BCom (Hons) Information Systems

**SVC**

- Information communication and technology
- Strategy and business management
- Risk management and governance
- Business management.

ESG



Appointed 2021

**CLIVE THOMSON (57)**

*Independent non-executive director  
Chairman of Investment Com*

BCom (Hons) (UCT), MPhil (Cantab) CA(SA)

**SVC**

- Business leadership and strategy
- Corporate restructuring, acquisitions and disposals
- Corporate finance and treasury
- Governance and risk management

ESG



Appointed 2021

**SYBILE LAZAR (65)**


*Independent non-executive director*

Certified Public Accountant (Chartered Accountant)  
Maîtrise de Sciences Financières et Comptables  
(MBA equivalent, major in Finance and Accounting)  
from the University of Paris-Dauphine, France

**SVC**

- Investment banking
- International finance
- Finance risk management
- Private equity
- Governance
- Strategy and leadership
- Mergers and acquisitions

ESG



Appointed 2021

**MONDE NKOSI (33)**

*Non-executive director*

B.Bus.Sci. (UCT), MBA (Stanford),  
MA Education (Stanford)

**SVC**

- Corporate finance and capital allocation
- Mergers and acquisitions
- Corporate strategy
- Education policy and research

ESG



Appointed 2015

**KEITH WARBURTON (65)**


*Lead independent non-executive director*

BCom, CTA (UCT), CA(SA)

**SVC**

- Commerce and corporate management
- JSE listed entities and corporate governance
- Investment management
- Mergers and acquisitions
- Strategy and business development

ESG



Appointed 2022

**DANIEL SMITH (52)**

*Alternate director to Monde Nkosi*

B.Acc (Hons) (Wits), H.Dip. Tax (Wits), CA(SA)

**SVC**

- Investment banking
- Corporate finance, capital allocation and treasury
- Mergers and acquisitions
- JSE listed entities and corporate governance
- Strategy and business development

ESG

Please see the previous page for a key to the committees and abbreviations.

# Corporate Governance Report

ADvTECH's board of directors and management remain committed to the highest standards of corporate governance, integrity and ethics, which it views as essential to the group's strategy towards the development of quality education in South Africa and the rest of Africa.

The directors, collectively and individually, acknowledge their fiduciary duties in terms of the Companies Act, King IV™ and the JSE Listings Requirements.

[www](#) ADvTECH's King IV™ register, which sets out how the group has applied the corporate governance principles, is available on our website.

## ACHIEVING GOVERNANCE OUTCOMES

The board remains committed to the principles of King IV™ that ultimately lead to the governance outcomes as depicted below. This is achieved by effective and ethical leadership through continuously reassessing the group's strategy, internal controls, policies, terms of reference, procedures and processes, taking into consideration the recommendations contained in King IV™.

### INPUTS

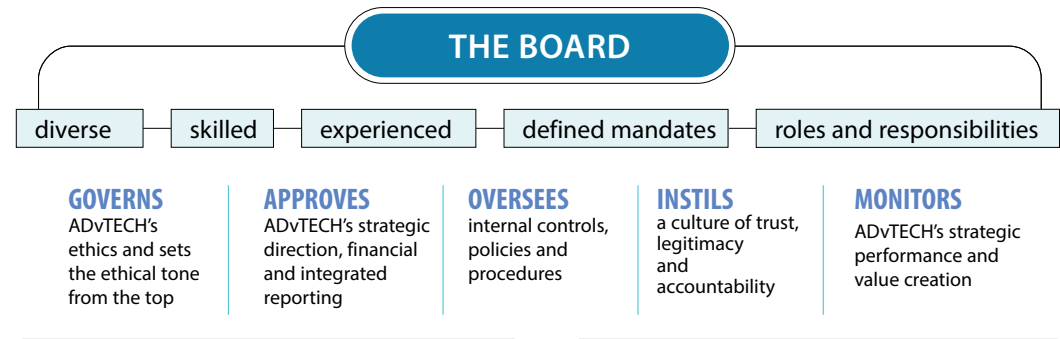
### OUTPUTS

### TO ACHIEVE OUTCOMES

### VALUE PROPOSITION AND PURPOSE

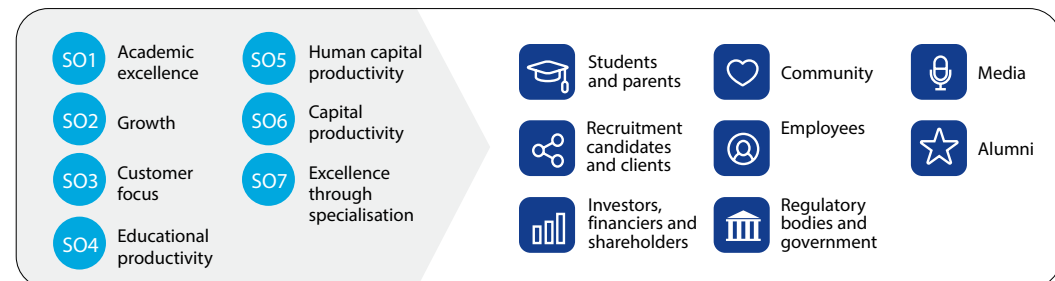
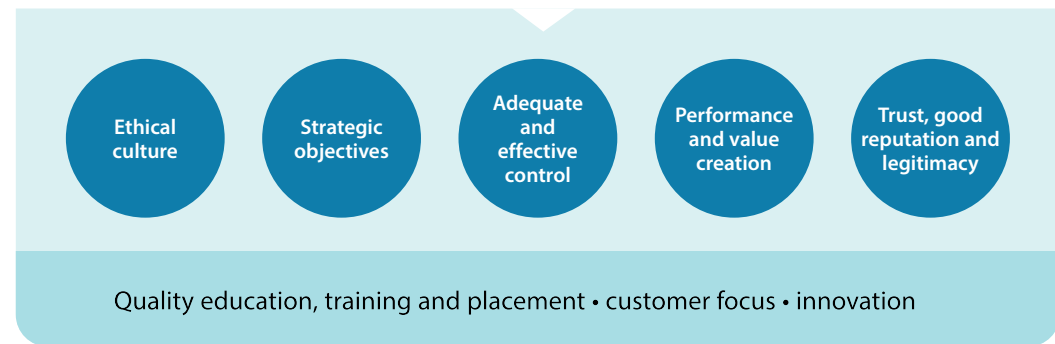
### SUPPORT DELIVERY OF STRATEGIC OBJECTIVES – TO MAKE A DIFFERENCE TO OUR STAKEHOLDERS

## Governance value proposition



Good governance to ensure quick access to reliable information and good communication with stakeholders

Assisting executives in building a positive reputation and a healthy culture within the business



## GOVERNANCE STRUCTURE

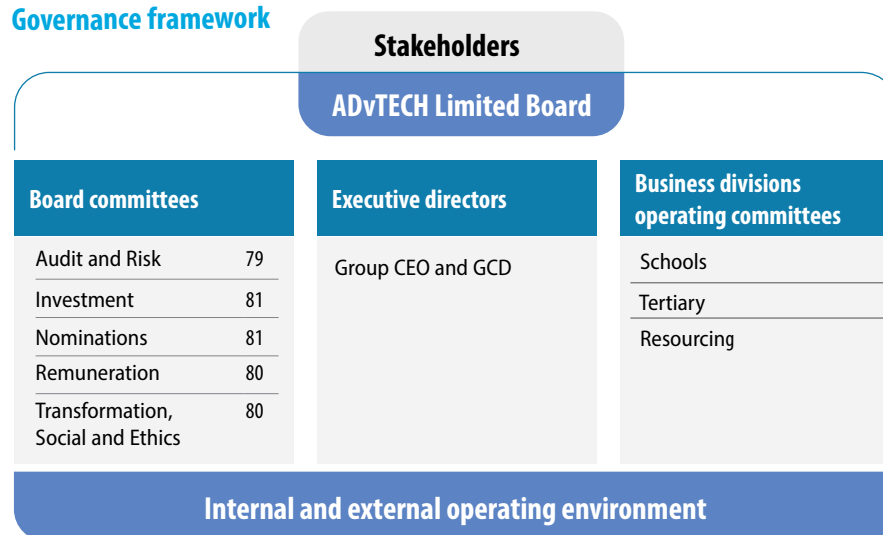
ADvTECH has a unitary board structure that oversees the management and governance control structure, which directs the organisation in its entirety. The board retains full and effective control over the group and monitors executive management's implementation of plans and strategies.

The board has, through an approved delegation of authority, delegated the implementation and execution of the approved strategy to executive leadership through the group CEO. Executive leadership is responsible for the effective control of all group operational activities, acting as a decision-making body and a medium of communication and co-ordination between the various divisions, group companies and the board.

The group CEO has delegated, and has executive oversight of, the implementation and execution of the approved strategy to its leadership operating committee, as tabled on page 71. Such committee members may attend board meetings, as and when appropriate, to respond to areas within their expertise.

Each of the group's three business divisions (schools, tertiary and resourcing) have formal management structures that meet on a regular basis to ensure the implementation and effectiveness of corporate governance and internal controls. These meeting are attended by the group CEO and group commercial director (GCD).

## Governance framework



### Board focus areas 2023

Oversight and monitoring of the strategic objectives of business

Review of the group's expansion opportunities into rest of Africa

Review and approval of financial reporting, including the annual financial statements, shareholder dividends and annual integrated reports

Established a framework for ESG reporting

Review of the group's corporate governance structures including the composition and size of the board, evaluation of the skills, expertise and experience of its board members, assessment of their independence and director rotation requirements

Ensure compliance with the legal and regulatory environment in which the business operates

The appointment of the group CEO following the retirement of the current CEO

### Governance outcome

Adequate and effective control

Growth

Adequate and effective control/performance and value creation

Adequate and effective control

Board diversity and independence

Adequate and effective control

Effective leadership

Having regard for the board focus areas during the year under review, the board addressed the strategic objectives of growth and capital productivity.

## Board committees

The board has delegated certain of its responsibilities to its committees to assist in the effective execution of its duties and responsibilities. However, the delegation of these responsibilities does not absolve the board from its accountability. The board and its committees are furnished with full information from management ahead of each meeting, ensuring that all relevant issues are brought to the attention of directors for deliberation.

Board members are appointed to committees based on their areas of expertise and experience. To satisfy the requirement for the committee composition in terms of King IV™, each committee consists of a minimum of three members, the majority of which are independent non-executive directors. A committee chairperson is appointed from the members of each committee.

Delegation to committees is given by means of a formal charter that is reviewed annually and any material changes are recommended to the board for approval. The board and its committees are satisfied that the board and committees have fulfilled their responsibilities in accordance with their respective charters during the year under review.

The table below sets out the board attendance during the year under review:

Name of director	King IV™ classification	Board meeting attendance
CH Boulle (Chair)	INED	4/4
JS Chimhanzi	INED	4/4
SW van Graan	INED	3/4
SS Lazar	INED	4/4
MM Nkosi	NED	4/4
CB Thomson	INED	4/4
KDM Warburton	INED	4/4
DL Smith	Alt Dir	4/4
A Watson	INED	4/4
RJ Douglas	ED	4/4
JDR Oesch	ED	4/4



## BOARD CHANGES

The following changes in directorship were noted:

CH Boule will be retiring as chairman of the ADvTECH board following the conclusion of the 2024 AGM as per the SENS announcement released on 17 April 2023 and shareholders' resolution passed at the AGM held on 18 May 2023. A Watson will be taking up the role of chair of the board following the retirement of CH Boule.

RJ Douglas stepped down from the board, effective 29 February 2024 due to him retiring from the ADvTECH Group. G Whyte has been appointed as new Group CEO effective 1 March 2024.

The board thanks Mr CH Boule for his invaluable contribution as chairman of the ADvTECH board over his tenure and Mr RJ Douglas for his excellent leadership as CEO of the ADvTECH Group, and wishes them well in their future endeavours.

The board is pleased to welcome Prof A Watson as new chair of the ADvTECH board and Mr G Whyte as new group CEO and looks forward to their contribution towards the exponential success of the business.

### Non-executive director rotation

In terms of the company's memorandum of incorporation (MoI), one-third of all non-executive directors must retire by rotation annually. The appointment of a new director is subject to approval by shareholders at the first AGM held following his/her appointment.

Directors who have served the longest since their last re-election are selected for rotation at the end of each year. To ensure independence on ADvTECH's board, the board has also adopted the policy that all non-executive directors who have served on the board for a period of nine years or longer and/or have reached the age of 70 or older must stand for re-election on an annual basis.

In terms of the board policy, a non-executive director (NED) may not serve on the board for a tenure of longer than 12 years. In compliance with the MoI, King IV™ and board policy, JS Chimhanzi, SS Lazar and KDM Warburton will retire by rotation and stand for re-election at the AGM.

## BOARD COMPOSITION

ADvTECH's board comprises a mix of independent non-executive directors, non-executive directors, alternate directors and executive directors. Currently there are seven independent non-executive directors, one non-executive director, one alternate director and two executive directors who serve on the ADvTECH board. The board, with the guidance of the Nominations Committee, has conducted a review of the size and composition of the board and is satisfied that it is sufficient for the board to effectively carry out its mandate.

There is a balance of power on the board and no single individual or group of individuals has unfettered powers to dominate the board decision-making. The roles of the chair of the ADvTECH board and group CEO are separate, each with clearly defined responsibilities as set out in the board charter.

### Board skills/experience

ADvTECH's directors, individually and collectively, possess a wealth of knowledge, experience, skill and expertise both within the ADvTECH group and across various industry sectors to effectively carry out their duties. Directors receive regular briefings on legal and corporate governance matters as well as risks and changes in the external environment that impact on the group and have access to external experts, where necessary. Directors are also encouraged to undergo continuous development training on a regular basis.

### Skills matrix

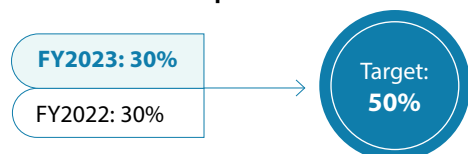


## Board gender and diversity

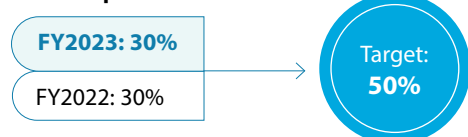
ADvTECH's board has adopted a diversity policy which focuses on broader diversity attributes at board level and which policy sets voluntary targets of 50% black and 50% female representation.

At present, three of the 10 directors are female (30%) and three of the 10 directors are persons of colour (30%). The board, with the assistance of NomCom, regularly reviews its gender and diversity targets and remains committed towards striving to achieve these targets.

## Black South African representation



## Women representation

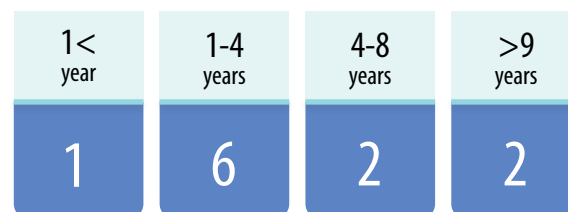


## Independence

An evaluation of the independence of the board is conducted on an annual basis. MM Nkosi and DL Smith, his alternate director, are not classified as independent due to their employment as executives at a shareholder of the company. The board is satisfied that the majority of non-executive directors are independent and exercise objective, unfettered judgement and independence of mind.

## Board tenure\*

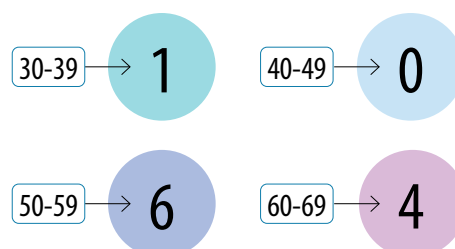
In terms of the board policy, non-executive directors who have served on the ADvTECH board for 9 years or longer are required to stand for re-election on an annual basis at the AGM.



\* The figures include all directors, including the alternate director DL Smith, as at the date of the report.

## Age diversity\*

The Nominations committee considers the age and diversity of the board when appointing new directors to ensure new insights and innovation on the ADvTECH board.



\* The figures include all directors, including the alternate director DL Smith, as at the date of the report.

## Lead independent director (LID)

The duties and responsibilities of the LID are set out in ADvTECH's board charter. KDM Warburton has been appointed to act as LID and will continue to serve in this capacity going forward. The board is satisfied that KDM Warburton has met the objectivity and independence criteria during the year under review.

## ETHICS AND EFFECTIVE LEADERSHIP

The board sets the ethical tone and governs the group's ethics in a manner that supports an effective corporate culture within the group. TSEC oversees the group's adherence to these ethical standards and keeps the board apprised of any material ethical matters that may arise. Ethics and ethical leadership is fundamental to how the group conducts its business and is expressed in its values as well as interaction with key stakeholders. The group has various processes, policies, codes and controls in place to embed an ethical culture. Employees are required to act with the utmost integrity and objectivity and in compliance with both the letter and the spirit of the law and group policies.

## VALUES

The group's values encapsulate our work ethic and are communicated to all employees during induction and are emphasised regularly.



Read more on PG 6.

## UNITED NATIONS GLOBAL COMPACT (UNGC)

ADvTECH embraces the 10 UNGC principles which cover human rights, the labour environment and anti-corruption.

## ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT (OECD)

The group adheres to the guidelines for multinational enterprises regarding anti-corruption.

## CONFLICT OF INTEREST DECLARATIONS

Directors are required to disclose any conflict of interest they may have at the commencement of each board meeting and, as a matter of practice, are required to sign a disclosure of any potential conflicts of interest on an annual basis.

MM Nkosi, and his alternate director DL Smith, have disclosed their potential conflicts due to their association with Adcorp Limited and have recused themselves from discussions where required during the year under review.

DL Honey has disclosed that his brother, E Honey, is a director of Adams & Adams Attorneys, which firm provides legal services in respect of intellectual property to the group.

## RELATED PARTY TRANSACTIONS

The following related party transactions were disclosed by directors and executive management during the year under review:

### Directors

The following directors have been awarded bursaries for their child/children in terms of the group's bursary policy:

- JS Chimhanzi has been awarded a Crawford International bursary for her child based on the academic performance of her child; and
- JDR Oesch has been awarded a Crawford International bursary for his child.

### Prescribed officers

The board has identified MD Aitken, DL Honey and LA Wiseman as prescribed officers in terms of the Companies Act. The following prescribed officer has been awarded bursaries for his children in terms of the group's bursary policy:

- DL Honey has been awarded Crawford International bursaries for his two children in terms of the group's bursary policy.

### Operating leadership committee

The following leadership committee members have been awarded bursaries in terms of the group's bursary policy:

- V Crawford has been awarded Crawford International bursaries for her two children;
- S van Zyl has been awarded a Crawford International bursary for his child;
- S Majola has been awarded a Trinityhouse Little Falls bursary and four Crawford International bursaries; and
- N Boardman has been awarded Crawford International bursaries for his two children.



## STAKEHOLDER RELATIONSHIPS

The board follows a stakeholder inclusive approach that balances the needs, interests and expectations of key stakeholders (see page 11) in the group's best interests.

The board ensures effective communication with its key stakeholders through various engagements such as the CEO roadshows, analyst presentations, release of annual/interim results, publication of integrated annual report, AGM, SENS announcements etc.

Engagement with employees, students and parents through various media platforms are regularly monitored by TSEC and any material concerns are reported to the board.

## BOARD EVALUATION

An independent external evaluation of the board's effectiveness is conducted every two years and an internal evaluation every alternate year. Due to an independent external evaluation having been conducted during 2022, an internal evaluation was conducted during 2023. ADvTECH achieved a good performance rating in terms of the views expressed by its board members. The evaluation did not reveal any significant areas of concern and concluded that the board and its committees effectively discharged their respective responsibilities. Areas which have been identified for improvement will be addressed during the current financial year.

## BOARD APPOINTMENT AND REMOVAL

The board, assisted by the Nominations committee, is responsible for recommending new director appointments or filling a vacancy. Suitable candidates are evaluated by the Nominations Committee and recommendations submitted to the board for approval in line with the board diversity policy.

Director appointments are subject to approval by shareholders at the AGM held following their appointment. An induction programme is established for new directors to facilitate their understanding and introduction into the group.

Directors are required to disclose their directorships to ensure they are not over-committed in terms of their representation on other listed or unlisted boards and have sufficient time available to fulfil the responsibilities as a director on the ADvTECH board and committees. These disclosures are reviewed on an annual basis.

Notwithstanding the provisions of any contract, the company may, by ordinary resolution, remove any director from office and appoint another person in his/her stead as contemplated in section 71 of the Companies Act.

## BOARD COMMITTEES

### Audit and Risk Committee (ARCom)

ARCom is constituted as a statutory committee in terms of section 94(7) of the Companies Act. As required by the Companies Act, shareholders elect the members of the ARCom at the AGM. All members of the committee are independent as defined by the Companies Act. The board has recommended the following non-executive directors be re-elected to the ARCom at the AGM in May 2024, to hold office until the following AGM:

- KDM Warburton (Chair);
- JS Chimhanzi; and
- CB Thomson.

A Watson, who is currently a member, will not stand for re-election due to her taking up the role of chairman of the board following the retirement of CH Boule. In terms of King IV™, the chair of the board should not be a member of the ARCom. She will continue to attend the ARCom by virtue of a standing invitation.

The committee meetings are attended by the internal and external auditors, the group CEO and GCD, as well as other board members and invitees. The committee also ensures that, as a minimum, it meets with the external auditors at least once a year without management being present.

The board, on recommendation of the ARCom, recommends the appointment of the external audit firm to the shareholders at the AGM. The board will recommend the re-appointment of Ernst & Young Inc. as auditors for the ensuing year at the AGM to be held on 5 June 2024.

Committee members	King IV™ classification	Meeting attendance
KDM Warburton (Chair)	INED	4/4
JS Chimhanzi	INED	4/4
CB Thomson	INED	4/4
A Watson	INED	4/4
<b>Invitees</b>		
CH Boule	INED	3/4
RJ Douglas	INED	3/4
JDR Oesch	ED	4/4

### Focus areas 2023

#### Audit

- Monitored the integrity of the financial statements of the company, including its annual and half yearly reports, preliminary results announcements and any other formal announcement relating to its financial performance;
- Reviewed key judgements and significant matters raised by management and internal and external audit to ensure the accuracy and integrity of financial data disclosed;
- Reviewed the dividend proposals to ensure the group has sufficient resources to make distributions and made dividend payment recommendations to the board;
- Evaluated the adequacy and effectiveness of the internal control environment;
- Evaluated the independence, effectiveness and performance of the internal audit function;
- Reviewed and approved the annual internal audit plan as well as the annual internal audit budget, ensuring the inclusion of material risk areas, acceptable coverage of business processes and that all reporting requirements were met;
- Recommended to shareholders the appointment of the external auditors for the ensuing financial year;
- Reviewed and approved the external auditors' 2023 annual plan, scope of work, audit fees and considered the key audit matters in the external audit report;
- Reviewed the 2022 annual financial statements and annual integrated report;
- Oversaw the preparation of the Audit Committee report for inclusion in the annual financial statements;
- Assessed compliance with all other statutory requirements in terms of section 94(7) of the Companies Act of 2008, King IV™, JSE Listings Requirements and any other applicable regulatory requirements, and confirmed that no reportable irregularities were identified and reported by the external auditors in terms of the Auditing Profession Act, 26 of 2005;
- Considered the effectiveness of the group CFO, JDR Oesch;
- Reviewed the group CEO and GCD sign-off on the internal controls declaration;
- Recommended the appointment of the auditors for shareholder approval;
- Reviewed the ICT strategy and ICT architecture reports; and
- Reviewed the ESG strategy report.

#### Outlook

Continue to ensure that financial reporting meets the requirements of IFRS, the Companies Act and King IV™ and monitor and oversee compliance of key pieces of legislation relevant to the business, the effectiveness of control measures and the independency of external auditors. Continue to monitor and oversee ESG reporting. These assist in achieving the governance outcomes of adequate and effective control and trust, good reputation and value creation.

#### Risk

- Refined the risk policy for the group, ICT and rest of Africa risk registers as well as the identification of an appropriate risk appetite and risk tolerance threshold;
- Monitored and oversaw the group, ICT and rest of Africa risk registers, which include data privacy and cyber risk;
- Monitored and assessed the material risks and ensured risk mitigation strategies were timeously actioned;
- Monitored the regulatory environment and compliance therewith;
- Monitored the macroeconomic environment;
- Recommended further strengthening of the risk management process; and
- Reviewed the insurance renewal for South Africa and rest of Africa for FY2024.

#### Outlook

Continue to ensure all major risks relevant to the business are identified and contained in the risk register, remedial plans remain efficient and effective to mitigate and manage risks to ensure the governance outcomes of adequate and effective control and trust, good reputation and value creation.



## Remuneration Committee (RemCom)

The board has delegated oversight of remuneration to the RemCom, in accordance with King IV™, to ensure fair, transparent and responsible remuneration. All but one member of RemCom are independent non-executive directors.

The committee determines and approves the remuneration policy for all employees. The chairman of the board, group CEO and group HR executive attend the meetings by invitation, but do not participate in any deliberations regarding their own remuneration. The GCD is occasionally invited to attend the meetings to report on areas within his expertise.

Committee members	King IV™ classification	Meeting attendance
KDM Warburton (Chair)	INED	5/5
A Watson	INED	5/5
MM Nkosi	NED	5/5
DL Smith	Alt Dir	5/5
CB Thomson	INED	5/5
<b>Invitees</b>		
CH Boule	INED	4/5
RJ Douglas	ED	3/3
JDR Oesch	ED	1/1
V Crawford (Group HR Executive)	LOC	5/5

## Transformation, Social and Ethics Committee (TSEC)

TSEC is a statutory committee of the board appointed in terms of section 72(4) of the Companies Act. TSEC, in terms of this broader mandate, is responsible for the oversight of and reporting on the group's ethics, responsible corporate citizenship, sustainable development, stakeholder relations and transformation. TSEC takes into consideration the needs, interests and expectations of all material stakeholders, in the best interests of the group.

Committee members	King IV™ classification	Meeting attendance
JS Chimhanzi (Chair)	INED	3/3
RJ Douglas	ED	3/3
CH Boule	INED	3/3
SW van Graan	INED	2/3
<b>Invitees</b>		
V Crawford (Group HR Executive)	LOC	3/3
DL Honey (CEO Resourcing)	PO	3/3

## Focus areas 2023

- Ensured the remuneration policy is aligned to, and promotes the achievement of, the group's strategic objectives and encourages individual performance;
- Ensured that annual guaranteed pay, benefits and incentives are appropriately benchmarked to ensure the group is competitive in the employment market;
- Reviewed and approved the performance evaluation of the current group CEO, GCD and other executives against agreed deliverables;
- Determined the remuneration of the new group CEO in line with executive remuneration benchmarks;
- Reviewed incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules;
- Reviewed the remuneration of non-executive directors in line with market benchmarking and recommended the fees for approval by the shareholders at the next AGM;
- Oversaw the preparation of the remuneration report to be included in the annual integrated report and ensured that the remuneration policy and implementation report is put to a non-binding advisory vote at the AGM of shareholders;
- Approved outcomes for the 2020 long-term incentive (LTI) and the 2023 awards;
- Approved the short-term incentive (STI) bonus scheme outcomes for the 2022 financial year and set targets for 2023;
- Reviewed the workforce planning to ensure development plans are in place for key individuals; and
- Reviewed and considered the group's succession planning.

### Outlook

Continue to ensure the implementation of an appropriate reward policy to attract and motivate employees. Recommend remuneration packages for directors and executives to the board. Reviewing of the remuneration framework and the terms and conditions of employment.

## Focus areas 2023

- Managed stakeholder relations in terms of sustainability, ethics and transformation;
- Reinforced a culture suitable for offering quality education and learning;
- Drove strategies to improve the group's broad-based black economic empowerment (B-BBEE) accreditation;
- Ensured continued focus on employment equity; and
- Reviewed the group's gender salary gaps analysis against the South African and global average.

### Outlook

Continue to monitor and report to the board on the performance of the group against its social, ethical and transformational targets and ensure a culture of non-discrimination within the organisation to ensure good corporate citizenship. Continued monitoring of gender-equal pay against global standards and overseeing of ESG reporting.

## Nominations Committee (NomCom)

NomCom consists of four non-executive directors and is chaired by the chair of the board. The role of the committee is to assist the board in ensuring that the board and its committees have the appropriate composition to effectively execute its duties; directors are appointed through a formal process and induction and ongoing training and development of directors takes place, as and when required.

Committee members	King IV™ classification	Meeting attendance
CH Boule (Chair)	INED	4/4
SW van Graan	INED	4/4
MM Nkosi	NED	4/4
SS Lazar	INED	4/4
D Smith	Alt Dir	4/4
<b>Invitees</b>		
RJ Douglas	ED	4/4
KDM Warburton	LID	1/1

## Investment Committee

Members of the Investment committee comprise non-executive directors, all but one are independent, the group CEO and the GCD.

Committee members	King IV™ classification	Meeting attendance
CB Thomson (Chair)	INED	4/4
KDM Warburton	INED	4/4
SS Lazar	INED	4/4
MM Nkosi	NED	4/4
RJ Douglas	ED	4/4
JDR Oesch	ED	4/4
D Smith	Alt Dir	4/4
<b>Invitees</b>		
CB Boule	INED	4/4

## Focus areas 2023

- Considered the composition of the board and its committees and made recommendations to the board in this regard;
- Considered the board performance assessment and action plans;
- Considered board and executive succession plans;
- Ensured effective induction of new directors;
- Considered new directors as identified in succession plans and appointed new directors; and
- Interviewed, shortlisted and recommend candidates to the board for the position of group CEO.

### Outlook

Continue to review the board composition having regard for the skills and experience of each board member. Where the necessary skills are lacking, identifying the best way to rectify and making recommendations to the board in this regard. Ensure an effective succession plan for key stakeholders to ensure business continuity.

## Focus areas 2023

- Reviewed and considered the financial and other aspects of material investment or disinvestment activity;
- Determined the most appropriate and advantageous method of funding material investments and the most effective capital structure of the company and group in pursuing its investment strategy;
- Approved acquisitions, disposals and capital expenditure in line with the limits of authority delegated to it and in line with the strategy determined by the board;
- Conducted post implementation reviews of acquisitions and major investments; and
- Assisted in the acquisition strategy of the group.

### Outlook

Continue to ensure responsible capital allocation. Monitor capital investments by way of post-implementation capex reviews and ensuring lessons learned are considered with new investments.

## COMPANY SECRETARY

Chantell Crouse was appointed as Group Company Secretary and Head of Legal effective 1 January 2021.

The Company Secretary provides the directors, both collectively and individually, with guidance as to their duties, responsibilities and powers and the impact of legislative and regulatory developments impacting the group. The Company Secretary is independent and has unrestricted access to the board. An arm's length relationship exists between the Company Secretary and the board. The Company Secretary is not a member of the board but attends board meetings as part of the discharge of the Company Secretary's functions and maintains records of meetings.

The board is satisfied that the Company Secretary has the necessary qualifications, skills and level of competence necessary to effectively discharge her responsibilities and is a fit and proper person.



## CORPORATE RESPONSIBILITY

ADvTECH continues to strive for excellence and sustainability in meeting the needs of today, without compromising those values for future generations. In doing so, we are proud to make a meaningful difference to the people we serve through our core business activities and ongoing engagement with key stakeholders.

Our main sustainability contribution is to educate students from preschool to tertiary level about the importance of long-term ESG awareness and to lead by example in our everyday decisions. ADvTECH's sustainability approach incorporates various policies, standards and procedures relating to our economic, environmental and social performance.

ADvTECH established an ESG working team in 2022 which team continues to drive the integration of ESG within the group. Members of this working group include employees who are responsible for environmental and health elements, social elements and governance.

## COMPLIANCE GOVERNANCE

The board oversees compliance with its approved compliance framework and in accordance with good governance. ARCom is responsible for continual monitoring of the regulatory environment and appropriate responses to changes and developments that may impact the group and reporting on any significant changes to the board. The group has a Group Information Officer (GIO), together with Deputy Information Officers (DIOs), to ensure compliance with POPIA on an operational level. Privacy forum meetings are held on a quarterly basis, which forum is chaired by the GIO and attended by the DIOs. The group has a privacy help desk where all privacy related incidents are logged for tracking and resolution purposes.

The legislation and regulations listed below constitute relevant obligations on the group, amongst others.

### Legislation and regulations

- Companies Act 71 of 2008
- JSE Listings Requirement
- King IV Report of Corporate Governance™ in South Africa
- Employment Equity Act
- Broad-Based Black Economic Empowerment Act and related Codes of Good Practice
- South African Schools Act
- National Credit Act
- Consumer Protection Act
- Competition Act
- POPIA
- Value-Added Tax Act
- Income Tax Act
- Higher Education Act
- National Qualifications Framework Act
- General and Further Education and Training Quality Assurance Act
- Umalusi Policy and Criteria, upon publication of the final version, under the General and Further Education and Training Quality Assurance Act
- Cybercrimes Act of 2020
- Other applicable local and foreign legislation and regulations

The board is satisfied that the company has complied with the provisions of the Companies Act and its Mol.

There were no material or repeated regulatory penalties, sanctions or fines for contraventions of statutory obligations in the 2023 financial year.

**www** Please refer to PG 7 of our Sustainability Report for further information on our robust governance framework.

# Remuneration Committee Report

*The group remains committed to creating a culture of high performance as well as attracting and retaining high calibre employees to assist us in achieving our strategy and providing acceptable shareholder returns.*

## DEAR SHAREHOLDER

On behalf of the board, I have pleasure in enclosing herewith the remuneration report for the group. This report consists of the background statement, remuneration policy and the implementation report for the financial year ended 31 December 2023.

This has been a particularly busy year for the Remuneration Committee. The appointment of a new CEO during the year required extensive discussions to enable us to attract the calibre of leadership that we believe is best for the group.

We also took the opportunity to do a benchmarking study of non-executive director fees, the results of which are discussed on PG 92.

Following discussions with our stakeholders, we made the decision to change the basis of the LTI weighting from including an element of retention shares to 100% performance shares for the Group CEO and GCD.

The committee acknowledges its responsibility for ensuring the integrity of this remuneration report and has spent a considerable amount of time to ensure a balance between the group's needs and expectations of executives, as well as the expectations of shareholders and all stakeholders.

The focus areas of the committee for the year under review is set out under the background statement together with the future focus areas.

Please refer to PG 79 to 81 in this regard.

The committee continues to monitor and review the remuneration policy to ensure fair, responsible and transparent remuneration that we believe to be in the best long-term interest of the group.

The remuneration policy and implementation report will be tabled at the AGM on 5 June 2024 where shareholders will be requested to cast a non-binding advisory vote on the policy and report.

The Remuneration Committee is satisfied that it has fulfilled its roles and responsibilities in terms of its mandate and that the group's remuneration policy has achieved its objectives in the year under review.

Appropriate governance structures exist at and below board level, to recognise and retain top talent and fairly reward employees.

The composition of the committee, number of meetings held and attendance at such meetings are shown on PG 80.

On behalf of the Remuneration Committee

**KDM Warburton**

Remuneration Committee Chair  
30 April 2024

## SECTION 1 BACKGROUND STATEMENT

ADvTECH continues to seek, attract, retain, reward and develop high-performing employees within the group to promote the achievement of its strategic objectives and to ensure the group's long-term sustainability.

The group is committed to ensuring it remunerates fairly, responsibly and transparently to promote and advance diversity and transformation within the group.

### Results of the non-binding advisory vote

Remuneration policy	2023	2022
Votes in favour	<b>96.32%</b>	81.30%
Votes against	<b>3.68%</b>	18.70%
Abstentions	<b>0.12%</b>	0.07%

### Implementation report

Votes in favour	<b>96.90%</b>	81.31%
Votes against	<b>3.10%</b>	18.69%
Abstentions	<b>0.12%</b>	0.07%

The remuneration policy and implementation report will be presented to shareholders for a non-binding advisory vote at the AGM. Notwithstanding that the JSE Listings Requirements only calls for engagement with shareholders in the event that 25% or more of the shareholders vote against either or both the remuneration policy and implementation report, ADvTECH remains committed, as in previous years, to continue engaging with shareholders, in accordance with the format and requirements of the JSE Listings Requirements, to ensure a balance between company needs and expectations of executives, as well as the expectations of shareholders.

### Engagement with shareholders

Following engagements with our shareholders, the committee reviewed and approved the adjustment to the LTI weighting for the group CEO and group CFO to 100% performance shares and 0% retention shares to align with best practice.

## Committee focus areas

**During the year under review, RemCom focused on the following areas:**

- Ensured the remuneration policy is aligned to and promotes the achievement of the group's strategic objectives and encourages individual performance;
- Ensured that annual guaranteed pay, benefits and incentives are appropriately benchmarked to ensure that the group is competitive in the employment market;
- Reviewed and approved the performance evaluation of the group CEO, GCD and other executives against agreed deliverables;
- Benchmarked and negotiated the incoming CEO remuneration package;
- Reviewed incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules;
- Reviewed the basis of calculation and quantum of remuneration of non-executive directors and recommended the fees for approval by the shareholders at the next AGM;
- Approved outcomes for the 2020 LTI and the 2023 LTI allocation of share awards;
- Approved the STI outcomes for the 2022 financial year and set targets for 2023;
- Reviewed the group workforce planning to ensure development plans are in place for key individuals; and
- Reviewed and considered the group's succession planning.

### Going forward RemCom will:

- Continue with reviewing the remuneration policy and practices to ensure continued alignment with King IV™ and best practice;
- As in prior years, obtain feedback, addressing possible concerns and implementing recommendations from shareholders regarding the group's remuneration policy and implementation report;
- Reviewing and approving STI scheme targets;
- Ensuring that the search for skilled employees and rewarding of existing skills remains a priority; and
- Reviewing and approving the LTI share awards and performance targets; and
- Review and approve ESG metrics and targets for the STI schemes.



### Fair and responsible pay

In determining what constitutes fair, responsible and transparent remuneration while balancing positive outcomes in the short, medium and long term the RemCom considered various internal and external factors that influence remuneration. Some of the external factors include the prevailing economic climate, inflation and market benchmarks, while internal factors include the group's performance and affordability, responsibilities and internal benchmarks. Equal pay for work of equal value continues to be a focus and is achieved by assigning of grades similar jobs through making use of the Paterson grading model and aligning the salary ranges to those grades.

As a result of the strong performance of the group, the committee approved the proposal for the 2024 salary increases in line with the consumer price index (CPI), subject to affordability and enrolment growth and individual performance.

Following a benchmarking exercise, RemCom set the incoming group CEO's remuneration, reviewed and approved the balanced scorecards for all executive directors, prescribed officers and key senior executives to ensure alignment with our strategic imperatives.

A core component of the executive incentive scheme is to reward individual employees' and team performances in meeting agreed key performance objectives and indicators.

This performance-based remuneration philosophy is underpinned by a detailed and documented methodology approved by RemCom and sound governance and management principles.

The teacher remuneration structure, which seeks to reward and position behaviour that aligns with the group's strategic objectives, continues to be well received by employees and had a positive impact on one of the group's strategic objectives, namely academic excellence.

The committee further considered the non-executive directors' fees and made recommendations to the board that will be put forward for shareholder approval at the AGM to be held on 5 June 2024.

## SECTION 2 REMUNERATION POLICY

The remuneration policy aims to support the achievement of the group's strategy and shareholder requirements by attracting, rewarding and retaining the best possible talent for the business. The group's remuneration philosophy entrenches a culture of high performance by aligning the elements of remuneration directly to the business objectives, employee performance, values, purpose and strategy.

Guiding principles includes fair and equitable remuneration, job-evaluation-based structure, wage gap analysis, competitive positioning and graded salary scales.

The committee has considered the impact of King IV™ on the remuneration policy as well as the amended JSE Listings Requirements.

### The goals of our remuneration strategy are to:

- Attract and retain high-quality talent and scarce skills that provide world-class education and recruitment expertise;
- Motivate and reward high performance to drive a culture of superior performance;
- Provide fair pay and incentives in line with our high standards of corporate governance;
- Minimise barriers to career development and mobility; and
- Ensure compliance with all the applicable regulatory requirements.

### Key remuneration principles of our philosophy that shape and guide our remuneration policy and support value creation:

- ADVTECH is a knowledge-based business and its intellectual property is vested in people. As employment costs are our largest expense, the remuneration policy is critical to the success of the business;
- Recognition of equal pay for work of equal value across the organisation;
- Employees in sales may qualify for commission; and
- Performance management provides the governance framework within which the remuneration policy is implemented.

RemCom ensures that remuneration practices are based on principles of sound governance and is of the view that the remuneration policy has achieved its stated objectives for the year under review.

Key to this process is RemCom's independence in determining the remuneration and bonus policies for all employees, and the review and approval of remuneration and bonuses payable to key senior executives.

Conditions of employment are reviewed against best practice and, where necessary, improvements to conditions of employment are implemented with due regard to the cost implications and the impact on staff. In an education environment, non-material aspects (such as study leave, bursaries and study assistance) are welcomed by employees.

### Remuneration structure

Remuneration is structured to attract and retain employees and provide incentives for exceptional performance. This is achieved through a combination of guaranteed remuneration, incentive rewards of a short- and long-term nature and conditions of service. Guidance is provided in the group's integrated remuneration policy, which seeks to combine and calibrate all forms of remuneration. The remuneration structure is based on the three elements as set out below:

#### ADVTECH'S REMUNERATION CORE ELEMENTS

Guaranteed remuneration

Short-term incentive

Long-term incentive

REMUNERATION COMMITTEE REPORT - continued

Section 2 Remuneration policy - continued

## Executive and senior management remuneration structure

Our remuneration policy seeks to achieve a suitable balance between guaranteed and variable remuneration. Variable STI awards are limited to a maximum of 100% of guaranteed remuneration in the case of the group CEO and 80% for the GCD. Previously, the variable LTI awards were limited to a maximum of 100% of guaranteed remuneration in the case of the group CEO and 80% for the GCD. The LTI awards for the year, and going forward, have been increased to a maximum of 125% for the group CEO and 100% for the GCD and are now all subject to performance conditions whereas previously a portion were retention shares. For all other participants of the scheme, the range is between 40% to 80% of the guaranteed remuneration.

The RemCom considers this to be an appropriate structure to reward achievement of both short- and long-term objectives.

Remuneration component	ADvTECH's policy	Type of pay
<b>Guaranteed remuneration</b> Includes salary and employee benefits on a cost to company basis	<ul style="list-style-type: none"> <li>Reflects individual contribution and market value relative to the role and to recognise skill and experience.</li> <li>Determined by the complexity of the role, market value and the ongoing review of the employee's personal performance and contribution to the group's overall performance and values.</li> <li>Reviewed annually with increases taking effect in April of each year.</li> </ul>	<b>Fixed pay</b> Monthly payment after deducting contributions to retirement funding and medical scheme where applicable.
<b>Short-term incentive bonus scheme</b>	Rewards senior management on achieving group performance targets and their respective key performance areas (KPA's). The participant's potential eligibility percentages will depend on the participant's job grade with the threshold for executive directors as follows: <ul style="list-style-type: none"> <li>Group CEO (maximum of 100% of guaranteed remuneration); and</li> <li>GCD (maximum of 80% of guaranteed remuneration).</li> </ul>	<b>Variable pay</b> Cash based annual payment.
<b>Long-term incentive bonus scheme</b>	Intended to attract and retain senior management and reward sustainable value creation that aligns with stakeholders' interests over the long-term. The awarding of shares under this scheme is based on meeting agreed performance targets. The maximum award in terms of the management share incentive (MSI) scheme is as follows: <ul style="list-style-type: none"> <li>Group CEO – maximum of 125% of guaranteed remuneration (previously 100%); and</li> <li>GCD – maximum of 100% of guaranteed remuneration (previously 80%).</li> </ul>	<b>Variable pay</b> Awarded annually and vests after three years.

## Short-term incentives

### Objective

To reward the achievement of short-term individual employee and group objectives

### Eligibility

Executive directors, prescribed officers, senior executives and managers participate in an annual STI plan

### STI formula

#### Bonus paid if targets are met

Annual guaranteed package      Potential eligibility (%)      Weighted average score of achievement

## Balanced scorecard

### Financial KPAs

40%

Earnings before interest and taxation (EBIT)

30%

Return on funds employed

Thresholds

The threshold is set at 97% of budget and a stretch target of 103%. Bonuses are earned on a straight-line basis starting from 0% at threshold and 100% at the stretch target level. Achieving budget would result in a 50% pay-out ratio.

### Non-financial KPAs

30%

These KPAs are aligned to the group's strategic objectives (page 29) and mitigation of key risks to ensure the group's long-term sustainability. Each executive's personal KPAs are aligned to the above, based on their portfolio and the areas under their influence.

## Benchmarking of guaranteed remuneration

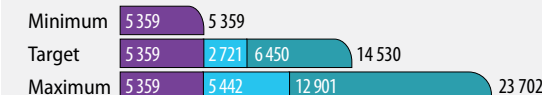
The guaranteed remuneration and other benefits of executive directors, prescribed officers and other key senior executives are benchmarked annually against the market and are aligned with group performance to ensure that remuneration packages remain competitive and appropriate.

## Group CEO and GCD pay for performance

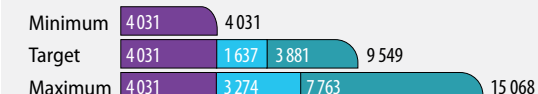
The scenario below shows the earnings potential for 2023 for the Group CEO and GCD based on STI and LTI targets. RemCom considers this to be an appropriate mix to reward achievement of both short- and long-term objectives.

## Group CEO and GCD pay mix

### Group CEO (R'000)



### GCD (R'000)



### Guaranteed

### STI

The maximum STI amount is based on the annual guaranteed remuneration following salary increases that are effective from 1 April each year.

### LTI

The maximum LTI amount is based on the fair value of the shares at vesting date.

## REMUNERATION COMMITTEE REPORT - continued

### Committee discretion

The RemCom approves the targets, the measurement of their achievement against these targets and the resultant bonuses to be paid. RemCom has discretion to award an ex gratia bonus in exceptional circumstances. This includes cases where an individual has delivered exceptional results despite the group or divisional performance targets not being met, or where extraneous factors outside the control of executives are considered to have impacted on the overall performance, resulting in the targets not having been met. No ex gratia bonuses or discretionary amounts were paid in the current period under review.

### Long-term incentive

#### Management Share Incentive (MSI) scheme

The MSI scheme previously provided annual awards of forfeitable shares in the form of performance and retention shares to eligible participants. In the current year, the scheme has been adjusted to provide for annual awards of forfeitable shares in the form of performance shares to the group CEO and CGD, and both performance and retention shares for other participants. The shares automatically vest in full after three years, on the achievement of the set targets and provided the individual is employed on the vesting date and that a minimum acceptable individual performance rating has been achieved over the three-year period.

	Total shares awarded	Share price (R)	Shares vested/to vest
16 September 2020	4 705 127	11.67	2023
21 May 2021	2 817 016	9.04	2024
10 June 2022	2 249 319	13.20	2025
23 May 2023	2 639 385	18.31	2026

Unvested shares carry dividend rights as well as voting rights.

The RemCom considers the following regarding retention awards:

Business critical skills

Scarce skills

Succession planning

Top performers

For awards up to 2022, the split in shares favoured performance-based targets over retention-based targets, with weightings being 75% performance and 25% retention for executives. For 2023, and going forward, the awards for Group CEO and GCD are all performance-based, and the weighting for prescribed officers has been amended to 80% performance and 20% retention.

#### The MSI scheme promotes

- Good performance in relation to predetermined performance objectives.
- Retention of valuable skills and experience.
- Enhanced alignment of executives' awards with shareholder interests.

#### Objective

- Drive the longer-term strategic and sustainable performance of the group.
- Motivate participants to achieve the strategic objectives, thereby aligning shareholder and management interests.
- Reward management for their contribution to the delivery of the long-term strategic objectives.
- Attract future key talent in a competitive market with market-related variable earnings.
- Retain key talent to ensure sustainable performance of the group.
- Facilitate succession planning.
- Alignment with current market practice and King IV™.

#### Eligibility

- Executive directors
- Prescribed officers
- Senior executives
- Managers

#### MSI formula

Number of shares awarded	Weighted average score of achievement
--------------------------	---------------------------------------

### Performance conditions

RemCom has approved the following performance conditions and targets:

#### Gateways

- Achievement of the minimum average growth in NEPS target over a 3-year period;
- Achievement of the minimum return on funds employed target over a 3-year period; and
- Achievement of a minimum individual performance rating over a 3-year period.

### Committee discretion

RemCom has absolute discretion in the interpretation and application of the MSI rules to determine the following:

- Individual participants based upon retention need;
- Level of awards based on market benchmarks;
- Allocation of awards between performance and retention shares;
- Classification of termination (good or bad leaver) on a case-by-case basis;
- Performance measures, weightings and targets; and
- Vesting period and basis of vesting.

## REMUNERATION COMMITTEE REPORT - continued

### Section 2 Remuneration policy - continued

#### 2020, 2021 and 2022 awards: 60% NEPS and 40% RoFE

2020	<b>TARGET 1</b> <b>60%</b> NEPS	Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.
	<b>TARGET 2</b> <b>40%</b> RoFE*	Minimum target of WACC** +2% with the maximum shares awarded at WACC +6%.
2021	<b>TARGET 1</b> <b>60%</b> NEPS	Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.
	<b>TARGET 2</b> <b>40%</b> RoFE*	Minimum target of WACC +2% with the maximum shares awarded at WACC +6%.
2022	<b>TARGET 1</b> <b>60%</b> NEPS	Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.
	<b>TARGET 2</b> <b>40%</b> RoFE*	Minimum target of WACC +3% with the maximum shares awarded at WACC +7%.

#### 2023 awards: 50% NEPS and 50% RoFE

2023	<b>TARGET 1</b> <b>50%</b> NEPS	Compound annual growth rate of a minimum of the average CPI for the performance period with the maximum shares awarded at an average of CPI +7%.
	<b>TARGET 2</b> <b>50%</b> RoFE*	Minimum target of WACC +5% with the maximum shares awarded at WACC +9%.

\* The return on funds employed (RoFE) is calculated by dividing the normalised EBIT by the average funds employed for the year. The funds employed for each year are calculated by taking total assets for the year less cash balances and all non-interest-bearing liabilities.

\*\* The average WACC that is applicable during the relevant performance period.

#### Termination of employment or office

Non-executive directors are appointed in terms of a formal letter of appointment and are not required to serve notice periods. In terms of the board policy, all non-executive directors who have served on the board for nine years or longer or who are 70 years of age or over are required to stand for re-election on an annual basis. A non-executive director may not serve on the board for longer than 12 years.

Executive directors, prescribed officers and other key senior management are employed on standard employment agreements.

Employment contracts for executive management do not provide for termination payments arising from incapacity, dismissal, voluntary resignation, retirement, retrenchment or redundancy. In addition, no contracted balloon payments are due to executives upon termination.

#### Notice period

The following notice periods are in place:

Non-executive directors	Group CEO	GCD	Prescribed officers
0 months	6 months	3 months	3 months

#### Malus and clawback policy

ADvTECH has a malus and clawback policy to align shareholder interests and the remuneration outcomes of employees. It allows the group to reduce or recoup the incentive remuneration in defined circumstances and is applicable to all ADvTECH employees who participate in the STI and LTI programme.

This policy ensures that excessive or inappropriate risk-taking is not rewarded and ensures a fair outcome when variable remuneration is awarded. The policy further contains trigger events which would result in the implementation of the policy to reduce or claw back incentive awards in line with the policy.

#### Some of the trigger events include:

- Where a material misstatement resulted in an adjustment in the audited consolidated accounts of the company or the audited accounts of any member of the group; and/or
- Where any information used to determine the quantum of an incentive remuneration amount was based on an error, or inaccurate or misleading information; and/or
- Where any action or conduct of a participant which, in the reasonable opinion of the board, amounts to serious misconduct; and/or
- Where any events or behaviour of a participant or the existence of events attributable to a participant, which led to the censure of the company or a member of the group by a regulatory authority, or have had a significant detrimental impact on the reputation of the company; and/or
- The board or RemCom, at their discretion, deems it necessary to apply malus or clawback.

#### Minimum shareholder requirements policy

ADvTECH's MSR policy seeks to align shareholder interests with executive objectives and to drive an increased level of executive accountability for the longer-term sustainability of the organisation.

#### The policy is based on the following principles:

- Each executive's MSR target is determined using the individual guaranteed annual remuneration;
- The target must be achieved within seven years from approval of this policy (March 2021) or from the start date in the case of new appointees, unless otherwise determined by the RemCom considering market conditions and related factors;
- The scheme is not intended to compel executives to incur debt to acquire ADvTECH shares, but rather that executives should retain an agreed percentage of shares acquired through the operation of share incentive schemes;
- At least 50% of the executives' vested retention share awards and at least 30% of vested performance share awards must be retained until the MSR target has been achieved;
- Compliance to the MSR target is assessed annually and executives have to declare the extent of their personal shareholdings in the company at each year-end; and
- RemCom assesses compliance with the MSR before making future discretionary LTI awards.

The MSR targets are set as follows:

CEO	2x	Guaranteed annual remuneration at year end
GCD	1.6 x	
Prescribed officers	1 x	

Compliance with the achievement of the MSR targets is measured annually and appropriate remedies for non-compliance are considered before future awards are made. Refer to PG 91 or disclosure on MSR.

#### Non-executive director fees

Non-executive directors' remuneration is currently based on an annual retainer and per meetings attendance fee. An additional fee is paid to the chairperson of the board and respective committees. At the upcoming AGM, an annual retainer fee, as opposed to an annual retainer and per meeting attendance fee, will be proposed to shareholders for approval.

#### Non-binding advisory vote on the remuneration policy

The shareholders of ADvTECH will be requested to cast a non-binding advisory vote on the remuneration policy at the AGM on Wednesday, 5 June 2024. Our remuneration policy sets out the principles used to ensure competitive remuneration while complying with all applicable laws and codes. This policy applies to the payments, accruals and awards made to executive directors, non-executive directors, senior executives and prescribed officers.



## SECTION 3 IMPLEMENTATION REPORT

The implementation report sets out the information and amounts pertaining to the applications of the remuneration policy in relation to executive and non-executive directors.

### Guaranteed remuneration: Executive directors, prescribed officers and senior executives

#### Executive directors' increase FY2023

- The group CEO and GCD received an increase in 2023 in line with CPI.

#### Prescribed officers' increases FY2023

- All prescribed officers received increases in 2023 in line with CPI.

#### Short-term incentives

During the year under review, the operating profit and RoFE stretch targets were achieved.

#### Financial KPAs

	Operating profit	RoFE
Actual 2022	R1 332.5 million	18.9%
Budget 2023	R1 504.2 million	19.9%
Threshold 2023	R1 459.1 million	19.3%
Stretch target 2023	R1 549.3 million	20.5%
Actual achievement 2023	R1 577.1 million	20.7%

Based on the group's performance criteria, additional non-financial performance goals or KPAs were formulated in line with our strategic objectives. These individual KPAs are aligned to the executive's area of influence.

	Strategic objectives	Target measures	Weightings		Target achieved
			Group CEO	GCD	
SO1	Academic excellence	Delivery of superior teaching and learning methodologies, competitive global performance benchmarking and learning analytics and expert insights.	15%	–	✓✓
SO2	Growth	Organic and acquisitive growth, growth in product, channel, market segmentation and geographic footprint.	55%	25%	✓✓✓
SO3	Customer focus	Delivery of an end-to-end service to customers driven by an understanding of, and responsiveness to customer needs.	–	–	✓✓
SO4	Educational productivity	Optimise organisational processes and structures.	–	15%	✓✓✓
SO5	Human capital productivity	Delivery of a high performance, high engagement culture through positioning the right people in the right roles to drive levels of excellent productivity.	15%	5%	✓✓✓
SO6	Capital productivity	Delivery of an efficient portfolio of brands to drive an effective return on assets and optimisation of cost structures.	–	45%	✓✓✓
SO7	Excellence through specialisation	Achieved by targeting high demand niche markets with special skills and continuously refreshed candidate database.	10%	–	✓✓✓
	Risk mitigation	All non-financial KPAs are underpinned by delivering robust employment equity initiatives, rigorous governance structures and financial controls.	–	5%	✓✓✓
	Environmental, social and governance	Ensured compliance with the ESG metrics.	5%	5%	✓✓✓
Total			100%	100%	
Target achieved			83%	86%	

✓✓ Significant progress    ✓✓✓ Achieved

KPA outcomes of executives

Read more about our strategy on page 29.

WWW Read more in our sustainability report.

# REMUNERATION COMMITTEE REPORT

## Outcome of executive director bonuses

Achievement			
KPAs	Weighting	GCEO	GCD
Operating profit	40%	40%	40%
RoFE	30%	30%	30%
Individual KPAs	30%	25%	26%
<b>Total</b>	<b>100%</b>	<b>95%</b>	<b>96%</b>



## Directors and prescribed officers

Emoluments paid to executive directors and prescribed officers of the group for the years ended 31 December 2023 and 2022 are set out below:

### EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS EMOLUMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Name	Salary R	Long-service award R	Expense allowance R	Provident fund contributions R	Total guarantee remuneration R	STI awards R	LTI awards* R	Total variable remuneration R	Total guaranteed and variable remuneration R
<b>Executive directors</b>									
RJ Douglas	4 572 694	11 000	180 000	605 968	5 358 662	5 164 167	11 836 484	17 000 651	22 359 313
JDR Oesch	3 424 812		150 000	455 789	4 030 601	3 136 916	7 122 405	10 259 321	14 289 922
<b>Total</b>	<b>7 997 506</b>	<b>11 000</b>	<b>330 000</b>	<b>1 061 757</b>	<b>9 389 263</b>	<b>8 301 083</b>	<b>18 958 889</b>	<b>27 259 972</b>	<b>36 649 235</b>
<b>Prescribed officers</b>									
MD Aitken	2 829 291		391 428	442 394	<b>3 663 113</b>	2 569 706	6 082 154	8 651 860	12 314 973
DL Honey	3 417 562		219 246	447 979	<b>4 084 787</b>	2 900 338	6 809 584	9 709 922	13 794 709
LA Wiseman	3 057 567		49 839	207 915	<b>3 315 321</b>	1 876 663	2 682 388	4 559 051	7 874 372
<b>Total</b>	<b>9 304 420</b>	<b>–</b>	<b>660 513</b>	<b>1 098 288</b>	<b>11 063 221</b>	<b>7 346 707</b>	<b>15 574 126</b>	<b>22 920 833</b>	<b>33 984 054</b>

\* This relates to the LTI awards which vested in 2023.

### EMOLUMENTS PAID TO EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS OF THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2022

Name	Salary R	Long-service award R	Expense allowance R	Provident fund contributions R	Total guarantee remuneration R	STI awards R	LTI awards* R	Total variable remuneration R	Total guaranteed and variable remuneration R
<b>Executive directors</b>									
RJ Douglas	4 287 641	–	180 000	569 624	5 037 265	4 787 668	6 304 811	11 092 479	16 129 744
JDR Oesch	3 210 405	–	150 000	428 452	3 788 857	2 927 014	3 793 818	6 720 832	10 509 689
<b>Total</b>	<b>7 498 046</b>	<b>–</b>	<b>330 000</b>	<b>998 076</b>	<b>8 826 122</b>	<b>7 714 682</b>	<b>10 098 629</b>	<b>17 813 311</b>	<b>26 639 433</b>
<b>Prescribed officers</b>									
MD Aitken	2 663 049	–	363 349	389 026	3 415 424	2 420 746	3 255 065	5 675 811	9 091 235
FJ Coughlan**	639 300	–	39 582	58 699	737 580	2 468 978	–	2 468 978	3 206 559
DL Honey	3 217 885	44 000	199 176	422 544	3 883 606	2 900 930	3 844 812	6 745 742	10 629 348
LA Wiseman***	2 297 583	–	37 040	156 236	2 490 859	1 521 282	1 409 239	2 930 521	5 421 380
<b>Total</b>	<b>8 817 817</b>	<b>44 000</b>	<b>639 147</b>	<b>1 026 505</b>	<b>10 527 469</b>	<b>9 311 936</b>	<b>8 509 116</b>	<b>17 821 052</b>	<b>28 348 522</b>

\* This relates to the LTI awards which vested in 2022.

\*\* FJ Coughlan resigned 14 February 2022.

\*\*\* LA Wiseman was identified as a prescribed officer from 1 March 2022. However, her full annual remuneration is included above.

## REMUNERATION COMMITTEE REPORT

### MSI scheme

Outcomes of the 2020 awards that vested in 2023:

Target					
	Weighting	Threshold	Stretch	Achieved total	Percentage of shares vested
NEPS (cents)	60%	98.3	119.4	145.7	100%
RoFE (3 year average)	40%	13.6%	17.6%	16.5%	72.5%

### Vesting outcomes of all participants

The 2020 awards vested in 2023:

	Shares awarded 2020	Shares vested 2023
Performance shares	3 238 811	<b>2 383 219*</b>
Retention shares	1 466 314	<b>1 197 514</b>
<b>Total number of shares awarded</b>	<b>4 705 127</b>	<b>3 580 733</b>

Note: The 2020, 2021 and 2022 awards vest in 2023, 2024 and 2025 respectively.

\* The performance shares that vested in 2023 include 1 606 664 and 776 555 in relation to the NEPS and RoFE targets respectively.

### Long-term incentives

The directors and prescribed officers were awarded the following shares at 31 December 2023:

	Share awards as at 31 December 2022	Shares awarded during the year	Fair value of awards at grant date (R)	Share awards vested during the year	Share awards forfeited during the year	Share awards as at 31 December 2023	Fair value of outstanding awards as at 31 December 2023 (R24.54)
Name	Number	Number	Number	Benefit arising at fair value at vesting date (R)	Number	Number	Number
<b>Executive directors</b>							
RJ Douglas	607 097 354 177 285 610	377 895	5 488 157 4 675 136 5 229 519 6 643 394	557 011 11 836 484	50 086	– <b>354 177</b> <b>285 610</b> <b>377 895</b>	– 8 691 504 7 008 869 9 273 543
JDR Oesch	365 310 213 120 171 861	227 392	3 302 402 2 813 184 3 146 775 3 997 551	335 172 7 122 405	30 138	– <b>213 120</b> <b>171 861</b> <b>227 392</b>	– 5 229 965 4 217 469 5 580 200
<b>Prescribed officers</b>							
MD Aitken	311 955 181 993 146 760	155 344	2 820 073 2 402 308 2 687 176 2 730 948	286 219 6 082 154	25 736	– <b>181 993</b> <b>146 760</b> <b>155 344</b>	– 4 466 180 3 601 490 3 812 142
DL Honey	349 265 203 759 174 172	184 359	3 157 356 2 689 619 3 189 089 3 241 031	320 451 6 809 584	28 814	– <b>203 759</b> <b>174 172</b> <b>184 359</b>	– 5 000 246 4 274 181 4 524 170
LA Wiseman	135 150 82 394 99 664	112 348	1 221 756 1 087 601 1 824 848 1 975 078	126 230 2 682 388	8 920	– <b>82 394</b> <b>99 664</b> <b>112 348</b>	– 2 021 949 2 445 755 2 757 020
<b>Total</b>	<b>3 682 287</b>	<b>1 057 338</b>	<b>64 323 001</b>	<b>1 625 083</b>	<b>34 533 015</b>	<b>143 694</b>	<b>2 970 848</b>
							<b>72 904 683</b>



# REMUNERATION COMMITTEE REPORT

## LTI

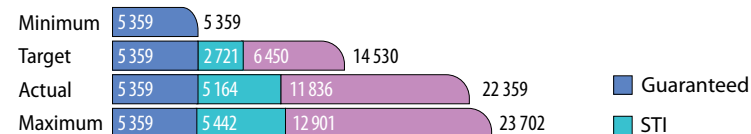
Outcomes of 2020 awards – executives and prescribed officers:

Name	Shares awarded	Shares vested				Shares forfeited
		Retention	NEPS	RoFE	Total	
Executive directors						
RJ Douglas	607 097	151 774	273 194	132 044	557 011	50 086
JDR Oesch	365 310	91 327	164 389	79 455	335 172	30 138
Total	972 407	243 101	437 583	211 499	892 183	80 224
Prescribed officers						
MD Aitken	311 955	77 989	140 380	67 850	286 219	25 736
DL Honey	349 265	87 316	157 169	75 965	320 451	28 814
LA Wiseman	135 150	54 060	48 654	23 516	126 230	8 920
Total	796 370	219 365	346 203	167 331	732 900	63 470

## Single-figure remuneration

Actual single-figure remuneration for the 2023 financial year compared to the minimum, on-target and maximum scenarios.

### Group CEO (R'000)



Guaranteed

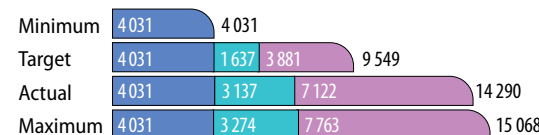
STI

The maximum STI amount is based on the annual guaranteed remuneration following salary increases that are effective from 1 April each year.

LTI

The maximum LTI amount is based on the fair value of the shares at vesting date.

### GCD (R'000)



## Minimum shareholder requirements

Name	Guaranteed annual remuneration	Direct shareholding as at 31 Dec 2023	Value of shareholding at the share price as at 31 Dec 2023 (24.54)	MSR target	Actual ratio of shareholding as at 29 Dec 2023	Prior ratio of shareholding as at 31 Dec 2022
<b>Executive directors</b>						
RJ Douglas	5 358 662	1 648 623	40 457 208	2.0	7.5	3.9
JDR Oesch	4 030 601	2 602 880	63 874 675	1.6	15.8	11.6
<b>Prescribed officers</b>						
MD Aitken	3 663 113	370 372	9 088 929	1.0	2.5	1.3
DL Honey	4 084 787	7 144 508	175 326 226	1.0	42.9	36.1
LA Wiseman	3 315 324	437 053	10 725 281	1.0	3.2	2.2





## REMUNERATION COMMITTEE REPORT

### Non-executive directors' remuneration

ADvTECH seeks to appoint and retain high calibre non-executive directors to ensure meaningful deliberations of the board. RemCom recommends to the board the fees to be paid to non-executive directors during the year.

Non-executive directors' remuneration is currently based on an annual retainer and per-meeting attendance fee. An additional fee is paid to the chairperson of the board and respective committees. At the upcoming AGM, an annual retainer fee, as opposed to an annual retainer and per-meeting attendance fee, will be proposed to shareholders for approval.

The voting outcomes on the non-executive directors' fees at the previous AGMs were as follows:

Non-executive directors' fees	Votes in favour	Votes against	Abstention
2023	99.99%	0.01%	0.12%
2022	98.84%	1.16%	0.07%

### Non-executive directors' fees for 2023

Non-executive directors' fees are based on attendance of board, committee and ad hoc committee meetings. An additional fee is payable to the chair of the board and committees.

ADvTECH subscribes to two non-executive director reports: the PwC Non-Executive Directors Practices and Fees Trends Report, and the Deloitte Non-Executive Directors Report, both of which are considered in determining the annual increase proposal.

### Non-executive directors' fees

Emoluments paid to non-executive directors of the group for the year ended 31 December 2023 (exclusive of value-added tax), are set out below:

	Board R	ARCom R	RemCom R	TSEC R	Investment Committee R	NomCom R	Total 2023 R	2022 R
<b>Directors</b>								
CH Boulle	603 661	–	–	74 501	–	72 420	750 582	708 570
JS Chimhanzi	334 015	112 222	–	127 375	–	–	573 612	531 543
SS Lazar	400 819	–	–	–	86 391	52 632	539 842	417 770
MM Nkosi	334 015	–	77 046	–	71 992	43 860	526 913	458 457
CB Thomson	334 015	112 222	77 046	–	135 345	–	658 628	590 895
SW van Graan	304 401	–	–	74 501	–	43 860	422 762	87 823
KDM Warburton	334 015	205 142	108 965	–	71 992	–	720 114	658 886
A Watson	334 015	112 222	77 046	–	–	–	523 283	89 977
<b>Total non-executive</b>	<b>2 978 956</b>	<b>541 8087</b>	<b>340 103</b>	<b>276 377</b>	<b>365 720</b>	<b>212 772</b>	<b>4 715 736</b>	<b>3 813 284</b>

An amount of R540 342 relating to value-added tax was paid on directors' fees.

### Annual fees payable to non-executive directors

The board, on recommendation by the remuneration committee, resolved to propose an annual retainer for non-executive directors' fees for 2024/2025. This proposal will be tabled at the next AGM, to be held on Wednesday, 5 June 2024 for shareholder approval.

The NED fees payable will be increased to align with the latest market benchmarking implemented over a two-year period, as per the table below.

### PROPOSED ANNUAL FEE: JULY 2024 TO JUNE 2025 AND JULY 2025 TO JUNE 2026 (ALL FEES ARE ANNUAL RETAINER FEES ARE EXCLUSIVE OF VAT)

	2024/2025 Proposed retainer fee 2024	2025/2026 Proposed retainer fee 2025	2023	
			Retainer fee	Fee per meeting attended
<b>Board/committee</b>				
Directors*	R340 564	R340 564	222 108	29 614
Leadindependent director**	R376 000	R470 000	–	–
Audit and Risk Committee	R156 000	R195 000	60 757	13 461
Remuneration Committee	R71 161	R80 000	43 225	6 984
TSEC	R75 764	R75 764	45 458	10 102
Investment Committee	R60 000	R75 000	38 589	8 636
Nominations Committee	R56 000	R70 000	28 080	4 160

\* Excludes the chairperson of the board as the chairperson receives an all-inclusive annual retainer fee.

\*\* Lead Independent fee is inclusive of the directors' fees.

Additional fee payable to chairperson of board/committee:

	2024/2025 Proposed retainer fee 2024	2025/2026 Proposed retainer fee 2025	2023	
			Retainer fee	Fee per meeting attended
<b>Board/committee</b>				
Board chairperson*	R906 000	R1 133 000	179 302	23 908
Audit and Risk Committee	R164 000	R205 000	50 156	11 146
Remuneration Committee	R48 839	R70 000	17 910	2 893
TSEC	R53 770	R59 236	32 260	7 170
Investment Committee	R52 000	R65 000	34 196	7 600
Nominations Committee	R36 000	R45 000	18 720	2 600

\* All-inclusive annual fee will be paid to the chairperson going forward.

A premium of 20% payable to non-resident non-executive directors which was approved by shareholders previously and will be proposed again for 2024.

# Transformation, Social and Ethics Committee Report

*ADvTECH's TSEC is constituted as a statutory committee of ADvTECH Limited in terms of section 72(4) of the Companies Act, No. 71 of 2008 (the Companies Act), as read with regulation 43 of the Companies Act Regulations, and a committee of the board in respect of all the other duties assigned to it by the board.*

The board is the custodian of corporate governance and its members take collective responsibility for governing and ensuring accountability for the group. The board aims to govern with integrity and in a way that supports an ethical organisational culture, from the tone at the top through all levels of the business, and instils a deep respect for the social, ethical, transformation and environmental matters facing the group.

TSEC's role is to assist the board with oversight of transformation, social and ethical matters through both performance of its statutory responsibilities and its governance responsibilities as set out in its committee charter. The charter, together with the annual committee workplan, are reviewed on an annual basis and any material changes are referred to the board for approval.

The committee has an independent role with accountability to the board and shareholders. This report has been prepared in accordance with the requirements of the Companies Act, the Company's

Mol, the JSE Listings Requirements and King IV™ report on corporate governance as well as other applicable laws. The report describes how TSEC has discharged its statutory duties, as well as additional duties assigned to it by the board during the year under review.

## COMMITTEE MEMBERS

TSEC consists of four members, three of whom are independent non-executive directors and the group CEO.

All committee members are suitably skilled and collectively have sufficient knowledge and skill to fulfil their duties. The committee consists of the following members:

JS Chimhanzi (chair)

CH Boulle

RJ Douglas

SW van Graan



The resourcing divisional CEO, group Finance Manager, head of Internal Audit and the group HR executive are also invited to attend the TSEC meetings on a standing invitation basis and provide pertinent information on areas within their expertise and responsibility.

The TSEC's charter requires that the committee meet as many times per annum as may be required to sufficiently discharge its duties, subject to a minimum of two meetings per annum. During the year under review, the committee met four times. Full details of the attendance are included in the corporate governance report.

The chair of TSEC, JS Chimhanzi, will be available to respond to any shareholder questions on matters within its mandate at the group's AGM to be held on 5 June 2024. Any specific questions for the committee must be sent to the Company Secretary prior to the AGM.

## ROLE AND RESPONSIBILITIES

TSEC operates in terms of a formal charter that sets out its terms of reference, composition, roles, responsibilities and statutory duties. King IV™ expands on the role of the social and ethics committee as provided for in the Companies Act.

TSEC plays an important role in assisting the group to redress the imbalances of the past, whether they are social, economic or environmental. Its other responsibilities include oversight of the implementation and reporting on good corporate governance obligations, stakeholder relationships, communication and reporting.

**In accordance with its statutory duties, TSEC monitors and reports on the following:**

- The group's compliance with applicable legislation, including the Companies Act, King IV™, the 10 principles set out in the UNGC and the recommendations of the OECD regarding corruption, the Employment Equity Act, the Skills Development Act and the Broad-Based Black Economic Empowerment Act (B-BBEE Act)
- The group's progress against annually approved targets for transformation in terms of the Employment Equity Act and the B-BBEE Act
- CSI undertaken by the group within the operating divisions and at a corporate level, including the promotion of equality, the prevention of unfair discrimination, the avoidance of corruption, the contribution to development of communities in which its activities are predominantly conducted and a record of sponsorship, donations and charitable giving
- The group's compliance with health and safety regulations and the environmental aspects of the business, including compliance with public relations and consumer protection laws
- The group's engagement with its stakeholders in accordance with its stakeholder policy, dispute resolution mechanisms and grievance policy

## KEY AREAS OF FOCUS

During 2023, TSEC reviewed and considered the matters listed below:

- The group's public and consumer relations to improve and strengthen relationships with its stakeholders;
- Reports on the media coverage for the group;
- Reports on CSI projects undertaken by the group;
- The group's efforts to encourage diversity and advance the objectives of equality groupwide;
- The group's defined transformation objectives and targets;
- Reports on labour and empowerment related matters;
- The revised B-BBEE Codes of Good Practice, as well as its implications for the group;
- The group's B-BBEE rating to monitor progress against transformation targets;
- Strategies to improve the group's B-BBEE accreditation;
- Participation and collaboration with the industry on the newly proposed Education Industry Sector Charter;
- Continued monitoring of the group's talent succession plans and training programmes;
- Gender salary gap analysis against the South African and global average;
- The group's ethics hotline register, including results of internal investigations and actions taken;
- The group's conflict of interest policy, minimum shareholder requirements policy and family bursary policy;
- Maintaining high standards of organisational ethics;
- Reviewed and approved the committee's charter;
- The committee's annual work plan for the ensuing year;
- Reviewed and approved the TSEC report included in the annual report 2022;
- Conducted an independent assessment of the performance and effectiveness of the committee for the year under review; and
- Reviewed the ESG strategy report.

[WWW](#) Read more in the sustainability report on page 5.

## OVERVIEW OF CERTAIN FOCUS AREAS

### Transformation

Transformation remains an ongoing focus for the group. A talent review process is used to identify candidates from previously disadvantaged groups for development and promotion opportunities.

All employees are encouraged to develop their full potential, both for their own benefit and for that of the group.

The group continues to conduct awareness campaigns with the purpose of educating employees on the varied types of disabilities and to encourage confidential reporting.

### Anti-racism and discrimination – RDI campaign

ADvTECH's RDI campaign continues to facilitate a culture based on the principles of RDI, where everyone knows they belong and feels comfortable to participate and contribute.

Our FaceUp smartphone application, an anonymous reporting app designed to empower individuals to report any discriminatory behaviour, continues to facilitate a safer and more trusting workplace.

[WWW](#) Read more on page 21 and in the Sustainability report.

### Transformation – B-BBEE compliance and the promotion of B-BBEE in South Africa

During the year under review, the committee continued to consult with external providers, industry providers and regulators to ensure that the committee is kept up to date with the B-BBEE landscape and information on how best the group can contribute to the overarching goal of B-BBEE.

The committee is pleased to report that ADvTECH Resourcing (Pty) Ltd has been rated a Level 2 B-BBEE contributor (2022: Level 3), which resulted in a total procurement recognition level of 110% for the calculation of the weighted B-BBEE procurement spend.

### Gender pay gap

An extensive amount of work was undertaken on the average gender pay gaps within the schools and tertiary division. Overall, the committee is pleased to report that the group has performed well in comparison to the average market gender pay gap.

### Bursaries and CSI projects

In keeping with the organisation's core business of education and the ethos of promoting access to education, the group has implemented a bursary programme for students. Approximately 15 551 (2022: 15 583) students benefited from the bursary programme. The total value of the bursaries awarded during the year under review amounted to R299 million (2022: R211 million).

In addition to investing in bursaries, the group supported 766 CSI projects.

[WWW](#) Read more on page 42 and in the Sustainability report.

### Stakeholder relations

ADvTECH continues to engage and strengthen its relationships with stakeholders to ensure their interests are adequately addressed, as and when required. Stakeholder engagement and media coverage reports are reviewed at each meeting and regular engagement is embedded into the corporate communication culture. Investors and shareholders, students and parents, alumni, candidates and clients, employees, regulatory and professional bodies, the community and the media are all key stakeholders.

[WWW](#) Read more in the stakeholder engagement report in the Sustainability report on PG 18.

### Ethics

Ethics are embedded in ADvTECH's code of conduct and a supplier code of conduct which applies to all employees, directors and stakeholders.

The directors, individually and collectively, continue to cultivate the highest levels of integrity, competence, responsibility, fairness, transparency and accountability in executing their functions.

Ethical standards and behaviour are of primary importance to the group and is expressed in the group's values which values are reviewed regularly to ensure that they remain relevant.

Employees and stakeholders are encouraged to disclose any improper conduct or unethical behaviour through the fraud and ethics hotline which is available on the group's website and intranet, and which also allows for anonymous reporting. ADvTECH has a zero-tolerance policy towards fraud and corruption and necessary steps are taken against those who have been found guilty of unethical behaviour.

### Fraud and ethics process

- Fraud and ethics hotline
- Investigation
- Taking of appropriate action following the outcome of the investigation
- Report to TSEC who provides feedback to the board

### Policy review

All policies are reviewed by the committee to ensure they are non-discriminatory, of a high ethical standard and reinforce appropriate behaviour within the organisation.

### Reporting

TSEC is satisfied that, in all material respects, it has achieved its objectives for the year under review and that no items have been reported which would indicate non-compliance with the mandate of TSEC or its statutory requirements in terms of the Companies Act.

*On behalf of the Transformation, Social and Ethics Committee*

*Dr Jacqueline Chimhanzi*  
TSEC chair  
30 April 2024



# Shareholders' diary

## 2024

### DIVIDEND

Declaration of dividend by the board	<b>Wednesday, 20 March</b>
Announcement of annual results and declaration of dividend (if applicable) for 2023 on SENS	<b>Monday, 25 March</b>
Last day to trade in order to participate in the dividend	<b>Tuesday, 16 April</b>
Trading commences ex-dividend	<b>Wednesday, 17 April</b>
Record date	<b>Friday, 19 April</b>
Share certificates may not be dematerialised and rematerialised between Wednesday, 10 April and Friday, 12 April, both days inclusive	<b>Wednesday, 17 April and Friday, 19 April</b>
Dividend payment date	<b>Monday, 22 April</b>

### ANNUAL GENERAL MEETING (AGM)

Record date to receive notices	<b>Friday, 26 April</b>
Posting date and SENS	<b>Tuesday, 30 April</b>
Last date to trade to be eligible to participate and vote at the AGM	<b>Monday, 27 May</b>
Public holiday	<b>Wednesday, 29 May</b>
Record date to be recorded as a shareholder	<b>Friday, 31 May</b>
Proxy forms to be received by 10h00	<b>Monday, 3 June</b>
AGM to be held at 10h00	<b>Wednesday, 5 June</b>
Results of AGM published on SENS	<b>Wednesday, 5 June</b>

### INTERIM RESULTS

Interim results for the six months ended 30 June 2024	<b>Monday, 26 August</b>
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# Glossary

AGM	Annual General Meeting	DOL	Department of Labour	ICAS	Independent Counselling and Advisory Services
AI	Artificial Intelligence	EBIT	Earnings Before Interest and Tax	ICMS	Intelligent Content Management System
AIR	Annual Integrated Report	EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation	ICT	Information Communication Technology
APPETD	Association of Private Providers Education, Training and Development	ECD	Early Childhood Development	IEB	Independent Examinations Board
APSO	Federation of African Professional Staffing Organisations	ECSA	Engineering Council of SA	IFC	International Finance Corporation
ARCom	Audit and Risk Committee	EE	Employment Equity	IFRS	International Financial Reporting Standards
BAC	British Accreditation Council	EEC	Employment Equity Committee	IGCSE	International General Certificate of Secondary Education
B-BBEE	Broad-Based Black Economic Empowerment	EGESD	Environmental Greening Education for Sustainable Development framework	IIE	Independent Institute of Education
BCEA	Basic Conditions of Employment Act	EHS	Environmental Health and Safety	IIRC	International Integrated Reporting Council
BESS	Battery Energy Storage System	ESG	Environmental, Social and Governance	IMF	International Monetary Fund
CAGR	Compound Annual Growth Rate	ETDP	Education, Training and Development Practices	IoT	Internet of Things
CAPEs	Confederation of Associations in the Private Employment Sector	EYFS	Early Years Foundation Stage	IPCC	Intergovernmental Panel on Climate Change
CAT	Central Academic Team	FC	Financial Capital	IPSC	Institute for Personnel Service Consultants
CATHSSETA	Culture, Art, Tourism, Hospitality, and Sport Sector Education and Training Authority	FMCG	Fast-Moving Consumer Goods	IR	Integrated Report
CEO	Chief Executive Officer	GBV	Gender-Based Violence	IR	Investor Relations
CFO	Chief Financial Officer	GCD	Group Commercial Director	ISASA	Independent Schools Association of Southern Africa
CGT	Capital Gains Tax	GDP	Gross Domestic Product	ISTE	International Society for Technology in Education
CHE	Council on Higher Education	GENFETA	General and Further Education and Training Quality Assurance Act	IT	Information Technology
CIMA	Chartered Institute of Management Accountants	GEP	Graduate Empowerment Programme	JSE	Johannesburg Stock Exchange
CIO	Chief Information Officer	GIO	Group Information Officer	JSELR	Johannesburg Stock Exchange Listings Requirements
CO <sub>2</sub> e	Carbon Dioxide Equivalent	GRI	Global Reporting Initiative	KCPE	Kenya Certificate of Primary Education
COJ	City of Johannesburg	GSS	Group Shared Services	KCSE	Kenyan Certificate of Secondary Education
CPA	Consumer Protection Act	HC	Human Capital	KPI	Key Performance Indicators
CPI	Consumer Price Index	HEI	Higher Education Institution	LED	Light-Emitting Diode
CSI	Corporate Social Investment	HEQC	Higher Education Quality Committee	LID	Lead Independent Director
CWE	Centre of Water and the Environment	HR	Human Resources	LLB	Legum Baccalaureus
DBE	Department of Basic Education	IB	International Baccalaureate	LMS	Learning Management System
DHET	Department of Higher Education and Training	IC	Intellectual Capital	LOC	Leadership Operating Committee
				LPA	Legal Practice Act
				LRA	Labour Relations Act

## GLOSSARY continued

LTI	Long-Term Incentive
MC	Manufactured and Infrastructure Capital
MM	Material Matters
MOU	Memorandum of Understanding
MSR	Minimum Shareholding Requirement
NAISA	National Alliance of Independent Schools Associations
NC	Natural Capital
NEEC	National Employment Equity Committee
NEPS	Net Earnings Per Share
NGO	Non-Governmental Organisation
NomCom	Nominations Committee
NQF	National Qualification Framework
NSFAS	National Student Financial Aid Scheme
OHS	Occupational Health and Safety
PAIA	Promotion of Access to Information
PAYE	Pay As You Earn
PDE	Provincial Departments of Education
PDP	Principals Development Programme
PED	Provincial Education Department
PHEIs	Private Higher Education Institutions
PO	Prescribed Officer
POPIA	Protection of Personal Information Act
PR	Public Relations
PRISA	Public Relations Institute of SA
PSLE	Primary School Leaving Examination
PV	Photovoltaic
PYP	Primary Years Programme
QCTO	Quality Council of Trade and Operations
RCP	Representative Concentration Pathway
RDI	Respect, Diversity and Inclusion

RemCom	Remuneration Committee
ROI	Return on Investment
S2P	Source to Pay
SACAI	South African Comprehensive Assessment Institute
SACE	South African Council for Educators
SADAG	South African Depression and Anxiety Group
SAGEA	South African Graduate Employers Association
SAICA	South African Institute of Chartered Accountants
SaioSh	South African Institute of Occupational Safety and Health
SAPHE	South African Private Higher Education
SAQA	South African Qualifications Authority
SASA	South African Schools Act
SASB	Sustainability Accounting Standards Board
SC	Social and Relationship Capital
SDA	Skills Development Act
SDG	Sustainable Development Goals
SENS	Stock Exchange News Services
SETA	Sector Education and Training Authority
SIS	Student Information System
SMME	Small, Medium and Micro Enterprise
SO	Strategic Objectives
SOTL	Scholarship of Teaching and Learning
SSP	Shared Socioeconomic Pathways
STEM	Science, Technology, Engineering, and Mathematics
STI	Short-Term Incentive
TCFD	Task Force on Climate-related Financial Disclosures
TSEC	Transformation, Social and Ethics Committee
UN	United Nations
UNESCO	United Nations Educational Scientific Cultural Organisation
USAf	Universities of South Africa

VC	Value Created
VC CLC	Varsity College Law Clinic
VE	Value Eroded
VM	Virtual Machine
VP	Value Preserved
WESSA	Wildlife and Environmental Society of South Africa
WSC	World Scholars Club

# Corporate information

## COMPANY SECRETARY AND REGISTERED OFFICE

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ISIN: ZAE000031035

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- Sanlam
- Momentum

### Primary transactional bankers

- ABSA Bank Limited

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