



STADIO

— HOLDINGS —



INTEGRATED REPORT
2021




CONTENTS


NAVIGATION TOOLS


<h2>01</h2> <p>OVERVIEW</p> 	3	Highlights
	4	About this report
	6	Chairperson's report
	8	STADIO Group at a glance

<h2>02</h2> <p>OUR BUSINESS</p> 	14	Our investment case
	20	Our business model
	22	Our strategy
	24	Our material matters
	26	Risks and opportunities

<h2>03</h2> <p>OUR INSTITUTIONS</p> 	36	STADIO Higher Education
	40	Milpark Education
	42	AFDA

<h2>04</h2> <p>OUR STRATEGY AND PERFORMANCE</p> 	48	CEO's report
	50	2021 performance against strategy
	52	Our capitals and value created for our stakeholders
	74	Academic report
	80	Financial Report

<h2>05</h2> <p>SUMMARY FINANCIAL RESULTS</p> 	91	Independent auditor's report
	92	Summary consolidated statement of comprehensive income
	93	Summary consolidated statement of financial position
	94	Summary consolidated statement of changes in equity
	95	Summary consolidated statement of cash flow
	96	Notes to the summary consolidated financial statements

<h2>06</h2> <p>OUR GOVERNANCE</p> 	103	Governance overview
	104	Board of directors
	108	Governance structure and activities
	112	Transformation, social and ethics committee report
	115	Audit and risk committee report
	118	Remuneration and nominations committee report

<h2>07</h2> <p>GENERAL INFORMATION</p> 	131	Shareholder analysis
	132	Corporate information
	133	Glossary of terms

01



OVERVIEW

- 3 Highlights
- 4 About this report
- 6 Chairperson's report
- 8 STADIO Group at a glance



HIGHLIGHTS



Revenue

R1 098m
 ↑ 18%
 R933m

EBITDA¹

R309m
 ↑ >100%
 R46m

Adjusted EBITDA²

R310m
 ↑ 23%
 R253m

Graduates

8 705
 ↑ 6%
 8 224

STADIO

Declared maiden dividend per share of

4.7 cents



Student numbers

38 262
 ↑ 9%
 35 031

Core Headline Earnings⁴

R149m
 ↑ 27%
 R117m

Core HEPS⁴

17.6 cps
 ↑ 24%
 14.2 cps

Qualifications

86
 via distance learning and contact learning



Milpark Student achieves **1st place in SAICA ITC Board examination³**

STADIO Khulisa **Student share scheme launched**

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

² Adjusted EBITDA excludes the fair value adjustment in respect of the CA Connect acquisition

³ The examination is the Initial Test of Competence (ITC) – Part I Qualifying Examination of the South African Institute of Chartered Accountants (SAICA).

⁴ Core headline earnings and core headline earnings per share (CHEPS) as per Note 4 on page 97

ABOUT THIS REPORT

STADIO Holdings Limited (STADIO Holdings) is proud to present its Integrated Report for the year ended 31 December 2021 (this Report). This Report incorporates information pertaining to STADIO Holdings and its subsidiaries (the Group).

Integrated thinking is intrinsic to how we manage our business, to our internal strategy development, and to our reporting practices. It allows us to be adaptable, whilst ensuring our strategy remains relevant and focused on the core aspects of our business that are required for growth and sustainability.

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



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

OUR KEY STAKEHOLDERS

Our key stakeholders are detailed on pages 52 to 53 and include:

- OUR EMPLOYEES
- REGULATORY BODIES
- OUR STUDENTS
- INVESTOR AND DEBT COMMUNITY
- OUR ALUMNI
- OUR WORLD
- INDUSTRY
- MEDIA

MATERIAL MATTERS

We consider a matter to be material if it has, or may have, a material impact on our ability to execute our strategic priorities and to create value in the short-, medium- and long-term for our stakeholders. Our material matters are detailed on page 24 and include:

- ECONOMIC ENVIRONMENT
- REGULATORY DELAYS
- COVID-19
- ACADEMIC QUALITY

OUR "WWS"

The Group stands firmly on its key focus areas of "WWS" – Widening Access; World of Work and Student Centredness. Our WWS is detailed on page 22 and forms the basis of all our decisions and planning.

- WIDENING ACCESS
- WORLD-OF-WORK
- STUDENT CENTREDNESS

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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



REPORTING FRAMEWORKS AND COMPARABILITY

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

NAVIGATION OF OUR REPORT

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

NAVIGATION TOOLS

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

A glossary of terms used throughout this Report is also included on pages 133 to 135.

The 2021 Integrated Report will not be printed, but instead is available to all stakeholders on the STADIO Holdings' website, www.stadio.co.za. This is in line with our continued effort to support environmental initiatives wherever possible. The consolidated Annual Financial Statements for the year ended 31 December 2021, which were approved by the Board on 11 March 2022, and all supplementary reports are also available on our website.

FORWARD-LOOKING STATEMENTS

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

APPROVAL AND ASSURANCE OF OUR REPORTS

The Audit and Risk Committee reviewed the 2021 Integrated Report and recommended it to the Board for approval.

The Board acknowledges its responsibility for overseeing the integrity and completeness of the 2021 Integrated Report and in doing so, has considered the Group's operating environment, strategy, and value creation model in this process, as well as the unmodified audit opinion issued by PricewaterhouseCoopers Inc. on the consolidated Annual Financial Statements. Elements of the information included in this Report were verified by a combination of internal and external assurance specialists.

The Board has applied its mind to the 2021 Integrated Report and believes that the 2021 Integrated Report addresses all material matters that have, or could have, a material effect on the Group's ability to create value for its stakeholders. The Board believes this Report presents a fair and balanced account of the Group's performance. The 2021 Integrated Report was approved by the Board on 29 April 2022.

Vincent Maphai
Chairperson

29 April 2022

Chris Vorster
Chief Executive Officer

29 April 2022

CHAIRPERSON'S REPORT



“ I believe, more than ever, that the success of the STADIO Group is both a moral and financial imperative for South Africa. ”

Declared the **Group's maiden Dividend** of 4.7 cents per share

Completed phase 1 of STADIO Centurion campus, our **first comprehensive campus**

Launched the **STADIO Khulisa Student Share Scheme**, turning graduates into shareholders

The year 2021 started much like the way 2020 ended, with the country tackling the unknowns of a new COVID-19 variant, and going into a further lockdown. Despite the challenges that COVID-19 continued to present, 2021 was another successful year for the STADIO Group with student numbers growing by 9%, core headline earnings growing by 27%, and the STADIO Group being in the position to declare a maiden dividend of 4.7 cents per share, in March 2022.

Management continued to lay the foundations on which to grow the STADIO Group going forward, with a large focus of 2021 being on the consolidation of the former institutions, Embury, Lisof, Prestige Academy and Southern Business School, into STADIO Higher Education. The Board approved a new operating structure for STADIO Higher Education, which was effective 1 June 2021, and provided oversight into the implementation of new processes and systems essential for STADIO Higher Education to achieve its strategy of operational excellence and from which to enjoy efficiencies and synergies going forward.

COVID-19 changed the higher education landscape and forced all higher education institutions to move to remote learning in 2020, and this continued into 2021. Despite lessened national lockdowns and Government's vaccination drives, contact learning was impacted negatively as learners grappled with the continued uncertainty of COVID-19, and the economic knock-on effects of COVID-19 were felt. The Group amended their academic model to move to a blended teaching and learning model for

contact learning. This change creates additional capacity on the Group's current campuses and aligns to the overall Group strategy of not building a comprehensive campus in every major city, but instead, optimising its current campuses. This was further evidenced by the Board's decision to sell the STADIO Montana campus during 2021 and move all students across to the new comprehensive campus, STADIO Centurion.

Milpark Education has continued to thrive in the distance learning online mode of teaching and learning. During the year, the Board approved the adjusted Milpark Education strategy, which sees Milpark Education focusing on its distance learning online offerings, and moving away from contact learning in its entirety, going forward. The Board also approved the early settlement deal relating to the former CA Connect acquisition, for a final value of R201m. This settlement resulted in the Group's shareholding in Milpark Education being diluted from 87.2% to 68.5% which ultimately effects the Group's Core Headlines Earnings attributable to the parent.

Refer to [page 81](#) for further details. The Postgraduate Diploma in Accounting (PGDA), offered on the distance learning online mode, and acquired through the CA Connect acquisition, has continued to exceed management's expectations. The popularity of this programme is supported by the quality of this offering, and 2021 saw one of the Milpark Education students achieving the top mark in the SAICA ITC Board exam, as well as an overall first time pass rate in the SAICA ITC Board exam of 96%. Another exciting distance learning offering was our Postgraduate Certificate in Education (PGCE), of which the growth in 2021 has been remarkable.

In November 2021, the Board held its 2022 Strategy Day at the new STADIO Centurion campus. This campus is fresh and inviting and it was rewarding to see this strategic goal come to fruition, and even more so, to see this campus with students as it opened its doors to new students in January 2022.

Despite contact learning being negatively affected in 2021, it was pleasing to see growth in AFDA's student numbers, and the Board is confident that there is still a market for contact learning going forward. The Board expects to see contact learning numbers return to normal in the future, especially as the Group introduces new exciting growth programmes onto its various campuses, and will continue to strive for 80% of its students to study via distance learning, with 20% studying via contact learning.

I believe, more than ever, that the success of the STADIO Group is both a moral and financial imperative for South Africa. Education is critical for the future of our country and achieving the STADIO

Group's purpose of "empowering the nation by widening access to higher education" is a non-negotiable, and one in which the commercial benefit for the STADIO Group will follow.

2021 also saw a ground-breaking initiative being launched by the STADIO Group, one which I am personally very excited about. The STADIO Khulisa Student Share scheme was launched at the October 2021 graduation, and sees postgraduate graduates receiving shares in STADIO Holdings, and becoming shareholders. This is the first such initiative in South Africa, and possibly the world, and speaks to the heart of the STADIO Group, where students are empowered and placed at the centre of their decision making.

I wish to thank fellow colleagues on the Board for their continued support, robustness and dedication over the past year. The management team also deserve our gratitude for their continued hard work. They should be commended for navigating the STADIO Group to another successful year despite the numerous challenges.

I look forward to what the future brings for the STADIO Group and to seeing our three institutions being leaders in higher education, making a real difference to our country.

Vincent Maphai
Chairperson

29 April 2022

STADIO GROUP AT A GLANCE

OUR PURPOSE:

TO EMPOWER THE NATION BY WIDENING ACCESS TO HIGHER EDUCATION.

OUR VISION:

TO BE A LEADING HIGHER EDUCATION PROVIDER, OFFERING QUALIFICATIONS ALIGNED WITH THE NEEDS OF SOCIETIES, STUDENTS, AND THE WORLD OF WORK.

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

	2017	2017	2018	2019	2020	2021
Student numbers	840	12 976	29 885	31 869	35 031	38 262
Revenue (Rm)	46	122	633	815	933	1 098
EBITDA adjusted (Rm)	11	0.5	129	196	253	310
Core Headline Earnings (Rm)	8	3	70	88	117	149
Core HEPS (Cps)	1.7	0.6	8.6	10.8	14.2	17.6

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

TRACING OUR ORIGINS

STADIO Holdings started as a subsidiary of Curro Holdings Limited (Curro). Curro has been a proud provider of pre-school and school-based education since 1998 and was listed on the JSE in 2011. In 2013, Curro acquired Embury, a registered private higher education institution offering accredited teacher-education qualifications. In light of the opportunities presented in the higher education market, it was a natural progression for Curro to develop and expand into higher education, through STADIO Holdings. On 28 February 2017, Curro announced its intention to unbundle its entire interest in STADIO Holdings and to create a separate listed business, focusing on higher education, with a strong management team and a dedicated anchor shareholder (namely PSG Alpha Investments Proprietary Limited). STADIO Holdings listed on the JSE on 3 October 2017.

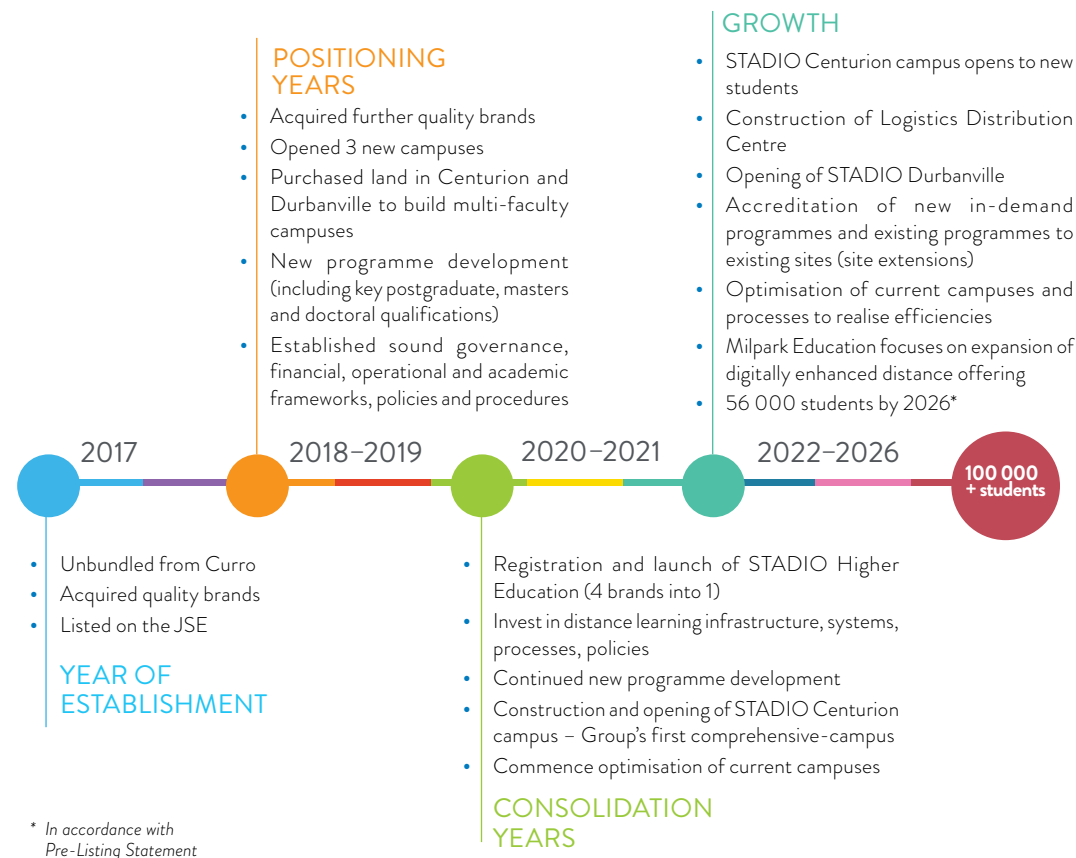
The Latin word “curro” can be translated into English as “I run” and the Italian word “stadio”, can be translated into English as “stadium”. In ancient Rome, long-distance races required athletes to run from stadium to stadium to reach the finish line. The progression from Curro to STADIO symbolises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

OUR INSTITUTIONS

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

Following the Business Transfer, the STADIO Group owns three registered private higher education institutions from which it operates. Refer to pages 35 to 45 for further information on our different institutions.

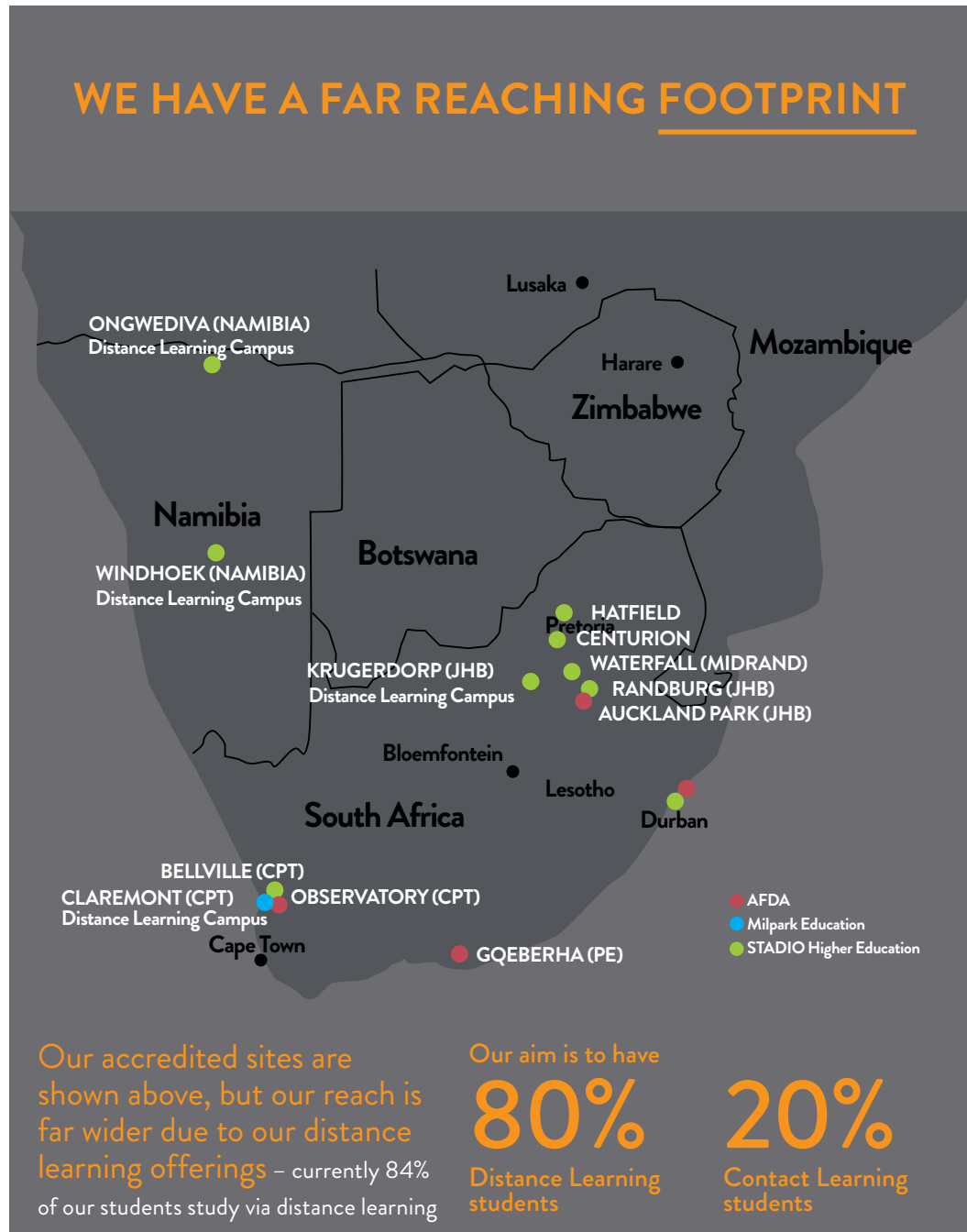
A SNAPSHOT OF THE STADIO GROUP



WE STAND FOR: **W** – Widening Access **W** – World of Work **S** – Student Centredness



STADIO GROUP AT A GLANCE CONTINUED



The Group services around 38 000 students across a diverse range of 86 accredited programmes, ranging from undergraduate (higher certificates, diplomas and degrees) to postgraduate programmes (honours, masters and doctorates) across both contact learning and distance learning modes of learning delivery. The programmes are fully accredited and registered with the same local authorities as universities. They aim to provide graduates with a real chance of creating employment opportunities (entrepreneurship) or finding employment. The Group has a further 34 programmes in the process of development and/or accreditation and continually strives to identify new relevant programmes to offer, that will address the needs of our students as well as the world of work, to ensure our graduates are highly equipped and employable.

OUR VAST RANGE OF OFFERINGS

We have a vast range of offerings across our three distinct institutions:

SCHOOLS OF BUSINESS, COMMERCE & MANAGEMENT	SCHOOL OF EDUCATION	SCHOOLS OF FILM, MEDIA, DESIGN & FASHION	SCHOOL OF INFORMATION TECHNOLOGY	SCHOOL OF LAW & POLICING	BUSINESS SCHOOL
STADIO HIGHER EDUCATION MILPARK	STADIO HIGHER EDUCATION	STADIO HIGHER EDUCATION AFDA	STADIO HIGHER EDUCATION	STADIO HIGHER EDUCATION	MILPARK
SCHOOL OF HUMANITIES and SCHOOL OF ENGINEERING (COMING SOON)					
ACCESS QUALIFICATIONS (HIGHER CERTIFICATES) TO DOCTORATES					

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

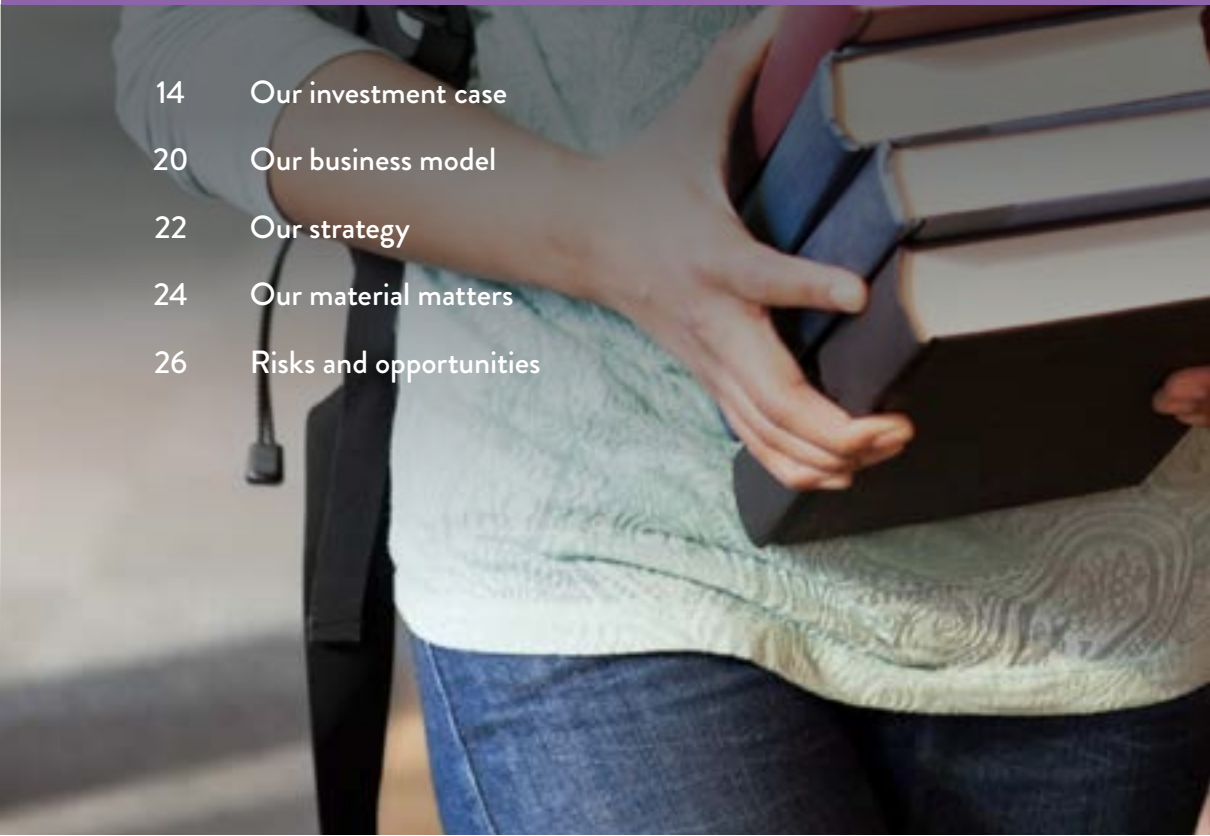
- WIDENING ACCESS
- WORLD-OF-WORK
- STUDENT CENTREDNESS

These focus areas are what the Group lives by and form the basis of all our decisions and planning. Refer to [page 22](#) for further details on our WWS.



OUR BUSINESS

- 14 Our investment case
- 20 Our business model
- 22 Our strategy
- 24 Our material matters
- 26 Risks and opportunities



The STADIO Group believes in the future of our nation. We want to make a difference by offering greater access to higher education, so that every South African has the opportunity to become the most empowered version of themselves.

By investing in the human potential all around us, we can grow minds, dreams and employment.

Ultimately benefiting our nation as a whole.

OUR INVESTMENT CASE

WHAT MOTIVATES OUR VISION

“ Education is the civil rights struggle of our generation requiring the biggest expansion of educational opportunity in modern history
 UN Special Envoy for Global Education Gordon Brown, UN Education Commission. ”

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

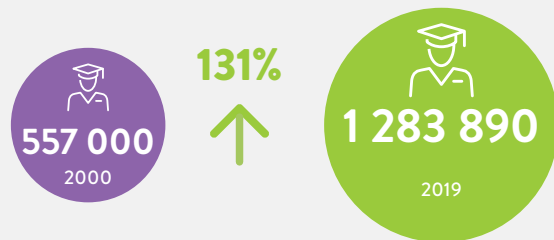
In South Africa, the need for higher education is dire and the demand continues to outweigh the supply, with affordability and access being a fundamental issue.

The National Development Plan (NDP) aims to increase the number of students enrolled in higher education to **1.6 million students by 2030²**

Why is the higher education market attractive?

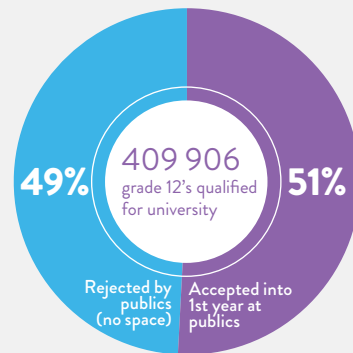
Business rationale of STADIO Group

SOUTH AFRICA: GROWTH IN STUDENT ENROLMENT 2000 TO 2019



Increased demand for higher education with the number of students enrolled in higher education from 2000 to 2019 more than doubling

OUR UNIVERSITIES HAVE CAPACITY CONSTRAINTS*



The current **unemployment rate** in South Africa remains critically high at **35.3%****



Education and training remains vitally important to reduce unemployment and promote economic growth.

Young South Africans with **tertiary education are more than twice as likely** to be employed or continuing their studies, opposed to those individuals with no higher education experience.³



Research further indicates that in South Africa, the **graduate unemployment rate** is at about implying that a **degree or post-school qualification** dramatically increases the probability of securing a job and therefore **economic security and stability**.

11.8%**



Total higher education market in SA¹
1 283 890
 students enrolled (2019)

Students at 26 public higher education institutions in 2019¹
1 074 912
 ↑ 84%

Students at 124 private higher education institutions in 2019¹
208 978
 ↑ 16%

In 2019, STADIO Group accounted for **15%** of the private higher education students

In 2019 private HEIs make up **16%** of the total higher education market in South Africa, whereas the **global average is closer to 33%****

SOURCES:

¹ Annual NSC Examination Results
¹ Statistics on Post-School Education and Training in SA 2019

SOURCES:

² Information sharing workshop on the regulatory framework for private higher education institutions, 7 September 2017
^{**} according to Q4:2021 Quarterly Labour Force Survey
³ oecd.org/education/education-at-a-glance/EAG2019
^{***} <http://data.uis.unesco.org/>

OUR INVESTMENT CASE CONTINUED

WHAT MOTIVATES OUR VISION

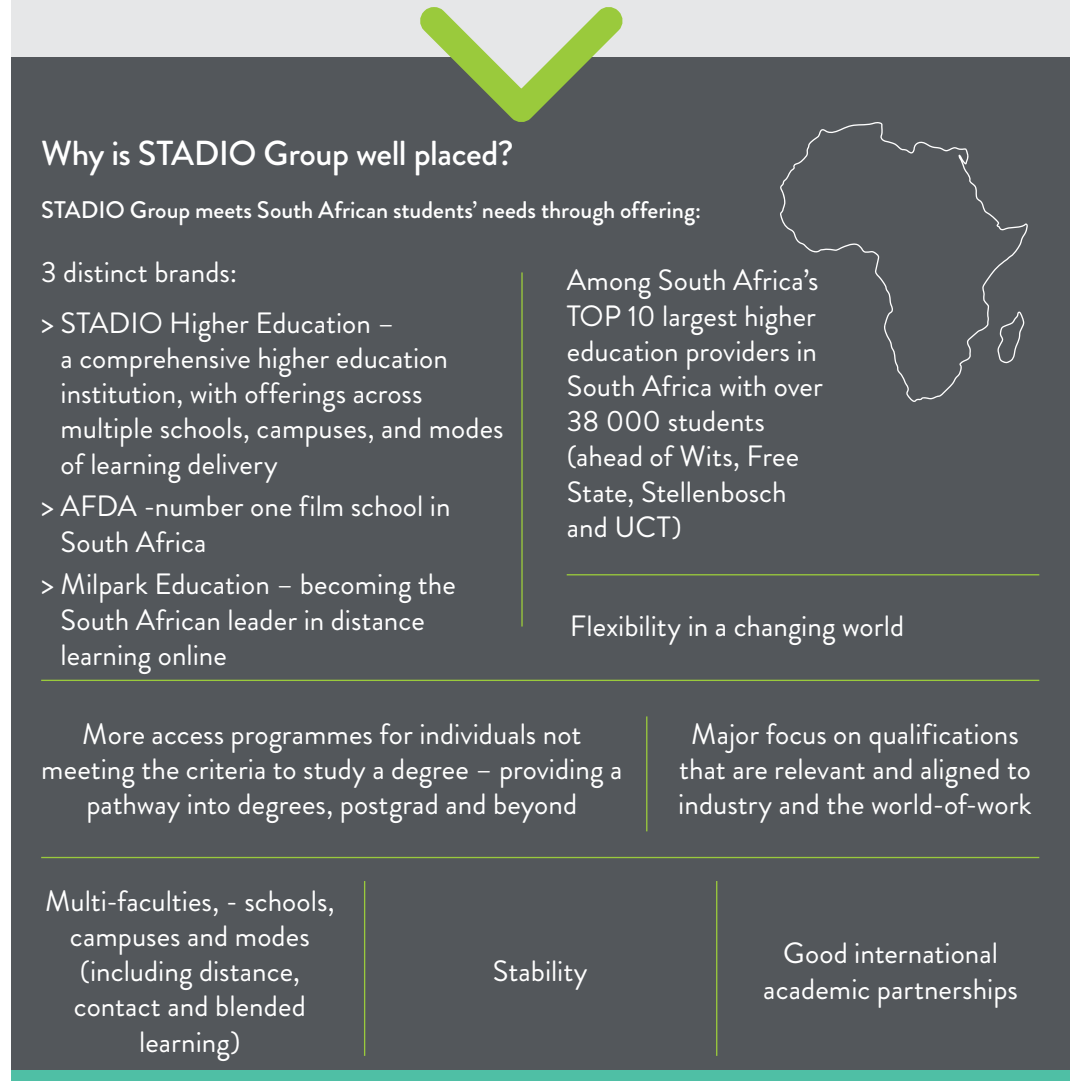
Challenges faced by the public higher education institutions in South Africa

Future growth of student enrolments in South African public universities is constrained by:



STADIO Group's role and context within South Africa

Noting the challenges faced by public HEIs and the acknowledgment of the critical importance of higher education growth and development, the STADIO Group has a crucial role to play and is the ideal partner to support and assist the state in addressing and mitigating its risks, and in fact has an obligation to do so! It is only through this collaboration that we can assist in **widening access for qualifying learners to higher education.**



OUR INVESTMENT CASE CONTINUED

WHAT SHAPES THE MARKET WE OPERATE WITHIN

An evolving higher education landscape

The COVID-19 pandemic has changed the higher education landscape, accelerating the move to a blended learning environment. During 2020, contact learning classes were forced to move to online classes as a result of campus closures during the national lockdowns. Various restrictions were still in place during 2021, and contact learning continued as a hybrid between on-campus teaching and learning and online teaching and learning. Distance learning continued fairly unaffected, however the way in which assessments were conducted and assignments were handled, was amended.

CHALLENGES

In the South African context, however, one needs to be cognisant of the interwoven socioeconomic conditions that exist and have only worsened due to the pandemic. Unemployment has risen, there is less disposable income available to spend on higher education, and not all individuals have access to data or technology to access online teaching and learning.

OPPORTUNITIES

Society's perception of distance learning as an acceptable mode of study was also changed by the move to online classes during the pandemic. Today, distance learning, which is more flexible, is in some ways seen as a more preferable way of studying. Many changes forced upon the higher education institutions as a result of COVID-19, has resulted in a new way of operating and will continue going forward which may result in certain cost savings and efficiencies.

How we have responded

The Group acknowledges the hugely negative impact that COVID-19 has had on the world. Currently around 84% of the Group's learners (38 262 students at 31 December 2021) are studying by means of distance learning and therefore the Group is well positioned to service its students through this mode of learning delivery, and is well placed to continue with a hybrid mode of learning delivery in the future. In addition, the Group invested into a world-class virtual learning environment, CANVAS, and continues to invest in its IT systems. The Group is investing in a distance learning logistics centre in Krugersdorp, as well as new distance learning programmes, which will assist in making the current distance learning offering more efficient and affordable as the Group is able to easily scale this offering with limited future investment into new infrastructure.

The Group continues to invest in its two comprehensive campuses, firstly in Centurion and later into the campus in Durbanville. STADIO Centurion campus opened to new students in January 2022, with Phase II of construction being completed in 2022. The Group believes that there is still a need for students, especially school leavers, to have that face-to-face engagement with staff and other students, to experience student and campus-life and to grow their networks. There are also niche programmes which require physical interaction and engagement, such as fashion and film and media. These campuses enable students and prospective students to have a sense of belonging and is a platform in which to showcase the Group's offerings.

The academic models across the Group have been refined and amended to take into account the evolving higher education landscape and we believe efficiencies can be realised as a result of these changes. This has also resulted in more capacity on campus, as well as strengthened the demand for distance learning offerings.

Future focus

Taking into account the challenges faced by the public higher education institutions, and the changing higher education landscape, the Group believes it is an ideal partner to support and assist the state in addressing and mitigating its risks in public higher education and assisting in bringing higher education to more individuals.

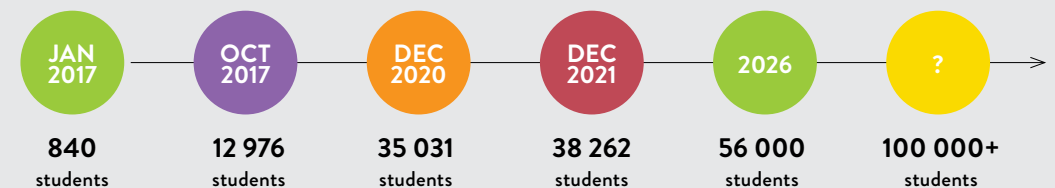
Furthermore, the Group believes that the South African market needs a new institution for the "real world". An institution that offers programmes which are relevant, flexible, aligned to the world of work and can meet the skills-gap whilst still meeting the high academic standards of a registered higher education provider.

By providing this service, the Group believes it can achieve the objective as set out in the Pre-Listing Statement in 2017 of enrolling 56 000 students by 2026*.



How big can we get?

Over time, the Group's vision is to increase its reach to 100 000 students and more, of which 80% of students will continue to study through the distance learning mode of delivery and believes it can make a real impact to South Africa society as a whole as more individuals are educated, upskilled and can find employment or create employment opportunities for others.



During 2021, despite the challenging economic environment, the STADIO Group grew Core Headline Earnings by 27%, despite not activating its intended growth initiatives due to Regulatory delays. As such, we are excited by what the future holds.



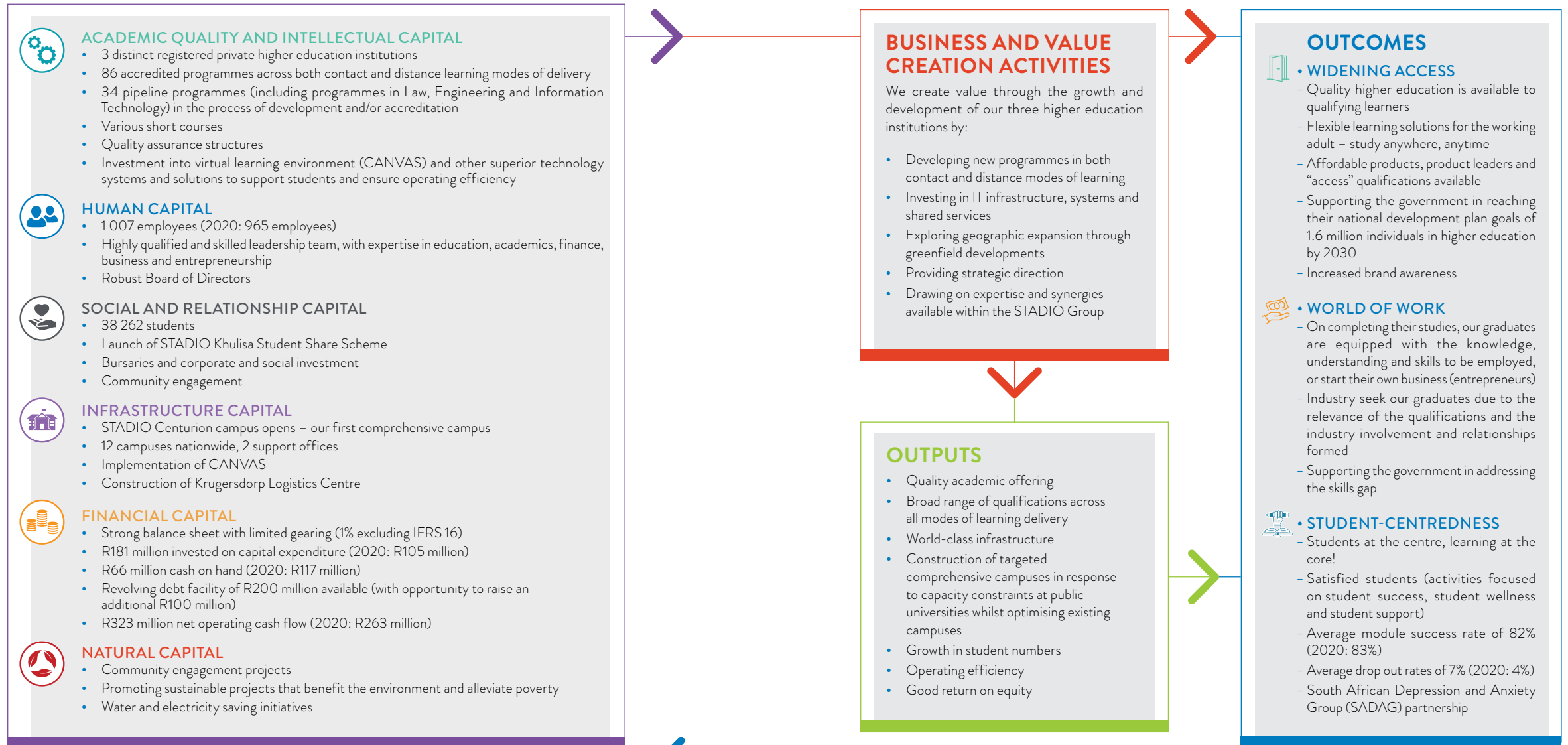
* Please note that the foregoing statement of the Group's objective has not been reviewed or reported on by the auditors or by an independent reporting accountant nor is same guaranteed. It is however an objective that the Group wishes to achieve by 2026 as previously laid out in the Pre-Listing Statement.

OUR BUSINESS MODEL

INPUTS

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

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



Refer to pages 52 to 73 for further information on how our capitals are used to create value for our stakeholders.

OUR STRATEGY

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



Making higher education available to more individuals by:

- Increased breadth of offerings (from Higher Certificates to Doctorates) allowing individuals who don't qualify for a degree to still access higher education with a pathway to articulate into a degree (should they later wish)
- Affordability of programmes
- Expansion of distance learning offerings which are scalable and more affordable, as well as being flexible for the working adult learner
- Geographic expansion increasing capacity for contact learning students looking for campus life and more student and staff engagement

- Our academic strategy is focused on ensuring relevance and alignment with industry by:
 - Industry participation in new programme development, curriculum design, and content development
 - Lectures and seminars by members of industry built into the teaching and learning programme
 - Industry members involved in external moderation, especially in technical, professional and design modules
- The STADIO Centre for Lifelong Learning was established and actively engages with industry to provide short learning programmes (short-courses) which are needed to upskill staff in the working world and provide relevant courses as desired by industry

The Academic Promise was approved by the Board and is built on the principles of **STUDENTS AT THE CENTRE – LEARNING AT THE CORE**

“We believe that having admitted you as a student, we must do all things reasonable and practical to support you to succeed. It is our commitment to provide the enabling environment that will help all our students achieve academic success.”

- Focus on student success, student support, and student wellness
- Invested in state-of-the-art virtual learning environment, CANVAS to shareholders.

THE STADIO GROUP'S BUSINESS AIM

The STADIO Group's business aim is to grow its student numbers to 56 000 students by 2026, aiming to achieve a profit after taxation of R500 million. Ultimately the STADIO Group's long-term business aim is to accommodate 100 000 students (over both contact and distance modes of delivery, with 80% of students studying via distance learning).

THE STADIO GROUP'S GROWTH STRATEGY

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

- Accrediting further “in-demand” undergraduate and postgraduate qualifications for both contact and distance learning modes of delivery across the various institutions.
- Optimising the utilisation of all existing facilities nationwide.
- Promoting physical growth and infrastructure development.
- Investing in operational infrastructure and shared services (including CRM (lead management system), ERP (finance, HR and procurement system), CANVAS (virtual learning environment), distance learning distribution center (Krugersdorp)) to accommodate large-scale student numbers, to promote best in class student/user experience and to seek out operational efficiencies.
- Investing in focused marketing and brand development initiatives to promote the new STADIO Higher Education brand, including the launch of the STADIO Khulisa Student Share Scheme.
- An increased focus on improving customer service.
- Expansion of the STADIO Centre for Lifelong Learning within industry and amongst students particularly focusing on short programmes and executive education.

THE STADIO GROUP'S 2022 FOCUS AREAS

In 2022, the Group will focus on the following priority areas:

1. Improve customer service and customer responsiveness
2. Embed current systems and processes, including teaching and learning norms
3. Successfully open STADIO Centurion comprehensive campus and complete construction of Krugersdorp Logistics Centre (phase 1)
4. Accreditation of new programmes and site accreditations, including focused expansion of School of IT, across both modes of learning delivery, and establishment of School of Humanities

5. Activate the Compliance Risk Management Plan for the upcoming CHE Institutional Audits
6. Delivery of acceptable profit targets

DRIVERS OF PROFITABILITY

Key drivers of profitability include:

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

FUNDING REQUIREMENTS

Pursuant to the STADIO Group's acquisition and greenfield expansion strategy, the Board approved a debt funding facility of R200 million in 2019 (with ability to increase to R300 million) with Standard Bank of South Africa (SBSA). At 31 December 2021, the STADIO Group had drawn down on R15 million of the debt facility.

DIVIDEND POLICY

Over the past five years the STADIO Group has invested substantially in the acquisition of key higher education institutions as well as infrastructure development. Significant capital requirements going forward include the development of the STADIO Durbanville campus, the acquisition and development of the Krugersdorp distance learning centre and continuous investment into systems and programme development, including the SIMS system. Other than the investment into the Krugersdorp Logistics Centre and the SIMS system, the major investment into distance learning infrastructure is completed and the investment into distance learning going forward will be “capital light” in nature.

The Group generates strong cash flows. In the short-term, the Group will consider dividend payments should excess cash be available after taking into account cash flow needed for future expected growth projects. Over time, the Group will work towards returning approximately 80% of free cash flow to shareholders.

OUR MATERIAL MATTERS

THE BELOW MATTERS HAVE HAD, OR MAY HAVE, A MATERIAL IMPACT ON OUR ABILITY TO EXECUTE OUR STRATEGIC PRIORITIES AND TO CREATE VALUE FOR OUR STAKEHOLDERS IN THE SHORT-, MEDIUM- AND LONG-TERM.

ACADEMIC QUALITY

The Group remains committed to academic excellence and quality which ensures we will be the trusted partner for students and industry.

REGULATORY DELAYS

The Group is reliant on the Regulatory Bodies to accredit new products and existing product to new sites of delivery. During 2021, various Regulatory delays resulted in various programmes not being available to offer on various sites. This impacts the STADIO Group's growth strategy and makes planning difficult.

ECONOMIC ENVIRONMENT

The struggling South African economy was further impacted by the effects of COVID-19. Without disregarding the immeasurable social impact of the numerous lives lost, many individuals lost their jobs, as well as family members who were financing them. This impacts the ability of students to pay tuition fees or even consider higher education as a viable option.

The Group continues to seek responsible ways of making education affordable, as well as finding financing solutions for our students. We have partnered with Capitec, Student Hero and Manati to provide financing to our students. In addition, we continue to monitor all debt levels and ensure students that are struggling to make payments are identified and assisted with financing plans, where permissible.

In addition, the Group has registered the STADIO Kusasa Foundation, a section 18a bursary trust to assist with facilitating bursaries in the Group. The STADIO Kusasa Foundation will be launched in 2022.

MIGRATION TO ONE STADIO BRAND (BUSINESS TRANSFER)

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

During 2021, the Group implemented a new organisational structure as well as aligned systems, processes and policies across the institution. Change management is never easy, and coupled with COVID-19, was challenging on our staff. We commend the staff for their resilience over this time.

Management continues to focus on building the STADIO Higher Education culture and the "STADIO WAY" and has agreed to focus on slowing down change in 2022, and bedding down the current systems and processes.

The Business Transfer was a critical part of the STADIO Group's strategy to unlock value in the medium to long term and management believe it will unlock opportunities to actively deliver on the marketing, operational and regulatory efficiencies that arise from operating as a single registered higher education institution.

These material matters are reflected on throughout this Report. Refer to [pages 80 to 101](#) for the financial impact of these matters on the financial results for the 2021 financial year.



RISKS AND OPPORTUNITIES

EFFECTIVE BUSINESS RISK MANAGEMENT IS AN INTEGRAL PART OF THE GROUP'S DAILY OPERATIONS AND IS KEY TO SUPPORTING THE STRATEGIC DIRECTION OF THE GROUP.

RISK MANAGEMENT

The Group recognises the integration of strategy, risk, performance and sustainability in creating value for its stakeholders and is committed to applying the principles of King IV™ to instil good corporate governance practices across the Group.

During 2021, the Risk Committee, an operational committee that reports into the Executive Committee (Exco), met quarterly and meetings were attended by key representatives from all institutions around the Group. This Committee has assisted in instilling a culture of risk awareness in daily operations and in sharing best practice from around the Group in terms of better controls and risk mitigation strategies.

In 2022, the Risk Committee will further discuss the specific risks related to climate change and other environmental factors and has been tasked to perform a scenario analysis in terms of climate related risks and the impact on the whole supply chain. To date, given the nature of the Group's offerings, management does not believe that climate related risks have a material impact on meeting the Group's strategic objectives. However, the Group recognises the role it has as a responsible citizen and the key function that it can play in ensuring its graduates and students are socially conscious and aware, with an understanding of the risks and the importance of environmental, social and governance issues.

RISK MANAGEMENT PROCESS



STRATEGIC RISKS

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

COVID-19

COVID-19 emerged as a global pandemic in December 2019, bringing with it both economic and social risk. Since then, the Group has amended many of its processes, implemented various controls and protocols across all its campuses, ensuring that it complies with national regulations and guidance from DHET, Higher Health and World Health Organisation. COVID-19 has therefore been removed as a separate risk category, and the related risks are included within the other strategic risk categories, as applicable.

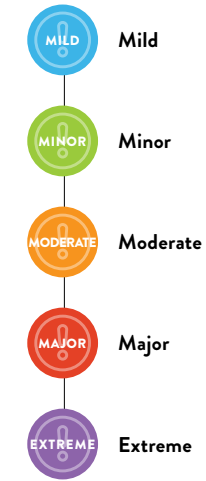
The strategic risks managed throughout the 2021 year are disclosed in the following tables.

The Audit and Risk Committee and Board have evaluated the risks in achieving its strategic objectives and has ensured that appropriate controls are in place to mitigate or reduce the risks to an acceptable level.

OPPORTUNITIES

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

RISK LEGEND



KPAS:

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

RISKS AND OPPORTUNITIES

Risk identified	Risk description	Link to strategic plan	Controls in place to mitigate risk	Inherent exposure	Residual risk	Change (2020 to 2021)
REGULATORY (External and internal risk)	Delays in accreditation of new programmes and sites continue to hinder growth opportunities and make planning difficult	KPA 1 and KPA 2	<ul style="list-style-type: none"> Regular interaction with regulatory bodies to ensure transparent communication that will allow sites and programmes to be accredited Quality assurance includes external expert reviews and internal dual oversight prior to submission for accreditation 			Unchanged
OPPORTUNITIES: Early accreditation/successful site extensions will allow new programmes to be offered earlier						
TECHNOLOGY SYSTEMS (External and internal risk)	<ul style="list-style-type: none"> Cybersecurity threat increased during COVID-19 due to the acceleration to online working and the need to work remotely, with less secure internet connections outside the office Implementation of new IT systems do not meet the needs of the business or costs more than expected 	KPA 2 and KPA 3	<ul style="list-style-type: none"> Implementation of data encryption tools IT Governance Risk and Compliance management committee established Roll out of centralised infrastructure and security management Prioritising systems development and integration as a strategic imperative Continuous analysis of processes and systems to ensure operating effectively 			Increased (remote working)
OPPORTUNITIES: Effective IT systems should promote quality offering to students and bring about efficiencies						
HUMAN RESOURCES (Internal risk)	<ul style="list-style-type: none"> Staff wellness and fatigue Low morale and uncertainty as a result of the business migration at STADIO Higher Education and concomitant changes, COVID-19 workarounds and emergency planning, and new system implementations Staff remuneration in comparison to universities' remuneration structures (specifically in terms of job grading and incentives for research which are not available at private higher education institutions which are teaching and learning focused and not research focused) Insufficient resources and skills impacting quality, service delivery, and institutional sustainability 	KPA 2	<ul style="list-style-type: none"> COVID-19 way of working (online and remote) is becoming familiar, with processes established and integrated 2022 strategic focus is on embedding processes and limiting change as far as possible Offering market-related remuneration combined with good working conditions to attract and retain the best academic and professional support staff Developing a strong, positive culture that is accepted by the majority (if not all) employees Providing opportunities (albeit below university levels) for research incentives (research publications and research titles), and study assistance for staff 			Increased (staff wellness)
OPPORTUNITIES:						
<ul style="list-style-type: none"> STADIO Higher Education is in the process of creating a new and exciting culture and brand. AFDA is recognised as a leading film school in South Africa, and Milpark Education is becoming a leader in distance learning online in South Africa. These attributes promote the retention of staff whilst also attracting new and talented staff who want to be associated with such institutions. Some staff are able to work remotely which allows the talent pool from which to source such staff and experts in the field, to be wider than strictly what is available in a geographical location 						
SALES AND MARKETING (External and internal risk)	<ul style="list-style-type: none"> Lack of public awareness and/or misunderstanding regarding the status of private higher education Loss of student enrolments due to trading under a new, unknown private higher education brand, namely STADIO Higher Education Limited marketing to schools due to COVID-19 New CRM system for application and enrolment 	KPA 1 and KPA 2 and KPA 3	<ul style="list-style-type: none"> Continued STADIO Higher Education brand building through solid digital and social media, radio and other marketing campaigns Conducting ongoing market research to identify and address public perceptions Allocating focused resources to both general brand awareness and targeted marketing activities Ensuring informed and targeted marketing by subsidiary institutions 			Unchanged

OPPORTUNITIES:

- New CRM system should allow STADIO Higher Education to process more applications more efficiently
- The launch of the STADIO Khulisa Student Share Scheme will assist in creating an active alumni across all our institutions

RISKS AND OPPORTUNITIES CONTINUED

Risk identified	Risk description	Link to strategic plan	Controls in place to mitigate risk	Inherent exposure	Residual risk	Change (2020 to 2021)
FINANCIAL (External and internal risk)	<ul style="list-style-type: none"> Failure to achieve projected student numbers Increase in debtors' book and bad debts Large investments in capital projects with lower-than-expected capital returns Impact of COVID-19 on the economy Lack of public funding available to support students in private higher education with funding 	KPA 3	<ul style="list-style-type: none"> Pricing products reasonably and competitively Keeping registration fee increases as low as possible Investigating financial support opportunities (including partnership with Capitec) for students Continuously monitoring debtors' collections Tracking model ratios to ensure costs are contained within acceptable levels Investment Committee consideration and approval of all major/material projects and capital spend 			Increased (economic environment)
OPPORTUNITIES: – Debtors collection is better than expected						
OPERATIONAL (External and internal risk)	<ul style="list-style-type: none"> Organisational disruptions due to implementation of new IT systems Failure to implement effective change management Power outages and load-shedding COVID-19 	KPA 1 and KPA 2	<ul style="list-style-type: none"> COVID-19 protocols in place across all our Institutions Increased communication and focused workshops to continue effective implementation of change management and new IT systems Generators onsite or in the process of being ordered for sites of delivery 			Unchanged
OPPORTUNITIES: – Introduction of synergies and efficiencies due to Business Transfer and operating as a single institution, STADIO Higher Education						
ACADEMIC (Internal risk)	<ul style="list-style-type: none"> Failure to deliver high quality programmes Integrity of online assessments Balancing the need for high end technologies with the cost of the new systems (need to provide affordable education which is accessible to students, whilst not compromising on quality and leaving no student behind. The reality is that regardless of the type of device students use, they still require connectivity and data, which come at a cost) Failure to adapt to a changing higher education landscape (different form of contact learning, remote learning, and learning through virtual augmented reality - the new 'metaverse' of learning) New CHE Quality Assurance and Institutional Audit Frameworks are designed for public institutions. Achieving self-accreditation status will be onerous for private higher education institutions 	KPA 2	<ul style="list-style-type: none"> Continuous monitoring of student success rates, dropout rates, and graduation rates with concomitant improvement plans (as required) Continuous monitoring of curricula, assessments, and teaching with formal remedial interventions for improvement Stakeholder participation and industry engagement in curriculum design and review, as well as learning and teaching ensure workplace relevance Establishing international student exchange programmes, as well as collaborations with international partners Academic teaching and learning models in place which cater for the blended contact and online distance models of learning and teaching, at differing price points Proactive assessment of institutional preparedness for the CHE audits including mock audits and self-evaluation reports Local and international accreditations 			Unchanged
OPPORTUNITIES: – The new 'metaverse' of learning removes the barrier of entry for many students – Micro-credentials and "just-in-time" learning presents an opportunity to enter a new market of premium short learning programmes						

RISKS AND OPPORTUNITIES CONTINUED

Risk identified	Risk description	Link to strategic plan	Controls in place to mitigate risk	Inherent exposure	Residual risk	Change (2020 to 2021)
COMPETITION (External risk)	<ul style="list-style-type: none"> Increasing number of registered private higher education providers (with the growing potential for international role-players to enter the market) Acceleration of distance/online learning as a result of COVID-19 resulting in: <ul style="list-style-type: none"> increased competition in distance learning (including in the public space and increasing presence of international institutions) students moving away from contact learning to distance learning due to distance learning being more affordable, resulting in overall revenue being negatively affected (distance learning is offered at a lower price point than contact learning) attractiveness of short-courses or non-credit bearing courses impacting enrolments for formal qualifications. 	KPA 3	<ul style="list-style-type: none"> Ensuring niche and quality qualifications/programmes are offered Committing to responsible and reasonable pricing and promoting affordability of offerings Focusing on high-quality international partnerships and collaborations to promote global “competitiveness” Introducing partnerships with the public universities Enacting an effective marketing and sales programme Establishing a strategy for short learning programmes, through the Schools or in partnership with for example CLL 			Unchanged

OPPORTUNITIES:

- Attractiveness of short-courses or non-credit bearing courses as another stream of income
- COVID-19 altered the perception of distance learning as an acceptable mode of learning by students and parents. The STADIO Group is a well-established distance learning provider and well-positioned to grow its distance learning offerings.

POLITICAL (External risk)	<ul style="list-style-type: none"> Slow pace of political support for private higher education Continued emphasis on the cost of higher education (#FeesmustFall) 	KPA 1	<ul style="list-style-type: none"> Participating in all scheduled discussions to identify and shape new policy initiatives Sharing new ideas and engaging with relevant role-players regarding support for, and achievement of, the targets set out in the NDP Regular engagement with the SRC on all campuses to ensure open communication between the student body and institution at all times to ease any tensions Commitment to responsible and reasonable pricing 			Unchanged
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OPPORTUNITIES:

- Private institutions may be seen as more stable offering
- Reduction in NSFAS funding creates an opportunity for more students to study at AFDA, Milpark Education and STADIO Higher Education

REPUTATION (External and internal risk)	<ul style="list-style-type: none"> Institutions do not meet the expected standards of service delivery and quality The migration of the former brands to STADIO Higher Education means the reputation of the erstwhile single brands is now linked and the impact is bigger (this is also an opportunity) Delays and service inefficiencies in responding to student complaints – students seek instant gratification and are not prepared to wait Inability to deal with rapid increase in student numbers – student support, infrastructure, etc, resulting in a delay in responding to student queries and applications and resultant increase in student complaints 	KPA 2	<ul style="list-style-type: none"> Customer service is a 2022 focus area for all staff, driven from the CEO’s office Organisational commitment to student-centredness and ethical conduct of all role-players <ul style="list-style-type: none"> Organisational monitoring of “minimum standards of quality” through centralised quality and learner support committees Continuous monitoring of curricula by academic heads, as well as the institutional Senates Quality management at subsidiary Boards and STADIO Holdings Board Customer complaints escalation process established to address customer complaints timeously 			Increased (operating as single brand with large increases in demand for certain distance learning programmes)
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OPPORTUNITIES:

- The migration to STADIO Higher Education means that STADIO Higher Education is now a comprehensive institution, with multi-schools and multi-modes of teaching and learning. This assists in growing STADIO Higher Education’s reputation as a prestigious private higher education institution. Positive comments for one school within STADIO Higher Education is now associated with STADIO Higher Education as a whole. The above also has a positive knock-on effect on the other associated institutions.
- The top performing student in the 2021 SAICA ITC Board exam is a Milpark Education student



03

OUR INSTITUTIONS

- 36 STADIO Higher Education
- 40 Milpark Education
- 42 AFDA



The STADIO Group takes a profound interest in what our students want, and what our country and the world of work needs. We offer higher education specially designed to satisfy all.

*At the end of the day, we have an opportunity to not just help individuals realise their dreams, but to **help a nation grow stronger.***

OUR INSTITUTIONS

STADIO HIGHER EDUCATION



STADIO HIGHER EDUCATION OFFERS A REAL ALTERNATIVE TO THE PUBLIC UNIVERSITIES AND HAS FAST-TRACKED TO BECOMING A REMARKABLE COMPREHENSIVE NEW INSTITUTION IN HIGHER EDUCATION

On 26 October 2021, STADIO Higher Education (STADIO) celebrated its first anniversary as a new Higher Education Institution on the back of continued growth in student numbers, ending the year with over 24 000 students, and increased academic offerings (47 accredited qualifications across distance, online, contact and blended learning modes of teaching and learning delivery).

Reflecting on STADIO's first year, it was a challenging yet rewarding process of change management and process consolidation which saw four separate private higher education institutions consolidate into a new single registered private higher education institution which has already made a significant impact on the Southern African education landscape.

STADIO has attracted much interest from industry commentators, educational thought leaders and shareholders, and with good reason – STADIO believes in the future of our nation and our message has resonated profoundly since our launch. STADIO makes a difference by offering wide ranging

and affordable access to higher education, and equipping its students to become the most empowered version of themselves. This was further evidenced by the launch of the STADIO Khulisa Student Share Scheme during the STADIO October graduations (refer to [page 67](#)).

STADIO wants to become a lifelong learning partner to its students and believes that by investing in its students, lecturers, facilities, and academic and support processes, they will grow minds and ensure that STADIO graduates are ready for the World of Work, which in turn, will ensure STADIO continues to attract increased student numbers across its various schools.

STADIO offers qualifications across contact and distance modes of teaching and learning and is the biggest distance learning provider in South Africa, outside of UNISA, with more than 85% of its students studying via this mode of learning. STADIO also has six contact campuses across Gauteng, KwaZulu-Natal and Western Cape, with support offices for its distance learning students in Gauteng, KwaZulu-Natal, Western Cape and Namibia.



2021 KEY OBJECTIVES AND FOCUS AREAS

STADIO's key objectives in 2021 were to:

- Migrate students from the four historic institutions into the STADIO ecosystem and processes
- Implement online summative assessments for distance - and contact learning students
- Successfully complete the academic year in 2021 amidst COVID-19
- Grow student numbers
- Cement change management for staff, students and alumni
- Implement the new organisational structure and best-in-class systems and processes for applications, support and registration
- Consolidate and simplify processes following the launch of the new brand

We are pleased to report that we successfully achieved all our key objectives. We applaud and thank each staff member for their dedication and commitment during a time of transition and many societal challenges.

Our key focus areas, which underpin all our decisions and activities at STADIO, are

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

2021 CHALLENGES

The uncertainty and financial challenges brought about by COVID-19 together with the move to online assessments, meant our staff had to be adaptive, flexible and in many instances an empathetic sounding board for our students in difficult times.

The added complexity of change and new processes due to the consolidation into one STADIO, coupled with the implementation of CANVAS (the world-leading virtual learning platform in online student support and learning), presented further challenges to staff and students. CANVAS is the world-leading virtual learning platform in online student support and learning) and will play a large part in facilitating our quality learning going forward.

2021 has further highlighted that STADIO's human capital is one of its strongest and most valuable assets and will take the Group to bigger and better things in the future.

2021 HIGHLIGHTS

2021 saw the introduction of 'SHEBA', our new exciting VLOG, which brings STADIO to life in a delightful quarterly visual representation.



To view SHEBA, scan here
https://www.youtube.com/watch?v=6nT4MB_LqJ8

We opened our new state of the art STADIO Centurion campus, the Group's first comprehensive campus and first truly multi-faculty, multi-school and multi-mode campus. Students from our STADIO Montana and STADIO Banklaan campuses successfully transferred to STADIO Centurion campus, which opened its doors to new students in January 2022.



OUR SCHOOLS AND WHAT WE OFFER

1 SCHOOLS OF ADMINISTRATION & MANAGEMENT, AND COMMERCE	2 SCHOOL OF EDUCATION	3 SCHOOLS OF MEDIA & DESIGN, FASHION, AND ARCHITECTURE & SPATIAL DESIGN	4 SCHOOL OF INFORMATION TECHNOLOGY	5 SCHOOLS OF LAW, AND POLICING
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SCHOOLS OF HUMANITIES AND ENGINEERING (COMING SOON)

OUR INSTITUTIONS CONTINUED

STADIO HIGHER EDUCATION

Affordability is essential to widening access. STADIO partnered with Capitec Bank, Student Hero and Manati to provide education loan offerings to students. STADIO continues to seek innovative ways to assist students in accessing funding.

During 2021, STADIO started rewarding exceptional students by providing two tuition bursaries on each of its campuses nationwide. These first-year tuition bursaries represent our investment in excellence.

As official Education Partner of the world's biggest mountain-bike race, the Absa Cape Epic, STADIO sponsored the women-led duo of Beauty Ngobese and Remofilwe Moeketsi to complete their first Absa Cape Epic, riding in the Exxaro Special Jersey Category.



STADIO also provided the winners of the Exxaro Special Jersey with a bursary to study any one of its 21 distance learning qualifications.

STADIO identifies very closely with the objectives of the Exxaro Special Jersey Race, and were honoured to partner with Beauty and Remofilwe, who like us, embrace this duo trajectory of excellence.

STADIO will continue to sponsor sporting events that align to its overall vision.

Our new qualifications over the past year included the very popular BA Law as well as the Bridging Programme for Thesis Success.

The addition of BA Law complemented our offering in the School of Law along with BCom Law, LLB and the Higher Certificate in Paralegal Studies.

The Bridging Programme assists masters students with readiness to embark on one of two Doctoral Programmes offered.

We successfully transitioned to online learning and assessments, allowing students the opportunity to complete the academic year.

We started implementing the state-of-the-art CANVAS virtual learning platform, which is used by most of the globe's top universities.

We further developed and refined our STADIO website (www.stadio.ac.za) and customer relationship management system (CRM) on Microsoft Dynamics which has enabled us to reach many more applicants and streamline the registration process.

The STADIO campus ecosystem is home to award winning academic staff geared to ensure students have the best teaching and learning experience and student support teams dedicated to creating and supporting student success.

At STADIO, the aspect that remains true in all instances, is the student. Without our students, we do not have a business and therefore we continue to focus primarily on ensuring our service levels to our students remain best in class.

We pride ourselves in providing excellent support and service. We ensure that our students feel valued while keeping things simple and focussing on what's important.

We take a profound interest in what our students need, and what our country and the world of work needs. STADIO offers higher education specifically designed to not just help individuals realise their dreams, but to help our nation grow.

WHAT OUR GRADUATES HAVE TO SAY

Our graduates continue to inspire us. Their success in their chosen fields and industries are evidence that our objective of ensuring our qualifications are aligned with the world of work is being realised. Here is what they have to say:

FARREL OLIFANT
Bachelor of Policing Practice
Honours Graduate



I graduated this year with my Bachelor of Policing Practice Honours at STADIO with distinctions in Police Management and Leadership.

I attained my Bachelor of Policing Practice degree in 2018 and continued to study with formerly Southern Business School.

My goal is to get my Doctoral of Policing degree at STADIO following my Masters', which I'll also do at STADIO.

My degrees have undoubtedly opened doors for promotions in the SAPS and I will continue to make a success of my career.

ASHLEA EDWARDS
BEd (Early Childhood Development)



I had always been interested in Fashion and social media since I was in high school which led me to my University Degree at STADIO. While studying at STADIO I know that I would end up in the Fashion industry and I was not quite sure as to where I would fit in.

I loved my Buying and Merchandising Degree as it broadened my knowledge in the industry as well as tapping into the Marketing and Business side of Fashion.

Not only did I gain an abundance of knowledge from STADIO, I also gained life skills and many great friendships. My career began after I left STADIO when I opened my very own Influencer Agency where I work with social media influencers and international Fashion brands such as Pretty Little Thing, Fashion Nova, Oh Polly to name a few. Without my degree at STADIO I would never have had the confidence, knowledge, or passion to begin my own business!

JADE MARCOE
Diploma in Event Management



"I definitely endorse STADIO's Diploma in Event Management. This course provides you with all of the theoretical knowledge you will ever require from all spectrums of the Event industry. STADIO also allowed me to be able to get my name out in the international circuit through a university challenge and this helped me to network outside of South Africa and develop my skills on a professional level.

STADIO also offers a fantastic support structure in the form of the lecturers who are eager to see you succeed no matter how much time it takes as well as the friendships you make along the way, helping you to build contacts with your class as well as throughout the institution.

"The program merely strengthened my desire to go into events and directed me to which part of the industry was made for me."

TSHIFHIWA RATSHIKOMBO
BBA Honours Graduate



My journey with STADIO has taught discipline and not only rely on my own strengths. Distance learning is hard, but giving up was not an option and I gave up my 9-5 job so that I could focus on my studies.

I am grateful for the opportunity because it gave me the zest to proceed with my Honours Degree.

My advice to new students would be to focus on your studies, ask questions and don't be afraid to ask for help. There's so much to take in.

Do not give up!

OUR INSTITUTIONS CONTINUED

MILPARK EDUCATION



WHO IS MILPARK AND WHAT DOES MILPARK OFFER?

Milpark Education (Milpark) is a registered Higher Education Institution provider in South Africa currently offering 21 accredited higher education programmes.

Milpark was established in 1997, becoming one of the first private providers of higher management education in South Africa. Milpark services the higher education needs of various corporate entities as well as public students, through the qualification offering of five schools: The Business School; The School of Commerce; The School of Financial Planning and Insurance; The School of Banking and Investment; and The College.

Milpark's Corporate Education team helps organisations meet their specific Learning and Development objectives and requirements by creating tailored programmes and learning journeys. These programmes and journeys are aligned with the realities of the workplace, such as the organisation's products and services, corporate culture and business landscape. This provides students with a deeper learning experience and ensures achievement of the desired learning outcomes

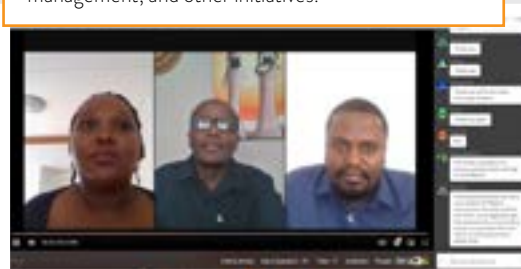
Milpark's flagship qualifications include:

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

The majority of Milpark's programmes are offered through distance learning with most flagship qualifications being offered as distance learning online (DLO).

COMMUNITY ENGAGEMENT

Milpark integrates community engagement into its curricula. Refer to [page 65](#) for further details on Milpark's Social Responsibility and Environmental management, and other initiatives.



HIGHLIGHTS DURING 2021

“Milpark, once again, ensured that all academic programmes and support services continued seamlessly within the context of the pandemic, with the result that all students could complete their academic year within 2021. The proctoring of exams continued in 2021 with great success. The highlight of the Milpark calendar is the celebration of 2 497 Graduands achievements and in April 2022 they will attend their virtual graduation ceremonies, said former Milpark CEO, Julian Van Der Westhuizen.”

Milpark collaborated with international partnerships for research and faculty exchange with Saybrook University, Pacific Oaks College, The Austral Group, PRME (Principles of Responsible Management Education), AABS (Association of African Business Schools), Globethics.net and CII (Chartered Insurance Institute). In April 2021 Milpark Business School participated in World Creativity and Innovation week.

The Business School achieved AMBA reaccreditation and continues to be the only AMBA accredited MBA in Africa for both contact and online distance learning. PMR.africa placed Milpark third overall in South Africa for institutions offering the MBA, and first overall for institutions offering Executive Education. Significantly, the Business School awarded Milpark's the first Doctorate of Business degree in October 2021.

In March 2021 in the FPI Professional Competency Examination for CFP® professionals, Milpark students took second and fifth place out of the top five candidates. The School of Financial Planning and Insurance launched M.I.N.D (Milpark Insurance Nerd Day) in July 2021. For the September 2021 FPI Professional Competency Examination for CFP® professionals, Milpark students took second, third and fifth place out of the top five candidates.

Milpark, through CA Connect, retained their status as the only SAICA-accredited distance learning online PGDA, while also

being the fastest-growing PGDA in South Africa. A Milpark student achieved first place in SAICA's first board exam towards qualifying as a Chartered Accountant. In addition, Milpark students achieved a 96% first time pass rate in these same exams.

Milpark hosted 51 Webinars in 2021 covering a broad range of topics: Whistleblowing: To tell or not to tell; Women in leadership; Brand Reputation and Corporate Citizenship; Banking is Dead, Long live the Banker; Employee Engagement in a Remote Working Environment; A values-driven society is every citizen's responsibility; Global Career, Remote Working; Ethical Leadership and Online Learning, CII Accreditation Information Workshop; Motivation & Study Tips Workshop; Time management Workshop; Design Thinking; Focus on Entrepreneurship, The journey of Entrepreneurship in South Africa; and The Return to Work Debate. In addition, it offered information sessions for the various Milpark qualifications.

<https://www.crowdcast.io/milpark-education>

MILPARK ALUMNI ACHIEVEMENTS

- Two Alumni graduated with PhDs at two South African universities.
- Curt Meyer was appointed CEO of Mirabilis Engineering Underwriting Managers (Pty) Ltd.
- Lunga Siyo was appointed CEO of Telkom Consumer.
- Arvind Ram and Paul Vos launched the social platform "Higher Ground".
- Mulalo Nemataheni received the Diversity and Inclusion Award from the Financial Planning Institute.



OUR INSTITUTIONS CONTINUED

AFDA



WHO WE ARE

4 UNDERGRAD DEGREES	4 POSTGRAD PROGRAMMES	3 HIGHER CERTIFICATE PROGRAMMES
2 400+ STUDENTS	4 CAMPUSES	5 200+ ALUMNI
		30+ AREAS OF STUDY

WHAT WE OFFER

OUR PROGRAMMES

HIGHER CERTIFICATE PROGRAMMES

- in Film, TV & Entertainment Production
- in Performing Arts
- in Radio & Podcasting

UNDERGRADUATE DEGREES

- BA in Motion Picture Medium
- BA in Live Performance
- Bachelor of Creative Writing
- BCom in Business Innovation & Entrepreneurship

POSTGRADUATE PROGRAMMES

- BA Honours in Motion Picture Medium
- BA Honours in Live Performance
- Master of Fine Arts
- Post Graduate Diploma in Innovation



MESSAGE FROM AFDA CEO
Teresa Passchier

From the start of the pandemic to date, AFDA student numbers have increased by 15%. This consistent growth speaks to the commitment of the institution to providing a world class, relevant, rigorous and stimulating learning experience to the customer, our AFDA student body. The AFDA business management has geared the institution to adapt its curriculum to keep up with the rapid change seen in the creative industries over the course of the past two years.

I believe AFDA is poised, positioned and ready to claim its stake as the leader, the largest and the most sought after private higher education provider in the creative arts in our country and I believe this moment is now.

20 OSCAR WINNING PERFORMANCE

21 BY AFDA STAFF, ALUMNI & STUDENTS




IMAGINE BEING ABLE TO SAY WE WON THE OSCAR

Every person in the film industry dreams of one day being able to shout out loud – WE WON THE OSCAR!!! In April 2021, AFDA alumnus Kyle Stroebel said just that, after the South African documentary “My Octopus Teacher” on which Kyle is credited as the colourist, walked away with the Oscar for Best Documentary Feature Film. It also comes as no surprise that he added the words, “Easily the best month of my life. I love everyone!!!”, considering that “My Octopus Teacher” also bagged the Best Documentary Feature Film award at the BAFTA’s a week before.

AFDA COMMUNITY PLAY KEY ROLE IN OSCAR WINNING STUDENT FILM

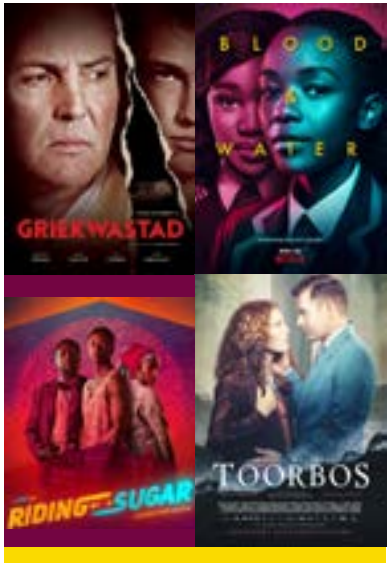


AFDA is proud to announce that, AFDA staff, students and alumni played a key role in the making of the 2021 Student Academy Award winning film “Lakutshon’ Ilanga” (When the Sun Sets). The film won Gold at the 49th Annual Student Academy Awards in the Narrative: Domestic Schools category. The film, written and directed by South African-born Phumi Morare, for her MFA thesis in Film Directing at Chapman University, was made with the assistance and guidance of AFDA Johannesburg, staff, students and alumni in collaboration with Chapman University. AFDA also provided their campus facilities and industry gold standard gear, which included Arri Alexa cameras, lighting gear and grips package.



OUR INSTITUTIONS CONTINUED

AFDA

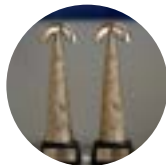


AFDA ALUMNI SHINE WINNING 13 GOLDEN HORN AWARDS AT THE SAFTAS 2021

Taking place as a virtual extravaganza on 22 May 2021, The 15th South African Film and Television Awards was hosted by Dineo Langa, Mpho Popps, and Graeme Richards. The theme of the awards was "Still Shining" and that is just what AFDA alumni did, winning 13 prestigious Golden Horn awards. Some of the awards included the big ones: In the Feature Film Category alumnus Jozua Malherbe picked up the Best Director – Feature Film award for his work on "Griekwastad", with the film also receiving the Best Feature Film award. Alumna Rene van Rooyen who wrote and directed the South African Oscar candidate film, "Toorbos" walked off with the Best Scriptwriting – Feature Film award and alumnus, Mark Irwin took the Best Cinematography award, for his jaw-dropping work on the Netflix film, "Riding with Sugar".

The Netflix series "Blood and Water" written and directed by alumni Travis Taute, Nosipho Dumisa and Daryne Joshua of the production house, Gambit Films was always going to be in the running, bagging the Best TV Drama award as well as the Best Cinematography – TV Drama award which went to alumnus Zenn van Zyl.

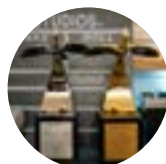
AFDA ALUMNI STAR AT SOUTH AFRICAN MUSIC AWARDS 2021



The winners of the 2021 South African Music Awards (SAMAs) were announced virtually on 31 July and AFDA alumni behind the mic and behind the scenes once again stepped into the limelight fetching three awards. **Bongeziwe Mabandla** picked up his second SAMA winning the Best Alternative Album award for his album "Ilimini". **Ofentse Mwase's** trophy display cabinet may need an extra shelf after he won the Best Produced Music Video for "Hosh" by Prince Kaybee feat Sir Trill, making his tally of SAMA awards three. The Best Collaboration award went to Mali Eningi – Big Zulu, featuring the late AFDA alumnus **Riky Rick** and Intaba yase Dubai.



AFDA FILM "THE EXTRAORDINARY SUPER-NOW" WON 3 AWARDS AT 2021 LOERIES

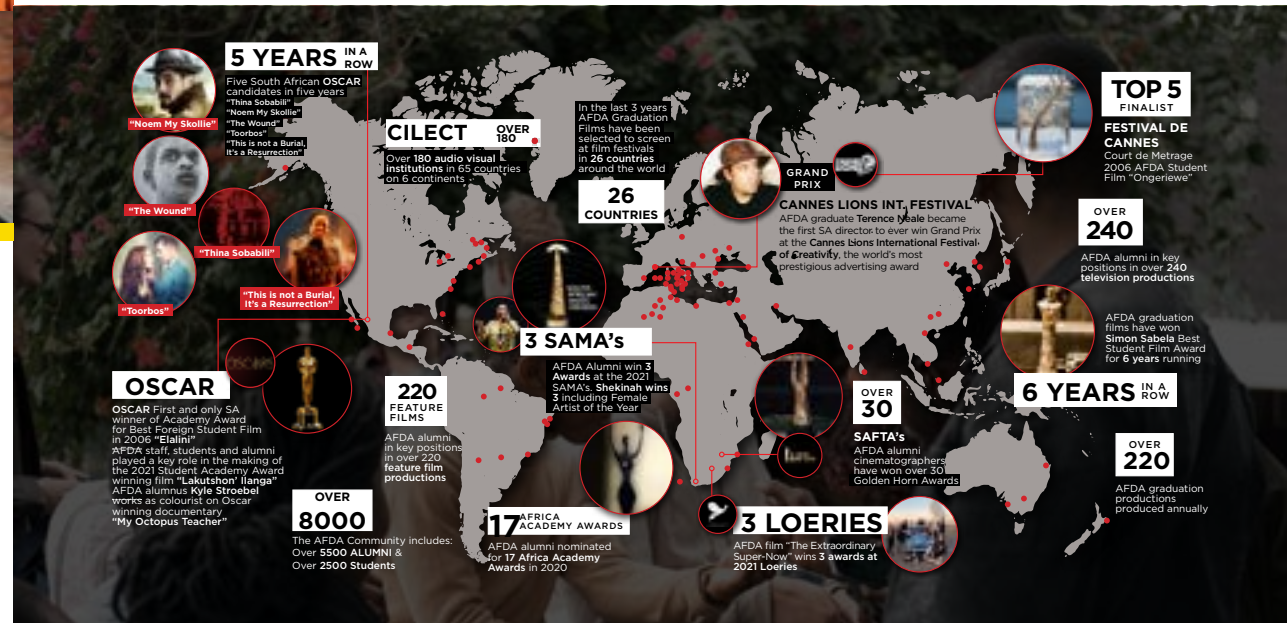


AFDA Johannesburg 2020 Honours graduation film, "The Extraordinary Super-Now" has won 3 awards after been nominated as a finalist in 7 categories at the 2021 Loerie Awards, the most prestigious creative festival across Africa and the Middle East (AME). "The Extraordinary Super-Now" won a Craft Certificate for Production Design (Chanelle Hart), a Silver Loerie for Student Short Film (TyrLee Nel), and a Gold Craft Loerie for Cinematography (James Yates).

FURTHER AFDA STUDENT ALUMNI & INSTITUTION ACHIEVEMENTS 2021

- FLEUR DU CAP**: Three AFDA students nominated @ 2021 Fleur Du Cap Awards
- Simon "Mabhunu" Sabela Award**: Simon Sabela Award statue unveiled at AFDA Durban
- AFDA Lecturer Kamogelo Matsoso won Sunday World Unsung Heroes Award**
- AFDA X NETFLIX**: Postgraduate scholarship programme started
- JOZI FILM FESTIVAL**: Four AFDA Films selected at Jozi Film Festival
- AFDA film wins Best Diaspora Film at the Bioskop Zimbabwe Short Film Competition**
- AFDA staff, students and alumni bag 16 nominations at 9th Simon Mabhunu Sabela Awards**
- AFDA Alumna Shekhnah** drops her highly anticipated single "Trouble in Paradise"
- AFDA alumnus Jordy Sank** wins Best SA Documentary Film award at the Durban International Film Festival
- AFDA alumni film "Ngikhona"** wins Best Short Film award at Rustenburg Film Festival 2021
- AFDA alumna Paballo "Mam K"** nominated for Best Newcomer Social Media Comedian Award

AFDA ON THE MAP



04

OUR STRATEGY AND PERFORMANCE

- 48 CEO's report
- 50 2021 Performance against strategy
- 52 Our capitals and value created for our stakeholders
- 74 Academic report
- 80 Finance report



W = Widening Access
W = World of Work
S = Student Centredness

CEO'S REPORT



“ STADIO Group is in the service business, one in which we place our students at the centre of our decisions, and ensure we provide a quality academic offering. ”

Academic integrity is key and evident in our average module success rate of **82%**

Students become owners of the institution

Completion of STADIO's 1st **comprehensive campus** with **optimisation** of underlying campuses

The 2021 year was another successful year for the STADIO Group, despite the challenging environment, and I am proud of the remarkable results the Group achieved for 2021, growing Revenue by 18%, Student numbers by 9%, and Core Headline Earnings by 27%, since 2020. It was also a year that led to the declaration of the STADIO Group's first dividend, a real milestone.

COVID-19 remained an ever-present factor throughout 2021, and the STADIO Group felt the impacts and uncertainty of COVID-19 on our business and the economic environment as a whole. The Group continued to monitor guidance from the World Health Organisation, and follow the regulations stipulated by Government and Higher Health. The processes developed and adopted during 2020 allowed the Group to successfully navigate the national-lockdowns and uncertainty during 2021, ensuring the health and safety of our students and staff, the continuation of our academic project, and the protection of our financial resources.

Notwithstanding the challenges of COVID-19, the STADIO Group achieved a huge amount during 2021. The Group continued to focus on its three core themes, **widening access**, **world-of-work**, and **student centredness** (“WWS”). Our WWS directs the Group's strategy and decisions and underpins all our business activities.



Following the launch of STADIO Higher Education, a single registered higher education institution in October 2020, the Group focused on managing the consolidation of the four former institutions into this new brand. A new organizational structure was implemented during the year, with new systems and shared services being rolled out across STADIO Higher Education. Policies and processes were aligned and management commenced the optimization of its existing STADIO Higher Education campuses, seeking accreditation of existing products to new sites of delivery and focusing on operating efficiency.

The new CRM system was launched which saw great growth in the number of applications and leads, and provides useful information about our market. We continue to refine this application process, always looking to simplify processes and focus on our student's needs.

STADIO Centurion campus, the Group's first comprehensive campus, was completed during 2021. The Board agreed to complete the construction of phase II of STADIO Centurion, which is anticipated to be completed by April 2022. STADIO

Centurion opened its doors to new students in January 2022, with existing students moving from the old STADIO Banklaan campus to this campus in July 2021. In addition, the STADIO Montana Campus was sold during the year and the students from STADIO Montana campus have moved to the STADIO Centurion campus in 2022. This evidences the Group's strategy to optimize existing campuses.

Due to Regulatory delays, the number of qualifications offered at the new Centurion campus in 2022 is limited, however we are confident that new qualifications will be accredited during 2022, and are excited to see the full potential of this campus going forward.

The academic team worked hard to move programmes onto CANVAS, the Group's virtual learning environment. CANVAS is an interactive platform and allows STADIO Higher Education to offer high quality learning remotely, as well as provide additional support and access for our students to staff. In addition, STADIO Higher Education approved its new blended learning model for contact learning and rolled out the new distance learning and contact learning student journeys.

Academic integrity is key, and this was further evident in the average module success rate of 81.6%, as well as Runé Maritz Milpark Education graduate achieving the top spot in the SAICA ITC Board exam. The STADIO Group believes that widening access to education is not sufficient on its own and needs to be supported by strong student support structures, as well as bridging courses to assist our students struggling with basic literacies.

The STADIO Group is committed to empowering its students beyond a quality, sought-after qualification and in 2021, I was proud to launch the STADIO Khulisa Student Share Scheme, a revolutionary step to partner with our students as owners of the institution by giving them shares in STADIO Holdings.

I believe the STADIO Khulisa Share Scheme will:

1. assist in creating an active and loyal alumni that provides quality feedback on our offerings;
2. make the STADIO Group students our “Lifelong partner”, where our students will return to our institutions to study further, and will refer our institutions to family and friends, and
3. contribute to creating a student's future wealth by sharing our profit with our students and bringing the sometimes unattainable world of investing, closer to our students.

The STADIO Group has achieved much in 2021, and continues to work hard, in positioning the Group for sustainable growth for the future. We believe we have created a solid foundation and are excited for what the future holds.

The STADIO Group is in the service business, one in which we place our students at the centre of our decisions, and ensure we provide a quality academic offering. To achieve this, our human capital is key, and I wish to thank my fellow Executive Committee, as well as all staff across the STADIO Group, for their hard work, resilience and adaptability during another challenging year.

Chris Vorster
CEO

29 April 2022

2021 PERFORMANCE AGAINST STRATEGY

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

FEEDBACK AGAINST 2021 FOCUS AREAS

2021 was focused on the achievement of the below strategic activities

1.		Consolidation of STADIO Higher Education businesses (culture and processes)	1. The Group made great progress in aligning processes across STADIO Higher Education. Culture is not created overnight and coupled with the various national lockdowns of COVID-19, the new "STADIO Way" and culture continues to be established.
2.		Change management continues – looking to embed new structure	2. STADIO Higher Education rolled out a new organisational structure and appointed Executive Heads to oversee the contact learning and distance learning businesses. Milpark appointed a new CEO, Andrew Horsfall, who took over from Julian van der Westhuizen on 1 January 2022.
3.		Systems and infrastructure development	3. Continued the development and roll-out of various systems across the Group, including a revised CRM application system, ERP system and CANVAS. STADIO Higher Education continues to scope a new Student Information Management System (SIMS) whilst using existing SIMS for the medium term.
4.		Embed the distance learning and contact learning student journeys	4. STADIO Higher Education rolled out the new academic model and successfully embedded the distance learning and contact learning student journeys, whilst agreeing on new academic norms which will result in optimisation of staff and resources. Milpark Education pivoted away from contact learning and focused on their distance learning online offering, and AFDA moved towards a blended learning model.
5.		Successful opening of STADIO Centurion campus	5. STADIO Centurion campus successfully opened to new students in January 2022, whilst accommodating students from the STADIO Banklaan campus from July 2021.
6.		Commence construction of Krugersdorp logistics centre	6. During the year, the Board approved the decision to delay the construction of the Krugersdorp distance learning logistics centre until 2022, and continue to complete the construction of phase II of the STADIO Centurion campus.

 achieved  in progress  not achieved

GROUP PERFORMANCE INDICATORS

- **Revenue** grew by 18% to R1.1 billion
- **Growth in EBITDA and EBITDA margin**
 - EBITDA increased by more than 100% to R309 million. The prior year was impacted by a once-off Fair Value accounting adjustment of R207 million in respect of the CA Connect acquisition (refer to [page 81](#))
 - Adjusted EBITDA increased by 23% to R310 million. Adjusted EBITDA excludes the accounting adjustment in respect of the abovementioned Fair Value Adjustment
- **Adjusted EBITDA margin** of 28%
- **Core Headline Earnings per Share** grew by 24% to 17.6 cents per share



OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS

OUR STAKEHOLDERS



OUR EMPLOYEES

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



OUR STUDENTS

- Students are central to our business, both in fulfilling our vision of empowering the nation by widening access to higher education, and in ensuring our business is financially sustainable by creating demand for our products and offerings.
- Currently more than 80% of our students study by way of distance learning and are predominantly working adults
- Our contact learning students are predominately school leavers who usually require more student support and interaction.
- We continuously strive to make higher education more accessible to more students, always keeping students and their learning at the core of our decisions.



OUR ALUMNI

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



INDUSTRY

- Industry relationships are critical in assisting us to produce well-rounded graduates who are ready for the world of work. This is imperative with the unemployment rate in South Africa being more than 30%.
- We engage with industry to participate in new programme development, to seek integrated teaching and learning opportunities, and ultimately earning industry's trust so that industry seek out our graduates for employment.



REGULATORY BODIES

- The accreditation of new high-quality academic qualifications that are relevant and aligned with the world of work are dependent on meeting the quality standards as required by the Council on Higher Education (CHE) and Department of Higher Education (DHET).
- Some qualifications require compliance with certain regulated professional bodies such as SAICA, SACAP, to name a few.
- The Group is listed on the JSE and is committed to applying good corporate governance and the requirements of the Companies Act and principles and recommended practices of King IV™.



INVESTOR AND DEBT COMMUNITY

- Shareholders and debt funders provide us with the financial resources to deliver on our strategic objectives and create shareholder value.
- The Group is focused on delivering acceptable growth targets and shareholder returns.



OUR WORLD

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

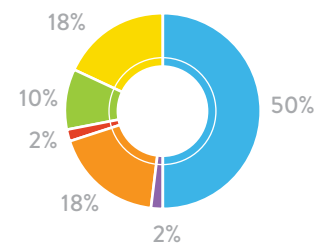
OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED

OUR BUSINESS MODEL STRIVES TO CREATE VALUE FOR OUR STAKEHOLDERS THROUGH THE CAREFUL CONSIDERATION OF OUR SIX CAPITAL RESOURCES. WE USE THESE CAPITAL RESOURCES INTERCHANGEABLY AND APPRECIATE THAT THERE ARE TRADE-OFFS BETWEEN THEM. THESE TRADE-OFFS ARE CAREFULLY CONSIDERED TO PRESERVE STAKEHOLDER VALUE.

STAKEHOLDER VALUE MEASURES

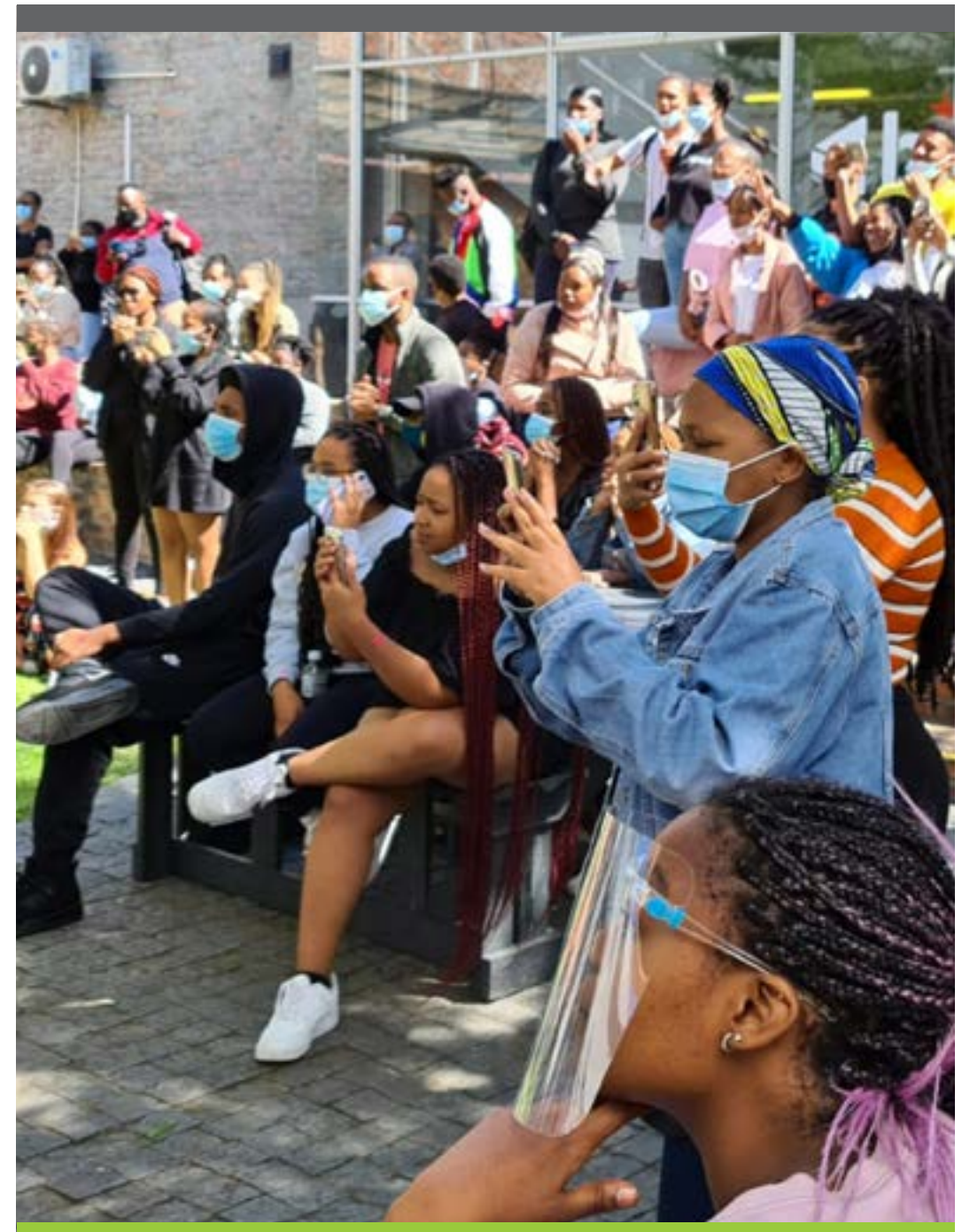
STUDENTS	EMPLOYEES	INDUSTRY	REGULATORY BODIES	INVESTOR AND DEBT COMMUNITY	OUR WORLD
<ul style="list-style-type: none"> • Number of students enrolled • % module success rates • Student retention and dropout rates • Number and range of accredited and pipeline programmes 	<ul style="list-style-type: none"> • Performance evaluation • Training outcomes and development spend • Appropriate benchmarking • Research outputs • Development and training 	<ul style="list-style-type: none"> • Graduate employment survey • Graduate desirability survey • Industry partnerships • B-BBEE score 	<ul style="list-style-type: none"> • Number of programmes accredited • Time to accredit new programmes • Auditors report • Compliance audits 	<ul style="list-style-type: none"> • Performance against budget and targets • Gearing ratio • Dividend payout ratio • Return on equity 	<ul style="list-style-type: none"> • Community engagement projects and collaborations • CSR spend

VALUE ADDED STATEMENT



- Distributed to employees R381 million (2020: R319 million)
- Distributed to social responsibility R14 million (2020: R11 million)
- Distributed to government R136 million (2020: R111 million)
- Distributed to providers of capital R15 million (2020: R10 million)
- Value reinvested R80 million (2020: R44 million)
- Value retained R137 million (2020: Rnil)*

* in 2020 the Group was in a loss position due to the CA Connect fair value adjustment



OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED



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

4 QUALITY EDUCATION

ACADEMIC QUALITY AND INTELLECTUAL CAPITAL

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

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

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

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

Widening access World of work Student centredness

3 DISTINCT REGISTERED PRIVATE HIGHER EDUCATION INSTITUTIONS

REGISTRATION WITH PROFESSIONAL BODIES –

International accreditations:

SAME LOCAL ACCREDITATIONS AS UNIVERSITIES

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

1 NO POVERTY **8 DECENT WORK AND ECONOMIC GROWTH** **10 REDUCED INEQUALITIES**

86 accredited qualification
34 pipeline programmes in development
 Distance learning, contact learning and blended learning
 Vast range of offerings in Business, Commerce, Management, IT, Law, Policing, Education, Film, Media, Design and Fashion
 From access qualifications to Doctorates
 Various short courses

INDUSTRY AND ACADEMIC PARTNERSHIPS
 allows our brands to have a global footprint

FELLOW OF STADIO
 Dr. Mathew Phosa awarded with first-ever Fellow of STADIO award

14 ACTIVE partnerships in 2021

Doctoral qualifications oversubscribed with first-rate applications

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

49 research outputs produced in 2021

COVID-19 further emphasised the need for a focus on student wellness and student support

- Partnership with South African Depression and Anxiety Group
- Bridging modules offered for basic literacies

State-of-the-art virtual learning environment rolled out, facilitating remote learning

8 705 Graduates

81.6% Average Module Success rate

6.8% Average Drop-out rate

86 Accredited qualifications

STUDENTS AT THE CENTRE, LEARNING AT THE CORE

OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED

HUMAN CAPITAL

OUR EMPLOYEES INDUSTRY

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

We see ourselves as a “service” business and strive to provide excellent customer service in which we delight our students and stakeholders at all our touchpoints.

In 2021, some of our programmes saw large increases in applications and at times, our service did not meet the standard we set ourselves. In 2022, a specific strategic focus point is “customer service” which is being managed from the CEO’s desk.

1 007
Permanent employees

44%
Permanent staff hold postgraduate qualifications up to doctorate

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

We invest in our employees through staff training (both internal and external), supporting further studies, contributing towards professional membership fees, supporting CPD, mentorship, and the like.

In 2021, STADIO Higher Education hosted its annual academic conference under the theme “Students at the Centre, Learning at the Core”, while AFDA Johannesburg hosted the 2021 hybrid SACOMM conference in October 2021.

The STADIO Group has also introduced Staff Study Assistance Bursaries for staff members, promoting continuous professional development and lifelong learning, ensuring that its academic team remain the best qualified to present the teaching and learning programme.

Staff accolades are important to recognize the achievements and hard work of our employees. Accolades further incentivise our employees to go beyond the ordinary and to be extraordinary. The awards for teaching and learning excellence and innovation in the areas of tuition, assessment, student support and overall scholarship were handed out at the annual STADIO Higher Education Academic Conference. AFDA staff were also recognised through numerous external film awards.

REMUNERATION PHILOSOPHY

The STADIO Group offers market-related remuneration combined with good working conditions to attract and retain the best academic and professional support staff.

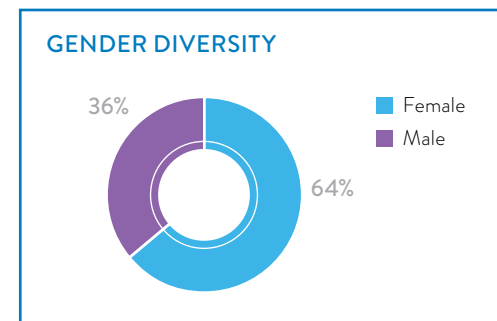
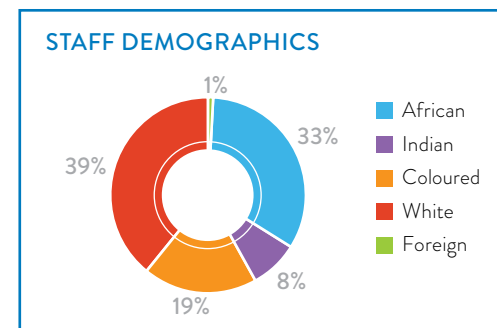
The STADIO Group is developing their People Strategy. Milpark appointed a new Head of People, AFDA, a new Head of HR, and STADIO Higher Education is working on aligning remuneration across the institution, whilst finalising the grading of all jobs.

Aligning the remuneration across STADIO Higher Education is a delicate process and the full cost of this alignment is being ascertained. The cost will follow a short-to- medium-term implementation and correction plan.

Refer to [pages 118 to 129](#) for the Remuneration Report.



Photo: STADIO Higher Education 2021 Academic conference



EMPLOYMENT EQUITY

The STADIO Group is committed to transformation.

During 2021, STADIO Higher Education approved their Employment Equity plan for the new entity. The new STADIO Higher Education organisational structure was approved and rolled out. A job grading exercise is underway aligning all positions and pay across the new institution. This is a delicate exercise and will be implemented over the medium-term.

The STADIO Group believes in gender equality and does not discriminate on pay or position based on gender.

LEADERSHIP CHANGES

During 2021, Julian van der Westhuizen retired as CEO of Milpark Education, effective 31 December 2021. We would like to thank Julian for his many contributions to the STADIO Group over the years. Andrew Horsfall was appointed as CEO of Milpark Education, effective 1 January 2022. Andrew is the co-founder of CA Connect.

Robust Board of Directors with no changes during the year

OUR EMPLOYEES ARE OUR GREATEST ASSET

OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED

HUMAN CAPITAL CONTINUED

OUR EMPLOYEES



Staff wellness was a big concern during 2021. The effects of COVID-19, coupled with the launch of STADIO Higher Education, left staff exhausted.

COVID-19 necessitated a shift of all contact learning classes to online/remote learning in 2020. In addition, the regulations did not allow for physical assessments or graduations. Students demanded increased student support initiatives and communication to students with new student support platforms on Google, WhatsApp, sms, etc to accommodate student engagement. The processes were put in place during 2020, and continued into 2021, ensuring our students received high quality service.

STADIO Higher Education performed a climate survey to gauge how employees were coping. This also formed the basis from which to create a new “STADIO Way” and establish a new STADIO Higher Education culture that is accepted by all.

Launched “We Hear You” campaign for staff, instilling regular “check-ins” with team members, as well as looking at ways to eliminate unnecessary meetings, or to shorten meetings to 50 minutes where possible.

The STADIO Group continues to monitor the COVID-19 guidance from World Health Organisation (WHO) and Higher Health. The STADIO Group supports the vaccination and is actively encouraging staff to be vaccinated. A COVID-19 register is maintained and where staff are unvaccinated, management ascertain the reasons why not, run an awareness campaign and assist the staff members with time off work, transport, etc.

Our Group staff are resilient and adaptable, and together with our robust Board of Directors, helped navigate the Group to a successful 2021, laying the foundations from which to grow the Group going forward.

Milpark Education Webinars include:

- Employee Engagement in a Remote Working Environment
- Time management Workshop
- The Return to Work Debate



OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED

HUMAN CAPITAL CONTINUED

OUR OPERATING LEADERSHIP TEAM



MR CHRIS VORSTER
Chief Executive Officer



MS SAMARA TOTARAM
Chief Financial Officer



DR DIVYA SINGH
Chief Academic Officer



MR JOHAN HUMAN
Chief Operating Officer



MS TERESA PASSCHIER
AFDA CEO



MR ANDREW HORSFALL
Milpark CEO



PROF PATRICK BEAN
STADIO Higher Education
Executive Head: Contact Learning



MS CHARISKA KNOETZE
STADIO Higher Education
Executive Head: Distance Learning

OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED

SOCIAL AND RELATIONSHIP CAPITAL

We rely on various relationships in creating and delivering on a suite of academic offerings that are mutually beneficial to the world of work and society as a whole.



“EDUCATION IS A HUMAN RIGHT WITH IMMENSE POWER TO TRANSFORM. ON ITS FOUNDATION REST THE CORNERSTONES OF FREEDOM, DEMOCRACY, AND SUSTAINABLE HUMAN DEVELOPMENT”.

Kofi Annan, Former Secretary-General of the United Nations

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

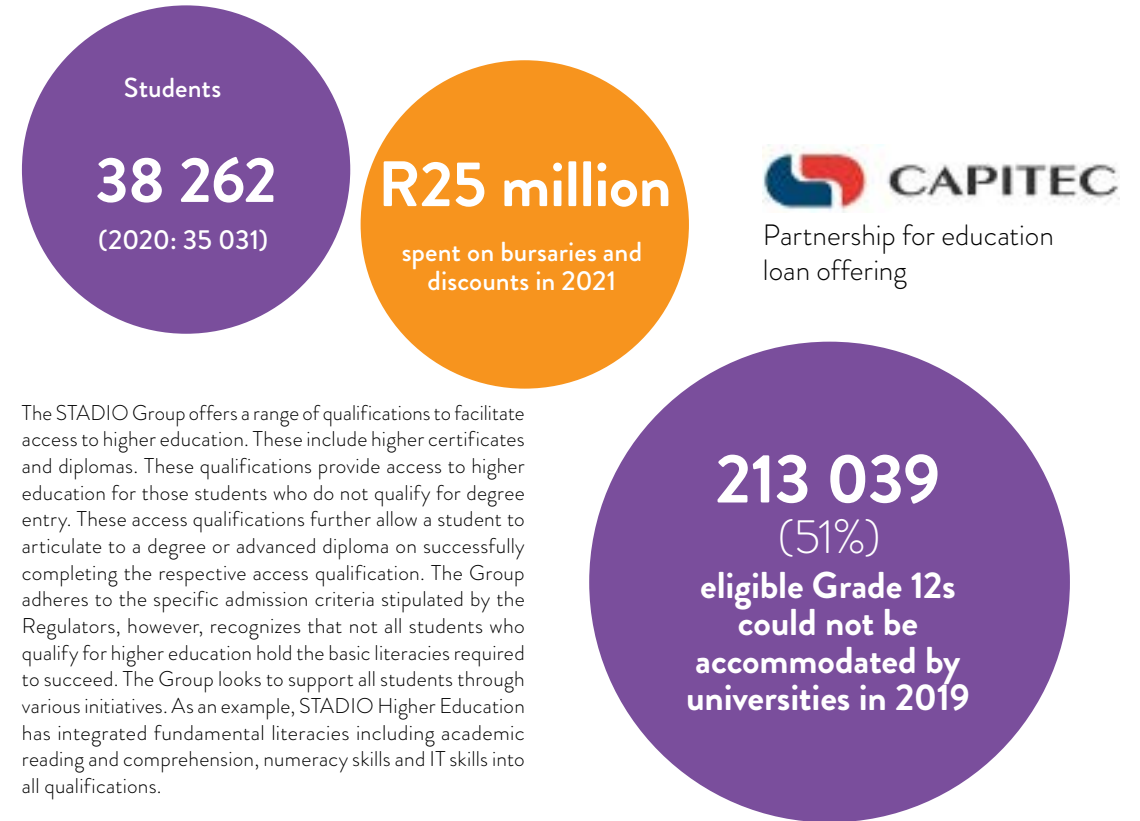
We rely on various relationships in creating and delivering on our suite of academic offerings that are mutually beneficial to the world of work and society as a whole.

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

We believe that we can partner with our students for life and want our students to make the STADIO Group their study partner of choice for all their learning needs.

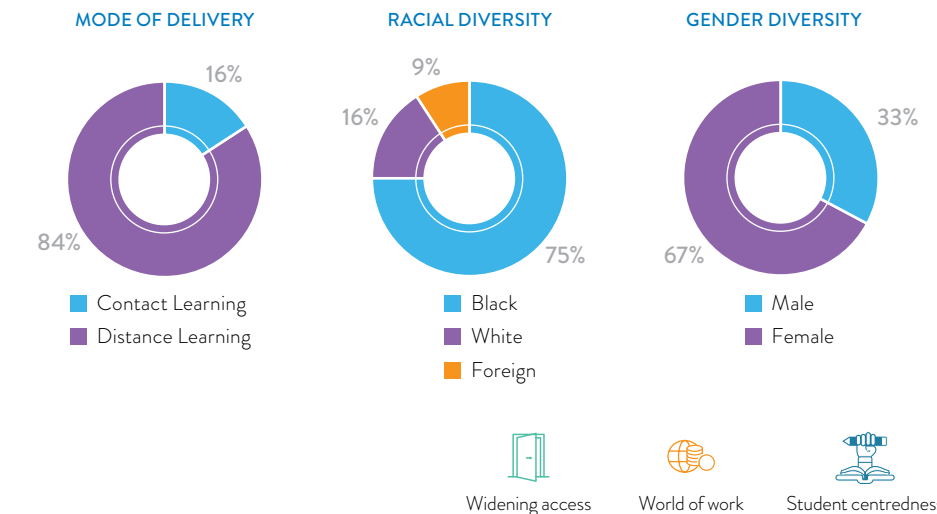
The economic knock-on effects of COVID-19 were evident in our contact learning numbers, as well as the ability of our students to meet their tuition payments. There was a visible shift from contact learning to distance learning, which is offered at a lower price point and allows students the flexibility to work while studying. Affordability was a key reason cited for transitioning from contact learning to distance learning,

with the uncertainty of COVID-19 national lockdowns or future economic uncertainties cited as further reasons. The Group engaged with students struggling to meet their payment deadlines and entered into payment plans to assist students where possible. In addition, the Group entered into a partnership with Capitec Bank, piloting Capitec’s Credit-for-Education Product, as well as exploring various other financing options through Student Hero and Manati to name a few. During the year, the Group’s bursary trust, the STADIO Kusasa Foundation was registered as a section 18a non-profit organization with SARS. The Transformation, Social and Ethics Committee and Trustees approved the strategy for the Kusasa Foundation which will be formally launched in 2022.



The STADIO Group offers a range of qualifications to facilitate access to higher education. These include higher certificates and diplomas. These qualifications provide access to higher education for those students who do not qualify for degree entry. These access qualifications further allow a student to articulate to a degree or advanced diploma on successfully completing the respective access qualification. The Group adheres to the specific admission criteria stipulated by the Regulators, however, recognizes that not all students who qualify for higher education hold the basic literacies required to succeed. The Group looks to support all students through various initiatives. As an example, STADIO Higher Education has integrated fundamental literacies including academic reading and comprehension, numeracy skills and IT skills into all qualifications.

OUR STUDENT MIX



THE STADIO GROUP AIMS TO HAVE 100 000 STUDENTS OVER TIME

OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED

SOCIAL AND RELATIONSHIP CAPITAL CONTINUED



COMMUNITY ENGAGEMENT

Community engagement forms one of the three pillars of higher education in South Africa, together with Teaching and Learning, and Research. During 2021, the STADIO Group shifted its focus on community engagement to **social impact**. There is no gainsaying that social awareness and the values of social responsibility are growing among staff and students especially as students realise the link that social impact has on employability.

The STADIO Group's institutions recognise the key roles they can play in producing graduates who are socially conscious and aware. The focus for 2021 was to enhance awareness of how community engagement can be integrated with Teaching and Learning, and Research. As such, the Group has looked to integrate social impact into the curriculum and has identified social consciousness as one of our graduate's attributes.

During 2021, staff and students have engaged in a variety of activities working with and contributing to marginalized and vulnerable communities. As far as possible, the activities are linked to the academic engagements but where this is not the case, the aim is to guide students towards an understanding of social consciousness and responsible citizenship.

Corporate social responsibility and Sustainability also featured more strongly in 2021. At Milpark Education social responsibility and responsible citizenship are integrated into the formal postgraduate qualifications (see [page 41](#)). In addition, Milpark offered a global certificated short learning programme in partnership with Globethics.net. Milpark Education, STADIO Higher Education and Globethics.net will jointly co-edit a publication on SDGs, Ethics and Higher Education, looking at how various universities and institutions of higher learning globally support their governments' achievements of the SDG commitments.

The STADIO Higher Education School of Fashion focused on integrating sustainability practices across its programmes, aligning to responsible fashion practices that mimic current industry sustainability initiatives. This aspect of the scholarship project is critical and aligned to the values of the STADIO Group.

Community engagement and social impact has a minimal institutional budget and staff and students participate in activities often at own cost because they see the value in the projects and programmes.



ZAZI Project module aims to ensure that a student's journey focuses on the narrative of holistic student empowerment encompassing both discipline-based knowledge, and the core values and 21st century skills for sustainable achievement and social consciousness. "Zazi" has a double meaning in isiZulu and isiXhosa and means "to know yourself", but it can also be the plural for Isazi, meaning "to be wise".

SRC/student support initiated projects include:

- Handbag Project (in favour of the Jes Foord Foundation)
- Charity begins with Me
- Tygerberg Butterfly Project
- Human Trafficking Project

MILPARK EDUCATION – COMMUNITY ENGAGEMENT

Social Responsibility and Environmental management (SREM)

The core purpose of the SREM module is to ensure that the Postgraduate students (PGDip (Business Administration) and MBA) explore the significance of social responsibility and environmental management from four perspectives, namely corporate, government, individual and NGO. This is in keeping with Milpark's philosophy of community outreach, community engagement and social responsibilities as part drivers of social environmental and economic sustainability. Students are conscientised about the role and strategy of a public- private partnership to achieve an integrated solution to sustainability through the lens of social responsibility and environmental management. As part of their summative assessment, students are required to present an integrated presentation and assignment, motivating their choice of charity, and alignment with the chosen company together with a recommended CSR strategy for that chosen company.

On 23 June 2021, the SREM exam group presentations were held. Seventeen groups of students made presentations on their selected charities. The presentations were adjudicated by three panels comprising of internal staff, independent contractors and invited panellists from the corporate world. Ultimately there was one charity that stood above the rest: The Tomorrow Trust.

Tomorrow Trust

The Tomorrow Trust believes that poor quality education is the main cause of societal issues throughout the world. Tomorrow Trust puts faith in the youth of all under-privileged South Africans to create opportunities for students, their families, and the community they are surrounded by, to ensure that fulfilling futures are being built. Tomorrow Trust has four main sections they are focusing on, which include:

1. The Saturday and Holiday School Programme
2. Tertiary Programme
3. Additional Programmes ("I am Little Wings" programme, Stepping Stones Career programme)
4. Alumni Programme

The panellists also noted that the Charity focuses on supporting learners and students in the field of education ranging from pre-school to higher education. They follow a sustainable approach where their alumni are also called upon to assist the charity in promoting and extending educational support in their sphere of influence in their communities that The Tomorrow Trust serves. The Charity's mission and vision also aligns with the skills development strategy of the country to empower youth with applicable and appropriate skills.

STADIO KHULISA STUDENT SHARE SCHEME

Wealth creation is a relevant topic in the current South African climate and according to *1Life Generational Wealth* survey, most young working South Africans don't have access to generational wealth. Studies have found that only 39% of the population understand what it means or know how to create generational wealth. An outstanding 80% of youth feel it's necessary to start their families' financial legacies, yet they don't have the means and/or support to do so.

In a revolutionary move the STADIO Khulisa Student Share Scheme was launched in October 2021. STADIO Holdings' shares are purchased on the open market, and awarded to postgraduate graduates upon graduation. The Group has partnered with Investec Share Plan Services (Investec) and the JSE Investor Services (JIS), who will manage the graduates' share portfolio and provide further support for the graduates in their new investment journey. The Group will also provide access to short-learning programmes on financial planning, and the like, over a certain period.

Refer to [page 67](#) for further details.



EDUCATION IS INEXTRICABLY LINKED TO SOCIAL EMPOWERMENT

OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED



SOCIAL AND RELATIONSHIP CAPITAL CONTINUED

The 2021, Community Engagement and Social Impact projects and initiatives varied greatly in scope and detail. There were numerous projects and initiatives which reached out to communities by donating or giving, as well as projects and initiatives focused on the support of STADIO's own community of staff and students.

School of Fashion – Design for Social Impact: BA Honours in Fashion – An action research project to design product prototypes that fulfil the needs of autistic individuals affiliated with the organisation Autism SA. The output of this research project will be a range of product designs that cater to the needs of autistic individuals.

School of Policing and Law Enforcement: International Nurses Day – Collaborated with various businesses to support nurses at the Netcare Olivedale Clinic on International Nurses Day by donating hampers containing care items.

School of Education: School-Based Teaching Practice – All Education students attend school-based Teaching Practice, either at Early Childhood Development Centres, Primary Schools or High Schools. The teaching practice experience is documented and assessed.

School of Architecture and Spatial Design: Early Childhood Development Centre in Delft – Participating through a Short Learning Programme in the building of a sustainable Early Childhood Development Centre in Delft, Cape Town.



EXXARO SPECIAL JERSEY AT THE ABSA CAPE EPIC

STADIO Higher Education has sponsored the winners of the Exxaro Special jersey at the Absa Cape Epic, access to any of its Distance Learning Programmes.

The Exxaro Special Jersey race at the Absa Cape Epic is reserved for riders under the age of 26 who hail from previously disadvantaged backgrounds.

The objectives of the Exxaro Special Jersey race are:

- To increase the number of historically disadvantaged South African riders participating in mountain biking.
- To increase the number of historically disadvantaged South African riders participating in and finishing events like the Absa Cape Epic, thereby establishing them as role models for future generations.
- To associate Exxaro with empowerment, leadership, support and transformation of mountain biking in South Africa.
- Create meaningful change in previously disadvantaged communities by promoting sport.
- Inspiring children and young adults to build a positive future for themselves, thereby creating an environment to fulfil their dreams and uplift their lives and their communities.

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

As COO, Johan Human says, “The STADIO Group believes wholeheartedly in the future of South Africa and making a difference by offering greater access to higher education, so that every South African has the opportunity to become the most empowered version of themselves. Due to this belief, STADIO identifies very closely with the objectives of the Exxaro Special Jersey Race at the Absa Cape Epic.”



KHULISA MEANS GROWTH OF A PERSON, A COMMUNITY AND A COUNTRY

STUDENTS BECOMES SHAREHOLDERS

In a revolutionary move, the STADIO Group launched the STADIO Khulisa Student Share Scheme at the STADIO Higher Education graduations in October 2021, the first such scheme in Africa, and possibly the world.

Khulisa means “to grow or foster the development of a person or community”

Through this innovative scheme, the Group awarded R1 000 of shares in STADIO Holdings, to each of the students graduating from a postgraduate class in 2021. STADIO Holdings purchases these shares from the market to ensure no dilutionary effect for current shareholders. The students will receive their shares upon their graduation, as well as gain access to a share portfolio managed by Investec Share Plan Services (Investec). The Group is excited to have partnered with both Investec and the JSE Investor Services on this initiative, both of which will provide further support for the graduates in their new investment journey.

Wealth creation is a relevant topic in the current South African climate and according to 1Life Generational Wealth survey, most young working South Africans don't have access to generational wealth. Studies have found that only 39% of the population understand what it means or know how to create generational wealth. An outstanding 80% of youth feel it's necessary to start their families' financial legacies, yet they don't have the means and/or support.

As CEO, Chris Vorster says, “We believe the time for the STADIO Group to do something incredible

for the South African youth is now. The STADIO Khulisa Student Share Scheme is the stepping-stone into a world where generational wealth may become more attainable, and the world of investing is more accessible”.

The STADIO Group remains committed to empowering its students, firstly through the provision of quality and affordable qualifications that are aligned with the world of work and sought after by their respective industries. Secondly, by partnering with our graduates as owners of our institution, supporting them by investing in their initial steps to leaving a legacy for their families.

“... After I completed my Masters' degree, I was given shareholding status by the institution as part of getting the postgraduates students involved in the growth and success of the institution.

I cannot thank the management and staff enough for what they are doing for the main stakeholders (students). I will be enrolling for my Doctorate very soon with STADIO.” - Lebogang Seanego, STADIO graduate



OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED

INFRASTRUCTURE CAPITAL

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

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

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

We have 12 campuses across the Group consisting of our first comprehensive campus, STADIO Centurion, to smaller niche campuses, focused on single Schools. In addition, we have distance learning support offices that provide support to our distance learning students.

During 2022, STADIO Higher Education will construct its Distance Learning Logistics Centre (located in Krugersdorp, Gauteng), to facilitate the efficient distribution of the distance learning materials for our traditional distance learning students and enable the Group to cope with large volumes efficiently.

STADIO Centurion opened its doors to new students in January 2022, with students from STADIO Montana and STADIO Banklaan campuses relocating to this campus. During 2021, the Board agreed to complete Phase II of the construction, and consequently delayed the construction of its distance learning logistics centre to 2022.

As part of the Group's strategy, the Group sold its STADIO Montana campus during the year, and is in the process of pursuing an exit of its Milpark Gauteng lease. This resulted in a R17 million impairment in respect of the Milpark onerous lease (impairment of the Right-of-use asset) and a R10 million impairment on the sale of STADIO Montana (sale price of R52 million was below the book value of R62 million). The Group also took transfer of the STADIO Durbanville campus.

The Group is looking to optimise its current campuses, taking into account the increased capacity due to its amended blended academic model.

Value measures:

- Return on investment
- New student numbers
- Campus profitability

Dependencies:

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

12 campuses

2 support offices



The Group's strategy is not to build a comprehensive campus in every city. Instead, the Group will look to optimise current campuses by, whilst opening a comprehensive campus in Centurion and following the success thereof, construct in Durbanville. Management actively manage the Return on Investment on their greenfield developments and ensure all construction is conducted in an environmentally friendly and sustainable way. Universities have reached capacity and their infrastructure is constrained. Private higher education providers therefore play a critical role in complementing the efforts of government in the provision of education and meeting their NDP target of 1.6 million students by 2030.

Universities have reached capacity and their infrastructure is constrained. Private higher education providers play a critical role in complementing the efforts of government in the provision of education and meeting their NDP target of 1.6 million students by 2030.

Infrastructure development contributes to job creation in the community as the Group sources employees from the local community to assist in construction, as well as operating the campus. A new campus is also not erected in isolation, and surrounding roads are upgraded and a new microcosm springs up with coffee shops, stationary supply shops, etc., further uplifting the property value in the area.

Investing in infrastructure also assists in making the indirect costs of higher education more affordable by reducing the cost of transport for those students in the area to get to campus.

Investment in distance learning infrastructure assists in providing quality distance learning that is relevant and flexible allowing learners to access higher education whilst working, and we see that more than 80% of our students are working adults.

Our aim is to have 100 000 students over time, of which 80% study via distance learning, and 20% study via contact learning. We believe our blended learning strategy means we have sufficient campuses to reach these targets, and the investment in distance learning infrastructure, following the investment into the Krugersdorp logistics centre, will be "capital-light" going forward.

COVID-19 impacted our staff and their working environments. It escalated the move to virtual "Teams" meetings. This forced an increased focus on cybersecurity.

Operational Excellence relies on good processes and systems to enable efficiencies.

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



At AFDA, we invest in state of the art equipment to ensure our offering is world-class, and we remain a **product leader**.



World of work



Student centredness



9 INDUSTRY INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES

OUR INFRASTRUCTURE ASSISTS IN PROVIDING A QUALITY LEARNING EXPERIENCE AND OFFERING

OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS

CONTINUED

FINANCIAL CAPITAL

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

In 2021, despite a challenging environment, we had a successful financial year:

Student numbers	+9%	35 031 (2020) to 38 262 (2021)
Revenue	+18%	R933m (2020) to R1.1bn (2021)
Adjusted EBITDA*	+23%	R253m (2020) to R310m (2021)
Headline earnings*	>100%	-R70m (2020) to R144m (2021)
Core headline earnings	+27%	R117m (2020) to R149m (2021)
Core HEPS	+24%	14.2cps (2020) to 17.6cps (2021)

The current economic environment in South Africa has been negatively impacted by COVID-19 and the Group continues to proactively manage collections and bad debt.

- Management continue to preserve cash where possible.
- COVID-19 regulations resulted in a forced change to processes, e.g. online graduations and assessments. Certain cost savings arose as a result. Management have analysed these changes to ascertain what processes can be amended going forward to achieve sustainable efficiencies
- The Group maintains a healthy balance sheet, with 1% Gearing (excluding IFRS 16).
- The Group has a R200m revolving credit facility, with access to an additional R100m if needed.
- Facilitating student funding through partnerships with Capitec, Student Hero and Manati.
- Proactively monitoring late payments and engaging with students who cannot pay, arranging payment plans where necessary

Refer to [pages 80 – 89](#) for the Finance Report.

* Adjusted EBITDA excludes the fair value adjustment in respect of the CA Connect acquisition

Cash R66m (2020: R117m)	Debt R15m (2020: R45m)
Net cash generated from operations R266m (2020: R274m)	Adjusted EBITDA margin 28% (2020: 27%)
Issued shares 848m (2020: 841m)	Shareholders 13 556 (2020: 12 857)

VALUE MEASURES

Performance against:

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

SHARE PRICE UP

>100%

31 Dec 2020 – 195c
to 31 Dec 2021 – 400c

4.7cps

MAIDEN DIVIDEND DECLARED

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

In 2021, despite investing in our intellectual capital, infrastructure, human capital and social and relationship capitals, the Group had excess cash available to share with its shareholders.

In time, the Group will look to payout of 80%+ of free cashflow having regard to investment in future growth projects.

EFFECTIVE MANAGEMENT OF OUR FINANCIAL CAPITAL PROVIDES THE STABILITY NEEDED TO INVEST AND GROW

OUR CAPITALS AND VALUE CREATED FOR OUR STAKEHOLDERS CONTINUED

NATURAL CAPITAL



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

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

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

- **Reduced printing:** all campuses have reduced print volumes by using digital platforms for teaching and learning. In addition, the Group rolled out CANVAS and uses this tool, together with Moodle, to provide students with access to remote teaching and learning, as well as student support from their sofas.
- **Recycling:** various recycling initiatives across offices and campuses
- **Reduced travel:** virtual meetings where viable as well as remote working reduces the carbon footprint related to flights
- **Energy:** We have begun interrogating our energy consumption and placed an emphasis on getting accurate information to allow meaningful reporting going forward.
- **Water:** we encourage preservation of water at our campuses, by staff and students

The Group is in the early stages of its evolution and is still establishing the various systems and processes to capture the relevant ESG information for the organisation to enable it to report decision useful metrics going forward.



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

MANAGING ENERGY INSECURITY
All campuses have been equipped with generators to mitigate against the risk of loadshedding and power outages, to ensure we can continue providing a service to our students, despite any such disruptions.

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

- **Social Responsibility and Environmental Management** module that examines the social, ethical and environmental issues faced by business and all other kinds of organisations;
- Design Thinking for Problem Solving module where students work with a Not-for-Profit or local organisations, identifying a local socio-economic challenge and develop a holistic and long-term solution which specifically needs to address at least one or more SDG;
- ZAZI Project module which aims to ensure that a student's journey focuses on the narrative of holistic student empowerment encompassing both discipline-based knowledge, and core values and 21st century skills for sustainable achievement and social consciousness;
- Various webinars covering a broad range of topics, including: Women in leadership; Employee Engagement in a Remote Working Environment; A values-driven society is every citizen's responsibility; Remote Working; Ethical Leadership and Online Learning, CII Accreditation Information Workshop; Design Thinking; Focus

CLIMATE-RELATED GOVERNANCE
Given the nature of our offerings, the Board does not believe that climate related risks have a material impact on meeting the Group's overall strategic objectives.

The Board has established a specific working group in the office of the CEO to consider all aspects of the Task Force on Climate-related Financial Disclosure (TCFD) and recommend a path to adopting the TCFD and complying with its recommended disclosures.

Environmental impact assessments are performed on all greenfield sites. New buildings look to reduce our environmental footprint where possible, taking the expected environmental impact into account when finalising the design and building plans.



THE GROUP IS COMMITTED TO ENSURING OUR GRADUATES ARE SOCIALLY-CONSCIOUS AND ENVIRONMENTALLY AWARE

ACADEMIC REPORT



“STADIO Higher Education is confident to suggest that the doctorates will become institutional flagship qualifications.”

86 accredited qualifications
34 pipeline qualifications

Average module **success rate of 82%**

8 705 graduates **up 6%**

2021 was a year of academic significance for the STADIO Group with the introduction of STADIO Higher Education. STADIO Higher Education was launched in October 2020 and was the result of consolidating four previously discrete higher education institutions into a single autonomous registered higher education institution, with eight academic Schools namely the School of Commerce, School of Policing and Law Enforcement, School of Administration and Management, School of Law, School of Education, School of Fashion, School of Media and Design, and School of IT.

STADIO Higher Education anticipated launching its School of Architecture and School of Humanities but the proposed qualifications are still receiving regulatory attention. The academic oversight and responsibility of STADIO Holdings Ltd now covers three autonomous private higher education institutions – STADIO Higher Education, Milpark Education, and AFDA.

Aligned with best practice, the 2021 academic plans and activities are based on the STADIO Group’s Strategic Plan, as well as the purpose, mission and values approved by the Board. Therefore all three institutions serve the commitments to widen access (with success), be responsive to the world of work and enable graduate employability, and

promote a student-centred approach to learning and teaching. The last-mentioned was critical during the academic periods of 2020 and 2021 with the COVID-19 pandemic requiring emergency changes to the contact learning and teaching practices. In 2021, the STADIO Group institutions built on the foundations set in 2020 to ensure that as far as possible no student was left behind because of the shift to remote learning and teaching. 84% of the STADIO Group’s students already study via distance learning, and therefore the changes were less onerous for them. For our contact learning students, the teaching and learning programmes were undergirded by an acknowledgement of the importance to keep students engaged and understanding the isolation of remote learning. There were also added student support initiatives, and student

wellness was also specifically prioritized. Mental health and wellness is a major concern in higher education nationally (and globally). The students (and staff) at our institutions continued to benefit from the South African Depression and Anxiety Group (SADAG) agreement that offered 24/7 support and counselling access. Recognising the relevance of mental health and wellness to student success, the trusted SADAG-STADIO Group partnership will continue into the future and will be further supplemented by internal institutional arrangements prioritising student support and wellbeing in 2022.

SUCCESS RATES, DROPOUT RATES AND GRADUATION NUMBERS

Cohort analysis remains a challenge: however, the success of the academic programme across the Group is evidenced by the success rates (being the number of students who participated in the summative assessment compared with the numbers who passes), low dropout rates and overall graduation rates.

Description	2019	2020	2021
Overall module success rates	80.63%	83.23%	81.58%
Overall module dropout rates	7.5%	4.3%	6.8%
Graduation numbers	7 294 students	8 224 students	8 705 students



ACADEMIC REPORT CONTINUED

At a more granular level, the institutional data for 2021 is set out below:

Description	STADIO Higher Education	Milpark Education	AFDA
Overall module success rates	81.74%	72%	91%
Overall module dropout rates	5.41%	15%	0.01%
Graduation numbers	4 575 students	3 222 students	908 students

The STADIO Higher Education Graduate Employability Survey looked at the employment status of the 2020 graduates nine months post-qualification. The data reflects a drop in student employability – declining from 72% in the preceding year to 62% in 2021, coinciding with the overall increase in the national unemployment rates. In addition, two survey limitations bear mentioning namely, the Survey response rate was much lower declining from 45% to a 32% response rate, and an increased number of respondents indicated that the reason they were not employed was because they were studying further – 28% in the 2021 Survey compared with 23% in 2020. There is no gainsaying the socio-economic impact of the COVID-19 pandemic on employability opportunities, which may also have been a contributory cause for students opting to pursue further studies rather than seek employment. The constraints of the pandemic in the jobbing market were explicitly borne out by the students’ responses to the question: Did COVID-19 have an impact on your ability to find employment?

- School of Education – 81% of the respondents answered yes.
- School of Fashion – 83% of the respondents answered yes.
- School of Commerce, School of Media and Design, and School of IT – 82% of the respondents answered yes.

AFDA also tracks student success and graduate employment, as well as keeping a keen eye on alumni achievements in the entertainment industry through inter alia the press coverage they receive. In 2021 AFDA proudly acknowledged several of its alumni who received film and television awards notably, the winner of the best SA documentary film award at the Durban International Film Festival, and thirteen prestigious Golden Horn awards at the South African Film and Television Award ceremony.

QUALIFICATION RANGE AND EXPANSION

The Group continues to expand its qualification mix with the highest number of additions coming from STADIO Higher Education as the designated comprehensive institution in the Group. In 2021, the following new qualifications were offered:

- Doctor of Management (DL) – STADIO Higher Education
- Doctor of Policing (DL) – STADIO Higher Education
- Postgraduate Diploma in Innovation (CL) – AFDA
- Postgraduate Diploma in Public Administration (DLO) – Milpark Education
- Bachelor of Creative Writing (CL) – AFDA
- BA in Law (DL) – STADIO Higher Education
- B.Com in Project Management (CL) – STADIO Higher Education
- Diploma in Policing (DL) – STADIO Higher Education

All programmes have proven to be good decisions and contribute to both the workplace relevance of the programme and qualification mix (PQM) of the institutions, as well as the commercial enterprise. The two doctorates have been especially well received and the interest showed by good quality candidates has been quite gratifying. STADIO Higher Education is confident to suggest that the Doctorates will become institutional flagship qualifications.

In 2021 STADIO Higher Education submitted several new programmes for regulatory approval. The Diploma in Clothing Production (CL) and the Higher Certificate in Paralegal Studies (CL) were approved and registered to STADIO Higher Education in 2021 and Milpark Education received registration and certification of its Postgraduate Diploma in Risk Management (DLO). Both programmes will be offered for the first time in 2022.

TEACHING AND LEARNING

The student journey is centred on creating a positive learning experience in the discipline of study as well as providing the students with the key twenty-first century skills required for the world of work. The STADIO Group understands that it will be known by the graduates it produces and there is a deliberate positioning of holistic development in the learning and teaching experience. Student centredness remains a core commitment and was supported through appropriate resource allocations to assist students deal with the exigencies of the COVID-19 pandemic and enable an improved learning experience.

The three institutions in the Group have discrete teaching and learning models with STADIO Higher Education arrogating to itself the character of the comprehensive institution, offering qualifications in both blended contact and distance learning. While Milpark Education offers both blended contact and online distance learning, it continues to emphasize its trajectory towards high quality distance learning and distance learning online, undergirded by more frequent and more immediate lecturer-student engagement, and is pivoting away from contact learning. At AFDA, the mode of delivery is blended contact with a strong integration of technology enabled learning that mimics the innovations taking place in the industry. All three institutions have internalised the reality that the COVID-19 experience has irrevocably changed teaching and learning, and more critically, student expectations.

The CANVAS learning management system (LMS) adopted by STADIO Higher Education has lived up to its benchmarked reputation of a world-class LMS and significantly enhanced learning and teaching. All the contact learning qualifications (except for the School of Education) and the postgraduate distance learning qualifications were on CANVAS in 2021. In 2022, the School of Education will commence the transition to CANVAS, together with the LL.B and specific undergraduate degree programmes in distance learning. Planned staff development and training engagements for Canvas has been implemented on an ongoing basis to ensure that STADIO derives the best value from the system.

All three institutions place the necessary emphasis on quality assurance, curriculum relevance and transformation, and there is an overarching monitoring of the academic project across sites of delivery to ensure parity of delivery. Academic integrity has received much attention, especially with the continued online assessments because of the COVID-19 regulations. Milpark Education was able to successfully implement online proctoring, while the other institutions implemented alternate assessment practices such as portfolios, projects, continuous assessment, and presentations. The various initiatives have seen a normalization in the success rate averages of undergraduate students. The STADIO Group remains extremely gratified by the low student dropout rates.

Regular student surveys ensure that institutions listen to the voice of the key stakeholder and improvement plans are appropriately directed. In 2021, Milpark Business School confirmed its international AMBA accreditation and the School of Fashion at STADIO Higher Education confirmed its accreditation status with the British Accreditation Council.

As has become tradition, the awards for teaching and learning excellence and innovation in the areas of tuition, assessment, student support and overall scholarship were handed out at the annual Academic Conference.

RESEARCH AND INTERNATIONAL PARTNERSHIPS AND COLLABORATIONS

Scholarship in the STADIO Group continues to focus primarily on teaching and learning. However, while research is not a priority focus, the Group acknowledges the importance of new knowledge development for quality teaching and learning. With the emerging emphasis on postgraduate qualifications, the institutions are giving greater attention to research outputs and publication. It is also common cause that institutional brand and reputation are built on quality and calibre of staff and providing students with the assurance that their lecturers are leaders in their various fields. As a consequence, incentives for research excellence continue to be part of the institutional strategy. In 2021, STADIO Higher Education introduced its Policy on Researcher Status for Academic Staff given that private higher education institutions are not allowed by regulation to award the status of Professor to staff. Two staff members received the status of Senior Research Academic, two were awarded the status of Research Academic, and one staff member was awarded the Emerging Research Academic title. Other research incentives include financial rewards for publications and attendance of conferences. In 2022, STADIO Higher Education will also award Study Assistance Bursaries for staff members promoting continuous professional development and lifelong learning, and ensuring that its academic team are best qualified to present the teaching and learning programme.

STADIO Higher Education hosted its annual academic conference under the theme Students at the Centre, Learning at the Core, while AFDA Johannesburg hosted the 2021 hybrid SACOMM conference in October 2021.

Across the Group, there were 18 accredited research publications and 35 conference presentations (locally and internationally), as well as numerous seminar, webinar, social media and popular press engagements. The decline in formal research outputs was largely due to the constraint created by the heightened focus on ensuring quality online teaching and learning, and the greater demands for student support. At AFDA, the institution of communities of practice (COPs) served as an alternate trigger for the exchange of research and best practices amongst staff members, reflecting on the appropriate pedagogy as the institution shifted from contact to virtual learning, as well as debated the impacts of the pandemic on the creative industries and what it meant for the offered curriculum. Although not formally recognised these research activities promoted an improved student experience and a refinement of the AFDA offering.

ACADEMIC REPORT CONTINUED

JUST AFRICA, STADIO Higher Education’s criminal justice journal with an international editorial board, is gaining momentum and it is anticipated that it will be ready to be submitted for SCOPUS accreditation in 2022.

There were more than thirty-one active academic and industry partnerships – local and global – across the STADIO Group contributing to the relevance and enhanced student exposure and experience. The academic collaborations include staff and student exchanges, research initiatives, exchange of ideas for curriculum advancement and enhancement, while industry partnerships are designed to facilitate an effective bridge between the classroom and the world of work. This has been a highlight of 2021 with all three institutions introducing various initiatives to enhance workplace readiness and graduate employability. The STADIO Group believes that collaboration agreements must be mutually beneficial and value-adding and it is positive to note that STADIO institutions are building their public and international brand with engagements that yield positive benefit for the institutions and not just between individuals.

COMMUNITY ENGAGEMENT AND SOCIAL IMPACT

In 2021 the notion of community engagement was revisited and the focus moved to social impact. Across the Group staff and students engaged in a variety of activities working with and contributing to marginalised and vulnerable communities. As far as possible, the activities are linked to the academic engagements but where this is not the case, the aim is to guide students towards an understanding of social consciousness and responsible citizenship. Corporate social responsibility and sustainability also featured more strongly in 2021. At Milpark Education social responsibility and responsible citizenship are integrated into the formal postgraduate qualifications with students being required to develop a CSR strategy for a company of their choice. The winning strategy was presented for the Tomorrow Trust, a non-profit organization based in South Africa which supports orphaned and vulnerable children with a holistic education model during various stages of their lives. Tomorrow Trust received a donation of R280 000 from Milpark. Milpark also offered a global certificated short learning programme in partnership with Globethics.net. Milpark Education, STADIO Higher Education and Globethics.net will jointly co-edit a publication on SDGs, Ethics and Higher Education, looking at how various universities and institutions of higher learning globally support their governments’ achievements of the SDG commitments. At STADIO Higher Education the School of Fashion focussed on integrating sustainability practices across its programmes, aligning with responsible fashion practices that mimic current industry sustainability initiatives.

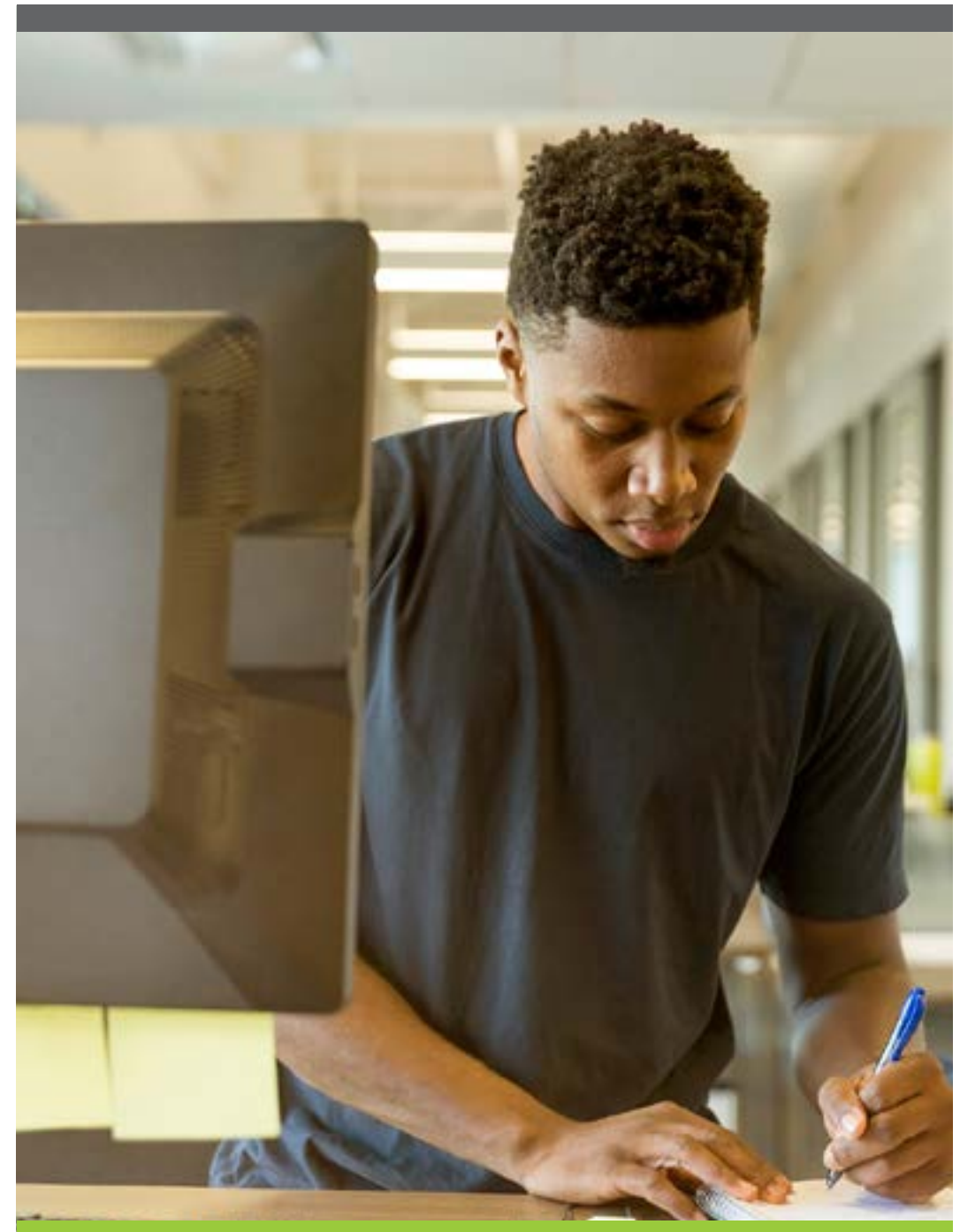
ACADEMIC GOVERNANCE

Academic governance is ubiquitous and managed through an effective and efficient committee structure, with Senate as the highest academic decision-making authority. The three institutions report to their respective Boards, which have oversight responsibility for institutional governance and ensuring strategic alignment with the direction provided by the STADIO Group strategy.

All institutions submitted their 2020 Annual Reports on time and the DHET raised no concerns or issues of material significance during 2021. The three institutions are satisfied that they comply with the Regulations for Private Higher Education. Academic risks are identified and reviewed quarterly, and mitigating actions are managed through the Group Strategic Risk Register and reported to the Audit and Risk Committee.

CONCLUSION

COVID-19 forced innovation especially insofar as technology adoption. 2021 was thus another pioneering (and productive) year for the academic project with STADIO Higher Education celebrating its first year and making plans for its best academic future, Milpark Education focusing on its distance online offerings, and AFDA Milpark Education and STADIO Higher Education bedding down better practices to support and enhance existing learning and teaching activities, ensure curriculum relevance, and promote sustainability of the academic project. Notwithstanding the COVID-19 pandemic, the lessons and experience of 2020 allowed 2021 to be an academically productive year as the institutions were able to plan better and reassert the values of quality assurance and academic credibility.



FINANCE REPORT



“ The Group engaged in various corporate activities to position the business to be able to deliver on its strategic objectives ”

Revenue **up 18%** from R933m to R1 098m

Strong balance sheet with **limited gearing**

Core Headline Earnings **up 27%** from R117m to R149m

YEAR UNDER REVIEW

The Group is pleased to report a strong set of results for the period ended 31 December 2021.

During the year, the Group engaged in various corporate activities to position the business to be able to deliver on its strategic objectives. The most notable corporate activities for the year include:

ACQUISITIONS

- Effective 1 January 2021, STADIO Higher Education, acquired the remaining 26% equity interest in STADIO Namibia Proprietary Limited (previously Southern Business School of Namibia Proprietary Limited) (STADIO Namibia) for R8 million.
- In February 2021, the Group took transfer of land earmarked for development of a STADIO Higher Education comprehensive campus in Durbanville (STADIO Durbanville), in the Western Cape.
- Effective 8 October 2021, STADIO Higher Education acquired the business of Intelligent Africa. Intelligent Africa focuses on the provision of short courses to corporates within South Africa and the rest of Africa. The business will form part of the STADIO Higher Education's strategy to grow the short course business (through the STADIO Centre for Lifelong Learning).

SOME NOTABLE CORPORATE ACTIVITIES

- During June 2021, the Group completed the construction of Phase I of STADIO Centurion, the STADIO Higher Education campus in Gauteng, at a cost of R235 million. The campus opens for new students in 2022. Phase II of the STADIO Centurion development commenced during the year and will be completed by April 2022.
- In October 2021, the Group launched the STADIO Khulisa Student Share Scheme, an innovative scheme which rewards postgraduate students with shares in STADIO Holdings upon graduation;
- During November 2021, the Board agreed to transition the Milpark business to move away from contact learning offerings and cater only to students on the distance learning mode of delivery. This resulted in the decision to close the Milpark Campus in Gauteng in 2022. Accordingly, the Group incurred an impairment of R17 million on the right-of-use asset in respect of the leased Milpark premises (further details of which are set out on [page 84](#)).
- During December 2021, the Group entered into an agreement to dispose of the STADIO Montana campus for R52 million (net of fees) (STADIO Montana Disposal), subject to transfer. The disposal forms part of STADIO Higher Education's strategy to consolidate and optimise operations on the contact learning campuses. The existing students on the STADIO Montana campus have been transferred to the new STADIO Centurion campus.

- The Group successfully accredited programmes in core areas of specialisation, including Law, Commerce and IT.

CA CONNECT EARLY SETTLEMENT AGREEMENT

Effective 8 June 2021, Milpark concluded the early settlement agreement in respect of the acquisition of the CA Connect business (Early Settlement Agreement). This aligned the focus of the CA Connect management team to pursue growth opportunities within Milpark and has resulted in the retention of the knowledge and skill of the CA Connect management team within the wider Milpark business. The Early Settlement Agreement resulted in the Group settling R48 million in cash and R20 million through the issue of STADIO Holdings shares to CA Connect shareholders in June 2021. R100 million will be settled through the issue of Milpark shares, resulting in the CA Connect shareholders owning 18.7% of Milpark. The final R33 million will be settled in cash in April 2022. The total purchase consideration (including amounts settled to date) will equal an amount of R258 million.

The outstanding consideration payable at 31 December 2021 amounted to R31 million (2020: R198 million). The R31 million comprises the final outstanding balance due, of R33 million, less a non-controlling interest amount of R2 million.

CA CONNECT SETTLEMENT

R millions	Cash	Shares	Totals
Settled in 2018	8	8	16
Settled in 2019	10	31	41
Settled in 2021	48	20	68
To be settled in 2022	33	100	133
Total	99	159	258
% Split	38%	62%	

CA CONNECT CONSIDERATION PAYABLE

	2021 31 Dec Audited R'000	2020 31 Dec Audited R'000
Balance as at 1 January	197 978	35 539
Fair value adjustment on consideration payable	573	207 184
Settlement of consideration payable (not through profit and loss)	(168 000)	(44 745)
Interest on consideration payable	560	-
Balance at the end of the period	31 111	197 978

FINANCE REPORT CONTINUED

COMMENTARY ON INSTITUTIONS

During 2021, the Group made significant strides in positioning its underlying institutions to be able to pursue its strategic objectives and ultimately achieve sustainable growth.

STADIO Higher Education solidified the consolidation of the four former higher education institutions (viz. Southern Business School Proprietary Limited, Embury Institute for Higher Education Proprietary Limited, Prestige Academy Proprietary Limited and LISOF Proprietary Limited) into one STADIO Higher Education brand. Significant progress has been made in implementing new systems to support various operational processes within the institution. During 2021, STADIO Higher Education approved of the STADIO Montana Disposal. STADIO Higher Education also successfully managed to obtain accreditations and re-accreditations of various qualifications available for offer in 2022.

Milpark showed good growth in earnings for the period driven by the strong performance of the Post-Graduate Diploma in Accounting (PGDA) and PGDA Bridging programmes. Furthermore, Runé Maritz, a Milpark student, was placed first in the SAICA ITC board examinations. This is a remarkable achievement for the Group. Milpark will continue to focus on rationalising non-performing elements of the business, with a view to become a fully digitally enhanced distance learning provider in the commerce, management and financial services disciplines. To this end, Milpark is transitioning out of offering qualifications on the contact learning mode of delivery to focus only on digitally enhanced distance learning offerings (Milpark Transition). Consequently, the Board decided to vacate the current Milpark leased premises in Gauteng and to discontinue offerings on this site, further details of which are set out in this CFO Report. During 2021, Andrew Horsfall (CA Connect co-founder) was appointed as CEO to succeed Julian van der Westhuizen, who retired, effective 1 January 2022.

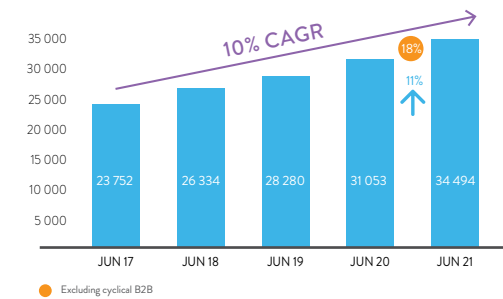
AFDA continued to strengthen its position as the number one film school in the country, despite a challenging economic climate, showing good growth and maintaining excellent margins for the period. AFDA continues to seek out operational efficiencies and growth opportunities through revising its academic offerings to cater for hybrid modes of learning delivery, and to optimise the use of its current campuses.

REVIEW OF RESULTS

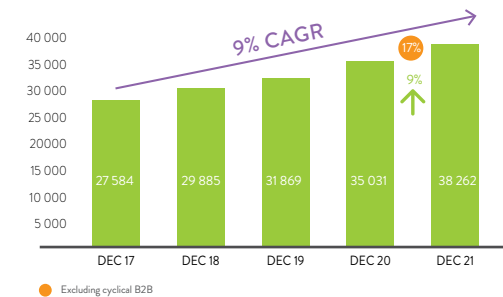
For the 2021 year, the Group grew student enrolments by 11% at 30 June 2021 (semester one) to 34 494 (2020: 31 053) and by 9% at 31 December 2021 (semester two) to 38 262 (2020: 35 031).

Student numbers were negatively impacted by the cyclical training needs of various corporates clients (B2B business). The B2B business is directly impacted by economy with many corporates postponing higher education training as a non-priority item. Excluding the impact of the B2B business, students number would have grown by 18% in semester one and 17% in semester two.

TOTAL STUDENT NUMBERS (LIKE-FOR-LIKE) SEMESTER 1: 30 JUNE



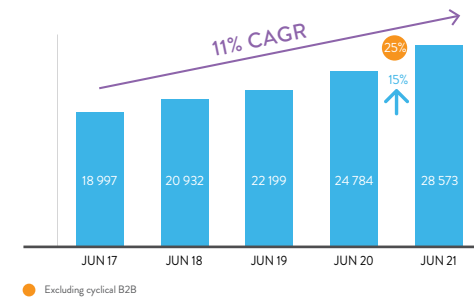
SEMESTER 2: 31 DECEMBER



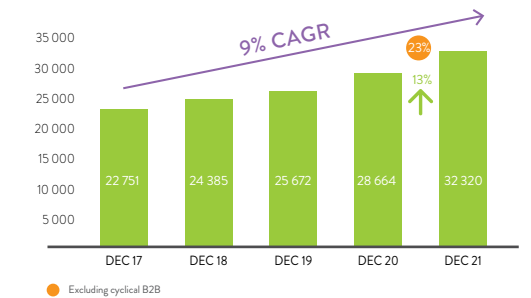
STUDENT NUMBERS – DISTANCE LEARNING

Distance learning student numbers grew by 15% in semester one to 28 573 (2020: 24 784) and by 13% in semester two to 32 320 (2020: 28 664). Online professional qualifications contributed to the significant growth for the year.

SEMESTER 1: 30 JUNE



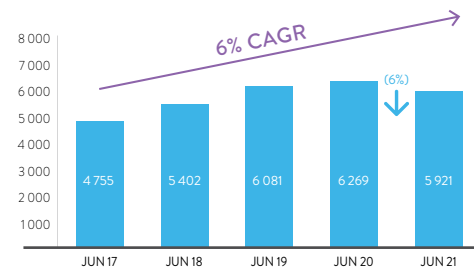
SEMESTER 2: 31 DECEMBER



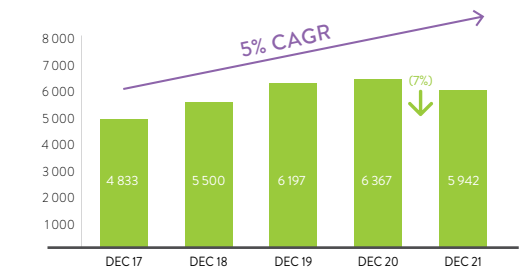
STUDENT NUMBERS – CONTACT LEARNING

Contact learning student numbers contracted by 6% in semester one to 5 921 (2020: 6 269) and by 7% in semester two to 5 942 (2020: 6 367). The decline in contact learning students is mainly due to students delaying or deferring studies given the uncertainties of COVID-19. Furthermore, regulatory delays in accrediting programmes and site extensions impacted the Group's growth plans for many of its contact learning sites. The Group believes that the contact learning student numbers will recover once normality and stability return to campuses.

SEMESTER 1: 30 JUNE



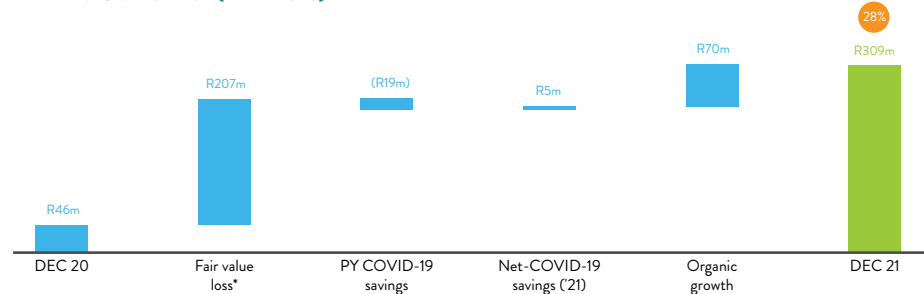
SEMESTER 2: 31 DECEMBER



The Group grew revenue by 18% to R1 098 million (2020: R933 million), following good growth in student numbers and tuition fee increases. The second half of the year also showed good growth in short course income, after two years of subdued performance following COVID-19.

FINANCE REPORT CONTINUED

EBITDA MOVEMENT (R millions)



* Prior year fair value loss adjustment of R207m % EBITDA margin percent

EBITDA grew by more than 100% to R309 million (2020: R46 million). The large increase in EBITDA is primarily due to organic growth (28% organic growth) in the underlying businesses and the material impact in the prior year, of the R207 million fair value adjustment in respect of the CA Connect acquisition. Excluding the impact of the fair value adjustment, the Group grew EBITDA by 23% over the reporting period to R310 million (2020: R253 million).

The loss allowance margin improved to 7.5% (2020: 8.4%) for the period ended 31 December 2021. Whilst we noted an improvement in the overall loss allowance margin, the Group has experienced slower collections as a result of a strained economic environment. The later release of academic results (because of COVID-19 disruptions during 2021) has also impacted the timing of collections, with collections relating to the 2021 financial year increasing post 31 December 2021.

IMPAIRMENT OF ASSETS

R millions	PPE	Right-of-Use Assets	Intangibles
Opening balance	717	96	169
Additions	180	38	2
Disposals	(2)	-	-
Depreciation/Amortisation	(23)	(27)	(16)
Impairments/Derecognition	(10)	(17)	(3)
Remeasurements	-	7	-
STADIO Montana – transferred to current assets held for sale	(52)	-	-
Closing balance	810	97	152

During the year the Group reported impairment losses of R30 million. These impairments largely result from the execution of the STADIO Group's strategic plan to consolidate contact learning campuses to create operational efficiencies within the Group. These impairments include, inter alia:

- An impairment of the right of use asset of R17 million in respect of the leased Milpark campus based in Gauteng; and
- An impairment of the value of the STADIO Montana property of R10 million, following the STADIO Montana Disposal, which is below its book value of R62 million.

For the year ended 31 December 2021, the Group reported a profit after taxation of R137 million (2020: loss after taxation of (R138 million)), earnings per share (EPS) of 14.9 cps (2020: loss per share (LPS) of 14.5 cps), and headline earnings per share (HEPS) of 17.0 cps (2020: headline loss per share (HLPS) of 8.5 cps).

EPS in the current year was impacted by the dilution of the STADIO Group's effective interest in Milpark, from 87.2% to 68.5%, following the conclusion of the Early Settlement Agreement. The large increase in profit after taxation, EPS and HEPS for the year was due to organic growth and the significant once-off adjustments in the prior year. These prior-year adjustments included:

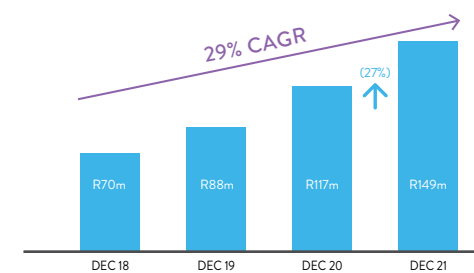
- The fair value adjustment of R207 million relating to the CA Connect acquisition (impacting LPS and HLPS); and
- a R51 million impairment of intangible assets, R40 million of which related to the once-off, non-cash accounting impairment of trademarks following the business transfer of various brands to STADIO Higher Education and R11 million in respect of other intangible assets, including computer software (impacting prior period LPS).

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

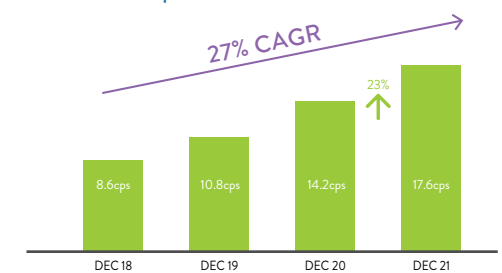
For the year ended 31 December 2021, Core HEPS grew by 24% to 17.6 cps (2020: 14.2 cps).

The overall growth in Core HEPS is due to the underlying organic growth in EBITDA, as well as realising certain cost savings from altering teaching and learning practices to service students within the constraints of the COVID-19 imposed restrictions. Once-off COVID-19 savings in 2020 that were not repeated in 2021 and the impact of the dilution in STADIO Group's effective shareholding in Milpark from 87.2% to 68.5% has negatively impacted earnings for the period.

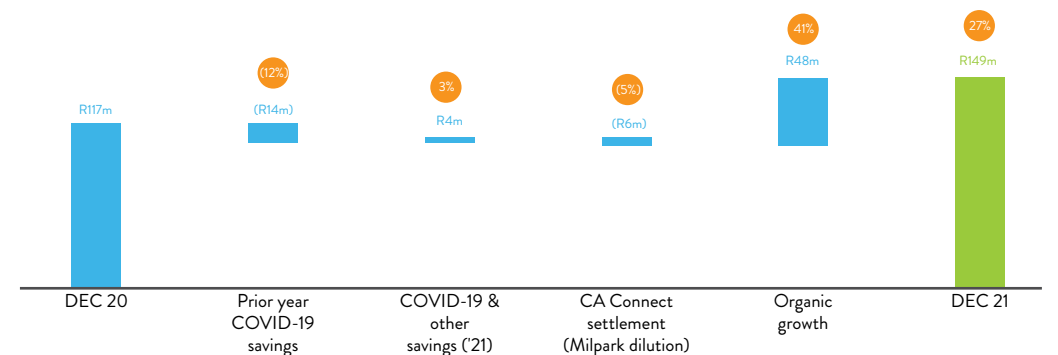
CORE HEADLINE EARNINGS (R millions)



CORE HEPS (cps)



CORE HEADLINE EARNINGS MOVEMENT



FINANCE REPORT CONTINUED

The Group generated R266 million cash from operations for the year. Included in the working capital trade and payables movement is R48 million of the cash-settled portion of the CA Connect early settlement agreement settled by STADIO Holdings.

CASH FLOW GENERATION

	31 Dec 2019	31 Dec 2020	31 Dec 2020	Adjusted** 31 Dec 2021
Cash flow from operations				
Net cash flow from operations (before working capital)	202	263	323	323
Working capital changes	(12)	11	(57)	(9)
Net cash generated from operations	190	274	266	314
Cash generated from operations (as % of adjusted EBITDA)**	97%	108%	86%	101%
Free cash flow less recurring capex	115	181	170	218

* Actual EBITDA adjusted for fair value adjustment

** Adjusted for CA Connect R48m settlement in cash

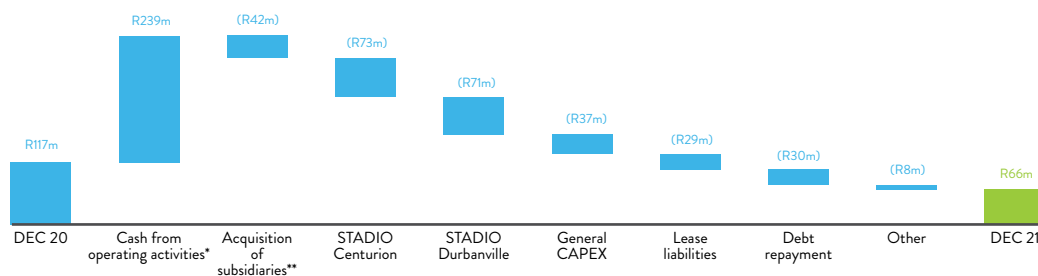
CASH UTILISATION AND CAPITAL STRUCTURE

Set out below is a summary of cash utilization across the Group for 2021. At 31 December 2021, the Group is in a strong cash position with a cash balance of R66 million and has adequate cash resources on hand to meet its cash obligations due within 12 months.

Furthermore, the Group currently has a revolving credit facility to the value of R200 million with Standard Bank of South Africa Limited. At 31 December 2021, the Group had drawn down an amount of R15 million (December 2020: R45 million) and has access to R185 million of the remaining undrawn facility.

The Group complied with the facilities financial covenant requirements for the 2021 and 2020 financial year-ends. At 31 December 2021, the Group reflected a gearing formatting of 11% (1% excluding the IFRS 16 lease liability).

CASH UTILISATION



* Excludes cash outflow related to CA Connect settlement

** Includes cash outflow related to CA Connect settlement

CAPITAL INVESTMENT

	Full year					Dec 2021
	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	
Capital invested (R million)						
Acquisitions	-	594	440	156	-	10
Infrastructure development and capital assets	73	272	26	168	98	181
Programme development	12	11	15	10	7	-
Total	85	877	481	334	105	191
Cumulative investment	85	962	1443	1777	1882	2 073

The Group invested R181 million on infrastructure development and capital assets for the year. This included a R52 million investment into the completion of Phase I of the STADIO Centurion campus. A further R22 million was invested to complete Phase II of the STADIO Centurion campus. Phase II of the STADIO Centurion development will be completed in April 2022. The Group invested R71 million for the transfer of, and for development contributions related to the STADIO Durbanville land. The transfer and further development of the Krugersdorp distance learning logistics center was postponed to 2022. A further R31 million was invested across the Group on existing facilities, systems and moveable assets.

CAPITAL EXPENDITURE 2022: GROWTH PROJECTS

R million	2022
STADIO Centurion campus (Phase II)	23
Distance learning Logistics Centre (Krugersdorp) – transfer and development	60
Growth projects	83

The Group will complete Phase II of the STADIO Centurion development by April 2022. Furthermore the Group is expected to take transfer of and further develop the distance learning logistics center in Krugersdorp, a project that was originally earmarked for 2021 and postponed to 2022 to allow for completion of Phase II of the STADIO Centurion project. This development will allow the business to expand the operational capability of the distance learning operations.

SHARE CAPITAL

During the year, the Company issued 7.2 million ordinary shares to settle R20 million of the consideration payable in respect of the CA Connect Early Settlement Agreement, and to settle employee shares options exercised:

	Number of ordinary shares (million)	Share capital R'000
Balance as at January	841.0	1 597 512
Issue of shares in respect of acquisitions and employee share options	7.2	21 371
Share issue costs	-	(66)
Balance at the end of the period	848.2	1 618 817

FINANCE REPORT CONTINUED

DIVIDEND

The Board is pleased to declare the Group's maiden dividend, a final gross dividend of 4.70 cents (2020: nil) per ordinary share from income reserves for the period ended 31 December 2021. This represents excess cash available following a period of significant capital investment since listing in 2017. The Group will consider the payments of dividends to shareholders out of excess free cash flow, after taking into consideration capital required for organic and acquisitive growth opportunities in the future.

OUTLOOK

The Group has come a long way since its listing in 2017. We continue to refine our strategy, consolidate our offerings, optimise processes, implement systems and pursue numerous growth opportunities all driven by our purpose to widen access to higher education.

Having considered the challenging economic prospects for the country, we believe that higher education is a fundamental pillar of social and economic empowerment that will promote economic growth in the country.

The Group through its many offerings, caters to both contact learning and distance learning students at attractive price points, across a range of specialisations that adequately engage with the workplace needs. As such, we believe that the Group is well positioned to meet the growing demands of the country's higher education needs.

THANKS AND APPRECIATION

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

SUPPLEMENTARY INFORMATION

STUDENT NUMBER ANALYSIS

Students numbers have been presented per mode of delivery and per semester to show the students enrolled in programmes for semester one (January to June) and semester two (July to December) to illustrate the impact on new student enrolments, mainly in the distance learning mode of delivery, that occurs during semester two.

	Semester 1 (30 June) unaudited					Year-on-year growth %	4-year CAGR growth ² %
	2017 ¹	2018 ¹	2019 ¹	2020	2021		
Modes of learning delivery							
Contact learning	4 755	5 402	6 081	6 269	5 921	(6%)	6%
Distance learning	18 997	20 932	22 199	24 784	28 573	15%	11%
	23 752	26 334	28 280	31 053	34 494	11%	10%

Made up as follows:

% Contact learning	20%	21%	22%	20%	17%
% Distance learning	80%	79%	78%	80%	83%

	Semester 2 (31 December) unaudited					Year-on-year growth %	4-year CAGR growth ² %
	2017 ¹	2018 ¹	2019 ¹	2020	2021		
Modes of learning delivery							
Contact learning	4 833	5 500	6 197	6 367	5 942	(7%)	5%
Distance learning	22 751	24 385	25 672	28 664	32 320	13%	9%
	27 584	29 885	31 869	35 031	38 262	9%	9%

Made up as follows:

% Contact learning	18%	18%	19%	18%	16%
% Distance learning	82%	82%	81%	82%	84%

SIX-YEAR FINANCIAL OVERVIEW

	December					
	2016	2017	2018	2019	2020	2021
Student numbers	840	12 976	29 885	31 869	35 031	38 262
Revenue (Rm)	46	122	633	815	933	1 098
EBITDA (Rm)	11.0	0.5	129	180	46	309
EBITDA adjusted (Rm)	11.0	0.5	129	196	253	310
Headline earnings/(loss) (Rm)	7	(7)	63	70	(70)	144
Core headline earnings (Rm)	8	3	70	88	117	149
HEPS (cps)	1.5	(1.2)	7.8	8.5	(8.5)	17.0
Core HEPS (cps)	1.7	0.6	8.6	10.8	14.2	17.6

¹ Like-for-like comparison including student numbers of all underlying HEIs as if they had been part of the Group in this period

² Compounded Annual growth rate

05

SUMMARY FINANCIAL RESULTS

- 91 Independent auditor's report
- 92 Summary consolidated statement of comprehensive income
- 93 Summary consolidated statement of financial position
- 94 Summary consolidated statement of changes in equity
- 95 Summary consolidated statement of cash flows
- 96 Notes to the summary consolidated financial statements

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Stadio Holdings Limited

OPINION

The summary consolidated financial statements of Stadio Holdings Limited, set out on pages 94 to 103 of the Stadio Holdings Integrated Report 2021, which comprise the summary consolidated statement of financial position as at 31 December 2021, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Stadio Holdings Limited for the year ended 31 December 2021.

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

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 11 March 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

PricewaterhouseCoopers Inc.

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

29 April 2022

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Year-on-year change %	Audited 2021 R'000	Restated ¹ Audited 2020 R'000
Revenue	18%	1 097 768	932 944
Other income	>100%	9 543	3 570
Loss allowance	4%	(82 047)	(78 705)
Fair value losses on financial instruments	(>100%)	(697)	(207 209)
Employee costs ¹	22%	(478 080)	(392 810)
Operating expenses ¹	12%	(236 990)	(211 964)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	>100%	309 497	45 826
Depreciation and amortisation	3%	(66 707)	(64 579)
Impairment (Note 5)	(41%)	(29 969)	(51 216)
Earnings/(loss) before interest and taxation (EBIT)	>100%	212 821	(69 969)
Investment income	(28%)	8 573	11 841
Finance cost	1%	(20 730)	(20 502)
Profit/(loss) before taxation	>100%	200 664	(78 630)
Taxation	6%	(63 224)	(59 730)
Profit/(loss) for the period	>100%	137 440	(138 360)
Owners of the parent		126 005	(119 751)
Non-controlling interests		11 435	(18 609)
Total comprehensive income/(loss) for the period		137 440	(138 360)
Headline earnings/(loss) (Note 3)	>100%	143 815	(69 985)
Core headline earnings (Note 4)	27%	148 570	117 399
		Cents	Cents
Earnings/(loss) per share			
– Basic	>100%	14.9	(14.5)
– Diluted ²	>100%	14.5	(14.5)
Headline earnings/(loss) per share			
– Basic	>100%	17.0	(8.5)
– Diluted ²	>100%	16.6	(8.5)
Core headline earnings per share (Core HEPS)			
– Basic	24%	17.6	14.2
– Diluted	37%	17.1	12.5
		Million	Million
Number of shares in issue			
– Basic	1%	848	841
– Diluted ²	(9%)	871	957
Weighted average number of shares in issue			
– Basic	3%	845	824
– Diluted ²	(8%)	868	940

¹ The operating expenses were disaggregated to provide further information on the nature of the items included in the total operating expenses. Accordingly, employee costs are separately disclosed on the face of the statement of comprehensive income.

The comparative figures were re-presented accordingly.

² Share options and consideration payable partly settled in shares, are considered to be potential ordinary shares in the calculation of diluted shares. For the comparative year-end period 31 December 2020, the impact of potential ordinary shares to be issued was not included in the calculation of diluted basic and headline loss per share as they were anti-dilutive for the period.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Audited 2021 R'000	Restated Audited 2020 ¹ R'000
ASSETS		
Non-current assets		
Property, plant and equipment (Note 5)	810 319	717 120
Right-of-use assets (Note 5)	97 185	95 996
Goodwill	751 082	749 482
Intangible assets	151 931	168 967
Trade and other receivables (Note 6)	18 285	17 254
Other financial assets	9 190	11 620
Deferred tax asset ¹	82 639	92 254
Total non-current assets	1 920 631	1 852 693
Current assets		
Inventories	–	1 588
Loans to related parties	–	591
Trade and other receivables (Note 6)	114 943	106 073
Current tax receivable	15 479	7 107
Cash and cash equivalents	65 592	116 803
Total current assets	196 014	232 162
Non-current assets held-for-sale (Note 5)	52 000	–
Total assets	2 168 645	2 084 855
EQUITY		
Share capital (Note 7)	1 618 817	1 597 512
Other reserves	31 942	21 159
Accumulated profit/(loss)	1 190	(125 299)
Total equity attributable to equity holders of the Company	1 651 949	1 493 372
Non-controlling interest	99 228	(7 381)
Total equity	1 751 177	1 485 991
LIABILITIES		
Non-current liabilities		
Borrowings (Note 8)	–	45 000
Lease liabilities	148 782	134 580
Deferred tax liability ¹	39 186	35 041
Trade and other payables	–	132 694
Total non-current liabilities	187 968	347 315
Current liabilities		
Borrowings (Note 8)	15 065	79
Lease liabilities	35 575	33 385
Loans from related parties	96	96
Trade and other payables	91 073	116 303
Contract liabilities	76 780	88 542
Tax payable	10 911	13 144
Total current liabilities	229 500	251 549
Total liabilities	417 468	598 864
Total equity and liabilities	2 168 645	2 084 855
Net asset value per share (cents)	195	178

¹ The prior year deferred tax asset and liability have been restated as per IAS 12 to offset deferred tax assets and deferred tax liabilities that relate to the same taxable entity. Refer to Note 11 for further information.

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Audited 2021 R'000	Audited 2020 R'000
Balance as at 1 January	1 485 991	1 583 298
Total comprehensive income/(loss) for the period	137 440	(138 360)
Issue of ordinary shares	21 371	31 919
Share issue costs	(66)	(82)
Recognition of share-based payments expense	10 783	10 126
Dividends paid to non-controlling shareholders	(11 693)	(6 124)
Transaction with non-controlling interest	100 000	-
Capital contributions by non-controlling shareholders	15 361	5 214
Non-controlling interest acquired	(8 010)	-
Balance at the end of the period	1 751 177	1 485 991

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Year-on-year change %	Audited 2021 R'000	Audited 2020 R'000
Net cash flow from operating activities		189 537	194 881
Cash generated from operations (Note 10)	(3%)	265 920	274 386
Interest income	(46%)	4 780	8 881
Finance cost	3%	(21 185)	(20 637)
Tax paid	(11%)	(59 978)	(67 749)
Net cash flow used in investing activities		(178 462)	(110 093)
Purchase of property, plant and equipment (Note 5)	>100%	(178 139)	(78 353)
Purchase of intangible assets and curriculum development costs	(86%)	(3 720)	(26 219)
Proceeds from sale of property, plant and equipment	(37%)	166	265
Proceeds received from loans to related parties	>100%	591	214
Acquisition of other financial assets	(>100%)	(16 360)	(6 000)
Disposal of other financial assets	>100%	19 000	-
Net cash flow from financing activities		(62 286)	(61 421)
Issue of share	>100%	1 275	-
Share issue costs	(20%)	(66)	(82)
Proceeds from non-controlling interest with no change in control (Note 9.1)	>100%	15 361	-
Proceeds from borrowings	>100%	122 065	45 079
Repayment of borrowings	(>100%)	(152 079)	(65 392)
Payment of principal portion of lease liabilities	7%	(29 139)	(27 290)
Dividends paid to non-controlling interests in subsidiaries	91%	(11 693)	(6 124)
Additional investment in subsidiary with no change in control (Note 9.2)	(>100%)	(8 010)	-
Contingent consideration paid for acquisition of subsidiary	(>100%)	-	(7 612)
Net movement in cash and cash equivalents for the period		(51 211)	23 367
Cash and cash equivalents at the beginning of the period		116 803	93 436
Cash and cash equivalents at the end of the period		65 592	116 803

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATEMENT OF COMPLIANCE

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

The summary consolidated results have been prepared internally under the supervision of the Chief Financial Officer, S Totaram, CA(SA) CFA, and approved by the Board of Directors on 11 March 2022.

These summary consolidated financial statements for the year ended 31 December 2021 have been audited by Pricewaterhouse Coopers Inc., who expressed an unmodified opinion thereon. The auditor's also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. Any reference to future financial performance included in this announcement, has not been audited or reported on by the Group's auditor.

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

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

2. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Results are in terms of IFRS and are consistent in all material respects with those applied in the annual financial statements for the year ended 31 December 2020.

For a full list of standards and interpretations that have been adopted by the Group, we refer you to the annual financial statements for the year ended 31 December 2021.

3. HEADLINE EARNINGS PER SHARE

	Audited 2021 R'000	Audited 2020 R'000
Reconciliation of headline earnings/(loss):		
Basic earnings/(loss)	126 005	(119 751)
<i>Adjustments attributable to parent:</i>		
Impairment on right-of-use assets, property, plant and equipment, and intangibles assets	26 044	49 902
Loss on disposal of property, plant and equipment	1 416	90
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	(2 359)	(279)
Tax on above	(7 291)	53
Headline earnings/(loss)	143 815	(69 985)

4. OPERATING SEGMENTS

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

Reconciliation of core headline earnings

	Year-on-year change %	Audited 2021		Audited 2020	
		Earnings/ (Loss) R'000	Earnings/ (Loss) per share Cents	(Loss)/ Earnings R'000	(Loss)/ Earnings per share Cents
Headline earnings/(loss)	>100%	143 815	17.0	(69 985)	(8.5)
<i>Adjustments for non-core items attributable to parent:</i>					
Fair value loss on consideration payable	>100%	498	0.1	180 676	21.9
Deferred interest on consideration payable	>100%	384	0.1	-	-
Amortisation of client list and trademark	(35%)	5 393	0.6	8 250	1.0
Tax on above	(1%)	(1 520)	(0.2)	(1 542)	(0.2)
Core headline earnings	27%	148 570	17.6	117 399	14.2
Core HEPS – basic	24%		17.6		14.2
Core HEPS – diluted	37%		17.1		12.5

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2021

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

During the year, the Group recognised an impairment of R27 million in respect of buildings in property, plant and equipment and right-of-use assets. These impairments largely result from the execution of the Group's strategic plan to consolidate contact learning campuses to create operational efficiencies within the Group.

Property, plant and equipment

The impairment of the property, plant and equipment of R10 million is in respect of the STADIO Montana Disposal. The Group entered into a sale agreement to dispose of the campus and its recoverable amount was R52 million, which was below its carrying of R62 million, resulting in the impairment loss. The property has been reclassified to held-for-sale as the recoverable amount will be recovered through the sale.

Right-of-use assets

The impairment of the right-of-use asset of R17 million is in respect of the leased Milpark campus following the Milpark Transition. Consequently, the right-of-use asset related to the Milpark campus will no longer generate future economic benefits, resulting in it being impaired.

	Audited 2021		Audited 2020	
	Property, Plant and Equipment R'000	Right-of-use assets R'000	Property, Plant and Equipment R'000	Right-of-use assets R'000
Opening balance	717 120	95 996	663 358	91 702
Additions (including borrowing costs capitalised)	180 151	38 076	79 405	25 113
Disposals	(1 775)	-	(332)	-
Depreciation	(23 278)	(27 035)	(25 311)	(21 710)
Impairment	(9 899)	(17 308)	-	-
Remeasurement	-	7 456	-	891
Transferred to non-current assets held-for-sale	(52 000)	-	-	-
Closing balance	810 319	97 185	717 120	95 996

6. TRADE AND OTHER RECEIVABLES

	Year-on-year change %	Audited 2021 R'000	Audited 2020 R'000
Trade receivables	44%	209 725	145 632
Less: loss allowance	57%	(121 928)	(77 647)
Net trade receivables	29%	87 797	67 985
Other receivables	(18%)	45 431	55 342
Total trade and other receivables	8%	133 228	123 327

7. SHARE CAPITAL

During the period, the Company issued ordinary shares in relation to the settlement of the consideration payable in respect of the CA Connect acquisition (refer to Note 9.1) and employee share options as per the share capital reconciliation below:

	Number of ordinary shares (million)	Share capital R'000
Balance as at 1 January	841.0	1 597 512
Issue of shares in respect of acquisitions and employee share options	7.2	21 371
Share issue costs	-	(66)
Balance at the end of the period	848.2	1 618 817

8. BORROWINGS

The Group currently has a revolving credit facility to the value of R200 million with Standard Bank of South Africa Limited.

At 31 December 2021, the Group had drawn down an amount of R15 million (December 2020: R45 million). For the year ended 31 December 2021, the Group incurred finance costs of R3.4 million at a three-month JIBAR plus 2.09%. During the period, borrowing costs of R1 million (December 2020: R1 million) were capitalised to qualifying assets at a capitalisation rate of 5.72% (December 2020: 7.89%). At 31 December 2021, the Group has access to R185 million of the remaining undrawn facility.

9. ACQUISITIONS

9.1. CA CONNECT CONSIDERATION PAYABLE

The consideration payable of R31 million (December 2020: R198 million) at 31 December 2021 relates to the final outstanding amount due of R33 million, less the non-controlling interest amount of R2 million, to the CA Connect shareholders in respect the Early Settlement Agreement. On conclusion of the Early Settlement Agreement, R68 million of the R200 million final consideration was settled partly through the issue of R20 million of STADIO Holdings shares and R48 million in cash, of which the non-controlling shareholder of Milpark paid R15 million. R100 million will be settled through the issue of Milpark shares. The final R33 million will be settled in cash.

	Audited 2021 31-Dec Audited R'000	Audited 2020 31-Dec Audited R'000
Balance as at 1 January	197 978	35 539
Fair value adjustment on consideration payable	573	207 184
Settlement of consideration payable (not through profit and loss)	(168 000)	(44 745)
Interest on consideration payable	560	-
Balance at the end of the period	31 111	197 978

9.2. NON-CONTROLLING INTEREST ACQUIRED

Effective 1 January 2021, the Group, through STADIO Higher Education, acquired the remaining 26% equity interest in STADIO Namibia for a cash purchase consideration of R8 million. There was no change in control following this acquisition.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 DECEMBER 2021

10. CASH GENERATED FROM OPERATIONS

	Year-on-year change %	Audited 2021 R'000	Audited 2020 R'000
Profit/(loss) before taxation	(>100%)	200 664	(78 630)
Non-cash and other items disclosed separately	(64%)	121 949	341 622
	23%	322 613	262 992
Movements in working capital	(>100%)	(56 693)	11 394
Decrease in inventories	>100%	1 588	544
(Increase)/decrease in trade and other receivables	(>100%)	(7 462)	11 201
Increase in trade and other payables	>100%	8 943	892
Decrease in trade and other payables – consideration payable ¹	(>100%)	(48 000)	–
Decrease in contract liabilities	>100%	(11 762)	(1 243)
Cash generated from operations	(3%)	265 920	274 386

¹ Included in trade and other payables working capital movement is the cash-settled portion of the CA Connect early settlement agreement of R48 million, R15 million of which was paid by the non-controlling shareholder of Milpark. Refer to Note 9.1 further information.

11. PRIOR PERIOD RESTATEMENT

IAS 12 – Income Taxes

The Group has restated the prior year comparative period to correctly offset the deferred tax assets and deferred tax liabilities that relate to income taxes levied by the same taxation authority on the same taxable entity as per IAS 12 presentation requirements. This was historically presented on a gross basis and has resulted in the deferred tax asset and deferred tax liability being overstated.

The representation has been corrected by restating the affected financial statement line items for the prior periods as follows:

Statement of Financial Position	Audited 2020	Adjustment	Restated Audited 2020	Audited 2019	Adjustment	Restated Audited ¹ Jan 2020
Deferred tax asset	129 534	(37 280)	92 254	107 026	(35 902)	71 124
Deferred tax liability	(72 321)	37 280	(35 041)	(70 809)	35 902	(34 907)
Net assets	1 485 991	–	1 485 991	1 583 298	–	1 583 298
Retained loss	(125 299)	–	(125 299)	(5 548)	–	(5 548)

¹ IAS 1 – Presentation of Financial Statements

The Group has restated the prior year comparative operating expenses. The operating expenses were disaggregated to provide further information on the nature of the items included in the total operating expenses. Accordingly, employee costs are separately disclosed on the face of the statement of comprehensive income (SOC).

The representation has been corrected by restating the affected financial statement line items for the prior periods as follows:

Statement of Comprehensive Income	Audited 2020	Adjustment	Restated Audited 2020
Decrease in operating expenses	(602 994)	391 030	(211 964)
Decrease in loss allowance	(80 485)	1 780	(78 705)
Increase in employee costs	–	(392 810)	(392 810)
Net impact on statement of comprehensive income	(683 479)	–	(683 479)

12. FINANCIAL INSTRUMENTS – FAIR VALUE ESTIMATION

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

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

Fair value hierarchy	Audited 2021			Audited 2020		
	Level 1 R'000	Level 2 R'000	Level 3 R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Other financial assets	9 190	–	–	11 620	–	–
Consideration payable ¹	–	–	–	–	–	197 978

¹ Due to the conclusion of the CA Connect early settlement agreement, the consideration payable is no longer measured at fair value through profit or loss. The consideration payable is now measured at amortised cost. Refer to Note 9.1 for further information.

13. EVENTS AFTER THE REPORTING PERIOD

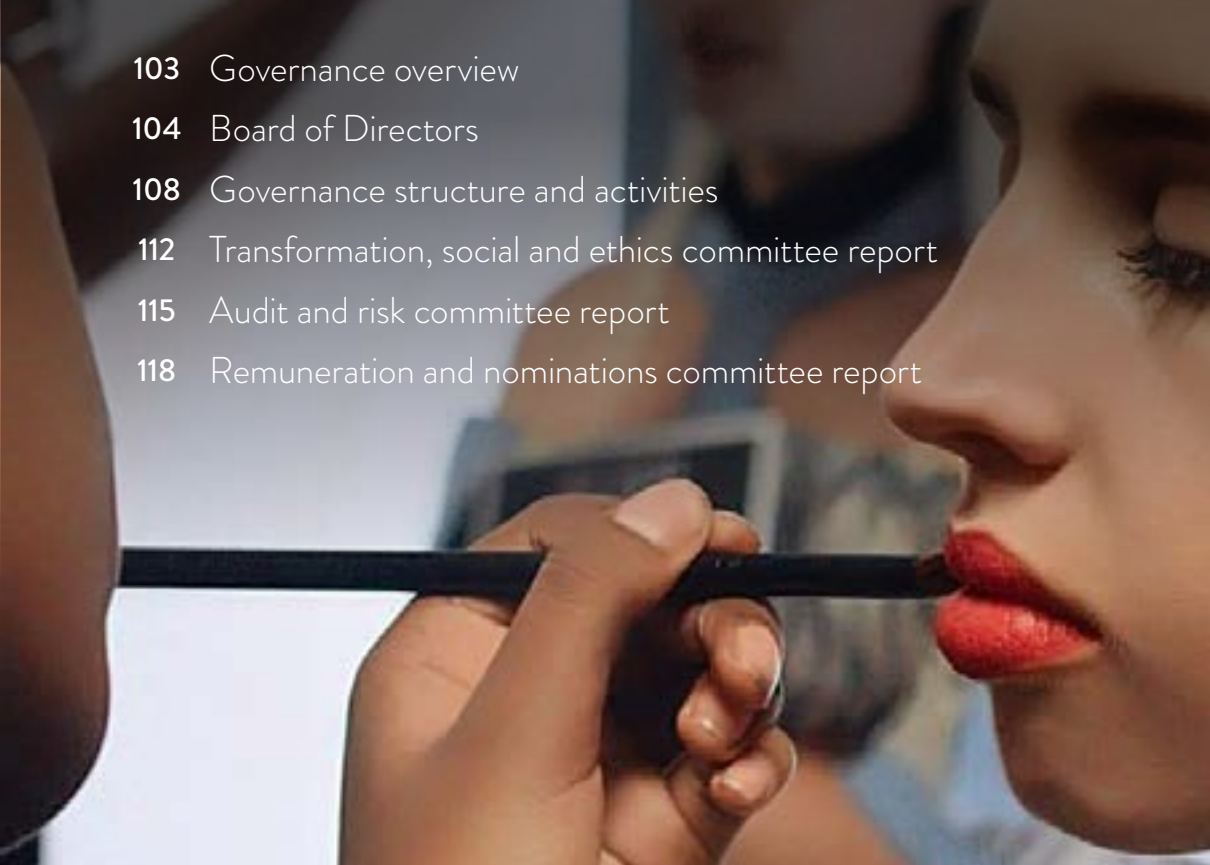
The Group entered into a sale agreement, in December 2021, to dispose of the STADIO Montana Campus. The sale is subject to the transfer of the property, which is anticipated to be concluded during the first quarter of 2022.

The corporate income tax rate will reduce from 28% to 27% and it will come into effect for years of assessment ending on or after 31 March 2023 and will affect the Group from the 2023 financial year. This is considered a non-adjusting post-balance sheet event. The Group has taken note of South Africa's finance minister's announcement in the budget speech on 23 February 2022 relating to the future limitation on the utilisation of assessed losses to 80% of taxable income. It has been indicated in the 2022 budget speech that the amendment will come into effect for years of assessment ending on or after 31 March 2023.

Save as set out above, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.



OUR GOVERNANCE



- 103 Governance overview
- 104 Board of Directors
- 108 Governance structure and activities
- 112 Transformation, social and ethics committee report
- 115 Audit and risk committee report
- 118 Remuneration and nominations committee report

GOVERNANCE OVERVIEW

The Group is fully committed to good corporate governance and stands firmly grounded on the values of integrity, quality and openness. The Group respects and understands the need for simplicity and will always focus on the virtues of clarity, credibility, transparency, and sheer honesty. These are the values lived by the leadership and filtered down throughout the Group.

The Board acknowledges that they are responsible for ensuring that the Group complies with all of its statutory and regulatory obligations, as well as setting the ethical tone and culture followed throughout the Group. The Board endorses King IV™ and is committed to the principles of transparency, integrity, fairness, and accountability by the Group in the conduct of its business and affairs. A matrix of how the Group has complied with King IV™ is available on our website www.stadio.co.za.

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

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

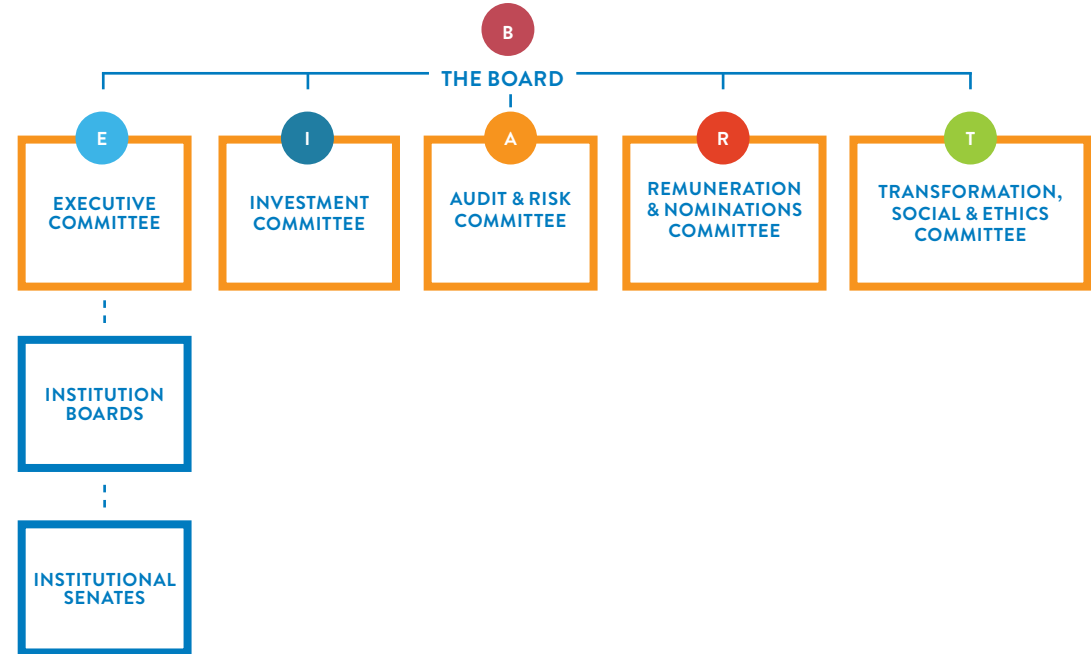
While retaining overall accountability, the Board has delegated authority to:

- the CEO to run the day-to-day affairs of the Group; and
- mandated Board committees to oversee certain areas of its responsibilities.

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

The CEO has responsibility for the operational activities of the Group and is supported by the Executive committee (Exco). The CEO is the conduit between the Board, and the underlying institutions, ensuring the Group strategy is implemented across the operations.

In addition, the CEO has overall responsibility for ensuring the integrity of the Group's website and ensures the information is accurate and the relevant security measures are in place. This was further heightened during the year with the implementation of POPIA (Protection of Personal Information Act) which was effective from 1 July 2021.



BOARD OF DIRECTORS



B R

DR VINCENT MAPHAI (70)
 Chairperson
 Independent non-executive Director
 BA, BA (Hons), MPhil, DPhil, Advanced Management Programme (Harvard) and several certificates and diplomas

Appointed: July 2020

Dr Maphai has a wealth of experience, with a passion for education. He has accumulated more than 20 years' experience in the academic profession and served on the boards of various companies. Dr Maphai is currently the chairperson of Sibanye Stillwater Limited and a non-executive director of Discovery Limited. Previously, Dr Maphai was the Director of Corporate Affairs and Transformation at SAB and served as the southern African Chairperson of BHP Billiton. He held the position of a senior executive in the private sector for 15 years and has served on the Presidential Review Commission into the restructuring.



B E I

MR CHRIS VORSTER (54)
 Chief Executive Officer
 Executive Director
 BA (Social Science), BA Hons (HR Development), MA (Management and Development)

Appointed: April 2020

Mr Vorster was appointed as CEO of STADIO Holdings on 1 April 2020. Previously he was founder and CEO of SBS, which he founded in 1996 and today accommodates in excess of 14 000 distance learning students. SBS became part of the Group in November 2017 and in August 2019, Mr Vorster was appointed as co-COO of STADIO Holdings.



B E I

MS SAMARA TOTARAM (43)
 Chief Financial Officer
 Executive Director
 CA(SA), CFA

Appointed: 2017

Ms Totaram is a qualified chartered accountant having completed her articles with Deloitte & Touche (in South Africa and New York). She has vast financial, commercial, corporate finance and investment experience. Previously she worked at the Royal Bank of Scotland in London, served as an executive Director at PSG Capital where she was primarily involved in new listings, capital raisings and other commercial transactions, merger and acquisitions and general corporate finance consulting.

She then served as managing director of Thembeqa Capital Limited, a PSG Group supported B-BBEE investment company. Prior to her involvement in establishing the STADIO Group, she was the managing director of Curro's Meridian school venture.



B E T

DR DIVYA SINGH (57)
 Chief Academic Officer
 Executive Director
 BA (Law); LL B (Cum Laude); LL M; LL D; Masters in Tertiary Education Management (with Honours)

Appointed: 2017

Dr Singh is an admitted advocate of the High Court of South Africa, having practiced privately for seven years and is a Certified Ethics Officer by The Ethics Institute.

Previously, she was the Vice-Principal Advisory and Assurance Services (UNISA) and served in the capacity of Registrar Governance as well as the Deputy Registrar, taking responsibility for institutional student administration.

Dr Singh has received awards domestically and internationally for academic contribution and community service and engagement, as well as stakeholder recognition.



B A R

MS MATHUKANA MOKOKA (48)
 Independent non-executive Director
 CA(SA)

Appointed: April 2019

Ms Mokoka is a qualified Chartered Accountant (CA) SA with over 15 years of post-articles experience. She has sound public and private sector experience on various boards of companies, including Sanlam Limited, Sanlam Life Insurance Limited, Palabora Mining Proprietary Limited, CSG Holdings, amongst others.



B A

DR TOM BROWN (55)
 Independent non-executive Director
 BSc, HED, BEd, MEd, PhD

Appointed: October 2019

Dr Brown has a wealth of knowledge in education, having been involved in both contact and distance learning for many years. He received his PhD in the field of distance learning in 1993 and was a Research Professor in the Institute for Open & Distance Learning, UNISA. Dr Brown previously held various executive positions in both public and private higher education, including CEO of CTI Education Group, MD of Midrand Graduate Institute, and Deputy Director of Telematic Learning & Education Innovation at the University of Pretoria. He has been involved in consultancy work for several institutions in the fields of private higher education, distance learning, mobile learning, educational technology and technology enhanced learning. Dr Brown serves on the boards of numerous companies and is Chairman of the DC Education Group. He is also one of the founding directors of the International Association for Mobile Learning (IAMLearn).

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

BOARD OF DIRECTORS



B A T

DR BUSISIWE VILAKAZI (38)
Independent non-executive Director
BSc in Electrical Engineering, MSc in Engineering, DPhil (PhD) in Engineering Science

Appointed: October 2019

Dr Vilakazi has an MSc in engineering and a PhD in biomedical engineering as a Nelson Mandela Scholar from the University of Oxford in the United Kingdom. She is an innovative result oriented research & development leader with expertise in project management, strategy development and technology management and innovation management. She is a professional with a passion for the role that innovation and emerging technologies such as AI and big data can play in solving pressing challenges faced by South Africa and Africa in education and health and has a proven track record of leading and managing R&D projects in various sectors. Dr Vilakazi is currently part of the Eskom presidential task team advising the president and was a senior researcher at the CSIR.



B T

DR CHRIS VAN DER MERWE (59)
Non-executive Director
BPrim (Ed), BEd, M.Ed (Cum Laude), DEd

Appointed: April 2020*

Dr van der Merwe has extensive knowledge and experience in the independent school and tertiary sectors. He founded Curro in 1998 and, under his leadership, Curro was listed on the JSE in 2011. He was CEO of STADIO Holdings from July 2017 until March 2020, over which time, STADIO Holdings delivered on the promises of its Pre-listing Statement. Dr van der Merwe currently serves the PSG Group and STADIO Holdings as a consultant, Education and continues to serve on the Curro board as a non-executive director.

* Resigned as STADIO Holdings CEO and executive director on 31 March 2020



B R I

MR NICO DE WAAL (46)
Non-executive Director
BEng (Mech), MBA

Appointed: 2017

Mr de Waal joined the PSG Group in 2011 and currently serves as the CEO of PSG Alpha Proprietary Limited. Prior to joining the PSG Group, he was an executive at SABMiller plc from 2008 to 2010. He also served as a management consultant at McKinsey & Company, Inc. from 2001 to 2007, specialising in strategy and operations.



B I

MR DRIES MELLET (38)
Alternate non-executive Director to Nico De Waal
CA(SA), B Compt Hons

Appointed: 2017

Mr Mellet is a qualified chartered accountant having completed his articles with PwC and has been working for the PSG Group since 2010.



B* E T*

MR JOHAN HUMAN (56)
Chief Operating Officer
Prescribed Officer
BCom, BEd (Honours), Higher Ed Diploma (Postgrad), MEd (Didactics)

Mr Human was appointed as co-COO of STADIO HOLDINGS on 1 August 2019 and full COO effective 1 April 2020. Previously, he was CEO of Embury which he co-founded in 2000. Mr Human has almost 30 years of combined public and private higher education experience.

* attends as invitee

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

MEETINGS HELD

	B ²	A	R	T
Dr Vincent Maphai	6	1 ¹		
Mr Chris Vorster	6	2 ¹	1 ^{1,2}	3
Ms Mathukana Mokoka	6	2		3 ¹
Dr Busiswe Vilakazi	6	2	3	3
Dr Tom Brown	6	2		
Dr Chris van der Merwe	6	1 ¹	3	
Mr Nico de Waal/Mr Dries Mellet	6	2 ¹	1 ¹	3
Ms Samara Totaram	6	2 ¹		
Dr Divya Singh	6	2 ¹	3	
Mr Johan Human	6 ¹	2 ¹	3 ¹	

¹ Attended as an invitee ² Includes one Strategy Day

OUR GOVERNANCE OVERVIEW CONTINUED

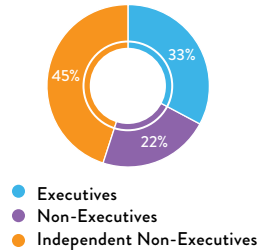
The Board continued to effectively manage the effects of COVID-19 in 2021 and oversee the strategic direction of the Group. Whilst continuing to meet regularly via Microsoft Teams, the Board was delighted to hold their strategy day at the new STADIO Centurion comprehensive campus in November 2021, and bear witness to the exciting fresh new campus.

The Board continues to monitor its performance against its approved and adopted broader diversity policy at Board level. The broader diversity policy focuses on the promotion of diversity attributes of gender, race, age, skills, knowledge, expertise and culture in the composition of its membership. The Board believes it has the appropriate balance of members across the abovementioned categories and that there is a clear balance of power and authority at Board level, where no one Director has unfettered powers of decision-making. There were no membership changes to the Board during 2021.

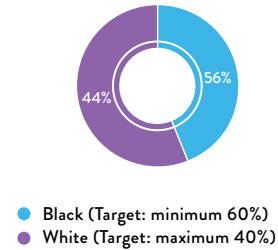
In 2021, the racial diversity target of minimum 60% Black representation on the Board, was not met, with the Board achieving 56% Black representation on the Board. The Board will look to address this shortfall in considering future changes to the Board.

THE BOARD DEMOGRAPHICS WERE AS FOLLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

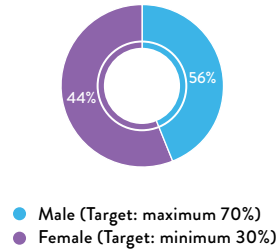
BOARD BALANCE



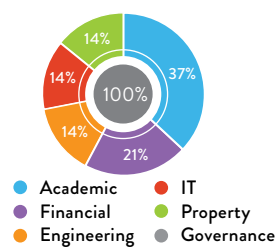
RACIAL DIVERSITY



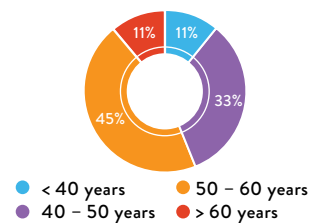
GENDER DIVERSITY



SKILLS DIVERSITY



AGE DIVERSITY



Target: the key skills and knowledge identified by the Board to enable the Group to achieve its strategic objectives are represented. In all instances, Board members have a sound knowledge and understanding of matters relating to corporate governance including but not limited to King IV™ principles, strategic leadership and innovation in the twenty-first century, as well as a solid understanding and appreciation of the socio-economic, environmental, ethical and transformation challenges facing our country.

Target: a minimum of one Board member per age category herewith attached.

CULTURAL DIVERSITY

The Board believes that the attainment of the above targets will ensure the achievement of a reasonable level of cultural diversity.

BOARD ACTIVITIES

Areas of focus	What the Board did
Group strategy	<ul style="list-style-type: none"> provided robust and constructive input to management regarding the Group's strategy approved the Group's strategy and monitored its implementation approved the construction of phase II of STADIO Centurion comprehensive campus and the delay to construction of the Distance Learning Logistics Centre in Krugersdorp approved the sale of the Montana campus at an agreed minimum floor price agreed the change in direction for Milpark Education (from contact learning to focus only on distance learning, with a consequential impact of impairing the right of use asset in terms of Milpark Education's Gauteng lease) monitored the Group's progress regarding agreed strategic initiatives, including the progress of regulatory approvals approved the launch of the STADIO Khulisa Student Share Scheme
Change management	<ul style="list-style-type: none"> Monitored the progress of STADIO Higher Education, which was registered as a single brand in October 2020 approved the STADIO Higher Education new business structure Monitored and provided feedback on the implementation of various new systems
COVID-19	<ul style="list-style-type: none"> Continued to monitor the impacts of COVID-19 on the Group, ensuring the Group adopted a "cost-saving" approach where possible Agreed on the Group's vaccination stance
Risk management and corporate governance	<ul style="list-style-type: none"> reviewed information to ensure that the Group complied with applicable laws, codes and standards determined the Group's risk appetite and risk tolerance levels approved the Group's risk register and ensured appropriate controls were in place to address these risks received reports on the Group's internal control weaknesses and implemented remedial actions where necessary considered the impact of King IV™, the JSE Listings Requirements and the requirements of the Companies Act and ensured their compliance and implementation considered and confirmed the independence of the non-executive Directors having regard to factors that might impact their independence considered and confirmed the independence of the external auditors and approved their appointment based on recommendation by the audit and risk committee appointed Tamela Capital as the new independent joint sponsor effective 2 March 2022
Leadership and effectiveness	<ul style="list-style-type: none"> ensured the Board set the tone for effective and ethical leadership acted as the focal point, and custodian, of good corporate governance reviewed the composition of the underlying Board Committees performed a self-assessment evaluation identifying the Board's strengths and areas of improvement agreed on a succession plan to identify key positions and plan to identify and develop talent as required
Remuneration	<ul style="list-style-type: none"> the Board considered and approved the following recommendations from the remuneration and nominations committee <ul style="list-style-type: none"> executive Directors' total guaranteed salary, short-term incentives, as well as long-term incentive awards considered and recommended the non-executive Directors' fees (for approval by the shareholders at the AGM)
Corporate citizenship	<ul style="list-style-type: none"> promoted and confirmed the Group's commitment to good corporate citizenship including: <ul style="list-style-type: none"> widening access to higher education provision of high-quality academic programmes with a focus on bettering student throughput rates and ensuring academic programmes are aligned with the ever-changing world of work its commitment to the environment and the disclosures recommended by the task force on climate-related financial disclosures (TCFD) its commitment to B-BBEE its commitment to improving its Employment Equity across the Group the promotion of equality and the prevention of unfair discrimination
Financial results and going concern	<ul style="list-style-type: none"> scrutinised the Group's financial results throughout the year provided input and approved the Group's 2022 budget considered, reviewed and approved the Group's Integrated Report for the year ended 31 December 2020 considered, reviewed and approved the consolidated interim financial results for the period ended 30 June 2021 and the consolidated and separate annual financial statements for the year ended 31 December 2021 scrutinised the Group's cash position and future growth prospects before approving the dividend declaration in March 2022
Academic governance	<ul style="list-style-type: none"> received regular updates on Regulatory developments regarding qualifications and sites awaiting registration by the Department of Higher Education and Training (DHET) agreed on key qualifications for future development and geographic expansion of existing qualifications maintained a monitoring role to ensure the academic plans were linked to the strategic plan and reviewed academic reports detailing performance against the approved academic plan as well as key matters discussed by Senate
Information technology	<ul style="list-style-type: none"> received regular updates in respect of Information Technology initiatives and system changes within the Group agreed with management's decision to delay the development of a new Student Information Management System (SIMS) and progress with 2 SIMS (1 for distance learning and 1 for contact learning) increased focus on Information Technology governance with regular reports from the IT governance and risk committee, especially in light of increased cybersecurity risks due to remote working
Policies	<ul style="list-style-type: none"> reviewed and approved various Group-wide policies within the Group as required

OUR GOVERNANCE OVERVIEW CONTINUED

BOARD COMMITTEES

The Transformation, social and ethics committee, audit and risk committee, the remuneration and nominations committee will present individual reports as seen on [pages 112 to 129](#).

The Group has numerous operating committees, as well as sub-operating committees across the Group. Each institution is governed by their respective Boards, and ultimately report into the STADIO Holdings Board of Directors, via the Executive Committee below. It is only the operating committees listed below which have been mandated by the Board and which report, either directly or indirectly, to the Board:

EXECUTIVE COMMITTEE

The Group's Executive Committee Exco comprises the following members:

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

During 2021, the Exco established a STADIO Higher Education Exco, comprising of the abovementioned Exco and the STADIO Higher Education Executive Heads (namely Mrs Chariska Knoetze, Prof Patrick Bean, and Mr Leonardo Snyman). The Board of AFDA includes: Mr Chris Vorster, Ms Samara Totaram, Dr Divya Singh and the CEO of AFDA, Ms Teresa Passchier. The Board of Milpark Education comprises: Mr Chris Vorster, Ms Samara Totaram, Dr Divya Singh, Mr Takula Tapela (Brimstone representative), the former CEO of Milpark Education, Mr Julian van der Westhuizen (retired 31 December 2021), current CEO of Milpark Education, Mr Andrew Horsfall (appointed 1 January 2022), and Dr Joseph Sekhampu (Milpark Education COO).

These Committees, along with regular one-on-one engagements, allow the CEO to gain operational oversight into the Group's progress against the approved strategy.

INVESTMENT COMMITTEE

The Group's Investment Committee (Investco) comprises the following members:

- Mr Chris Vorster (CEO – chairperson);
- Ms Samara Totaram (CFO);
- Dr Divya Singh (CAO) (resigned 1 January 2021);
- Mr Nico de Waal (non-executive Director); and
- Mr Dries Mellet.

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

The Investco advises the Board on material investment decisions and played a key role in the decision to finalise the construction of STADIO Centurion campus phase II, and the disposal of Montana, on a phased approach going forward.

SENATE

The Senate is the primary academic governance committee, and highest academic decision-making body, of the underlying institutions. AFDA, Milpark Education and STADIO Higher Education each have their independent Senates.

The Senate is responsible for all academic matters including, but not limited to, regulatory matters; teaching, learning and student support policies; curriculum transformation imperatives; enhancements to the programme and qualification mix; internationalisation, partnerships and collaborations; community engagement and social impact as part of teaching and learning; quality assurance of scholarship; success rates, student drop-out rates, and graduation numbers; monitoring improvement plans to enhance the academic project; institution incident reports; and student administration.

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

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

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

KING IV™ APPLICATION

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

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

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

COMPANY SECRETARY

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

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

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

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

DECLARATION BY COMPANY SECRETARY

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



STADIO Corporate Services Proprietary Limited
Company Secretary

29 April 2022

SHAREHOLDING OF DIRECTORS

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

Director	2021			2020		
	Direct '000	Indirect '000	Total '000	Direct '000	Indirect '000	Total '000
Mr Chris Vorster	–	14 819	14 819	–	14 783	14 783
Ms Samara Totaram	716	–	716	699	–	699
Dr Divya Singh	587	–	587	157	–	157
Dr Chris van der Merwe	–	4 735	4 735	–	4 735	4 735
Dr Vincent Maphai	220	–	220	220	–	220
Mr Nico de Waal	154	–	154	154	–	154
Mr Dries Mellet (alternate to Mr Nico de Waal)	–	88	88	–	88	88
Ms Mathukana Mokoka	174	–	174	174	–	174
Dr Tom Brown	100	–	100	100	–	100
Prescribed officer Mr Johan Human	–	459	459	–	439	439
	1 951	20 101	22 052	1 504	20 045	21 549

Since the year ended 31 December 2021, Dr Chris van der Merwe purchased 1 336 370 shares indirectly on the open market.

In addition, on 3 April 2022, certain tranches of share options vested, resulting in the following additional shares being issued: Mr Chris Vorster – 774 924 shares, Dr Chris van der Merwe – 63 048 shares, Ms Samara Totaram – 234 877 shares, Dr Divya Singh – 350 810 shares, and Mr Johan Human – 284 034 shares.

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

TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE REPORT

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

The TSEC held three meetings during 2021 which were attended by all members. The TSEC comprises of the following members:

- Dr Busisiwe Vilakazi (chairperson and independent non-executive director)
- Dr Chris van der Merwe (non-executive director)
- Dr Divya Singh (Chief academic officer)

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

Dr Busisiwe Vilakazi provided feedback on the Group's TSEC activities to the Group's shareholders at the Annual General Meeting held on 22 June 2021. No queries or concerns were raised by our shareholders.

ROLES AND RESPONSIBILITIES

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

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

2021 FEEDBACK

2021 was a year in which the TSEC defined its norms and began to constructively implement its strategic and oversight role.

TRANSFORMATION

During the year, the **STADIO Kusasa Foundation**, the Group's Bursary Trust received its long-awaited registration as a s18a non-profit organisation. The strategy relating to the STADIO Kusasa Foundation was approved with an agreed 2022 launch date for the bursary trust. The STADIO Kusasa Foundation will be the vehicle through which most of the Group's bursaries will be channelled. The exception is Milpark Education which established its own Bursary Trust.

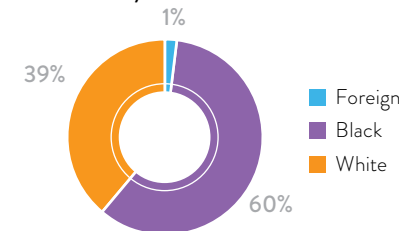
The Group reassessed its overall **B-BBEE strategy** and has started working on implementing specific projects. The Group achieved a Level 8 B-BBEE rating, whereas Milpark, in its own capacity, achieved a Level 2 B-BBEE rating.

The 2021 B-BBEE scorecard is based on the year ended 31 December 2020, which was negatively impacted by **COVID-19** and certain cost freezes. In addition, the amalgamation of the four underlying institutions into STADIO Higher Education during 2020, resulted in the Group aligning the employee job descriptions and management levels across STADIO Higher Education which resulted in the overall Management Level rating, from a Group perspective, being negatively impacted.

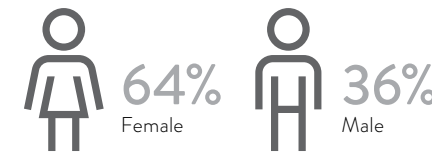
The TSEC approved the Group's **Employment Equity** plan during the year and has set clear targets, especially in the management level, recognising that this is not a quick-fix activity, management is committed to aligning new appointments, as far as feasible, to the approved Employment Equity targets.

During 2021, the staff demographics were as follows:

Race diversity



Gender diversity



The TSEC plays an important monitoring role, ensuring the staff demographics are adequately diverse and hold management to account in terms of the agreed Employment Equity targets.

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

In addition, the TSEC endorsed the **staff development plan** to be rolled out across the Group in 2022, looking to upskill and empower staff across the Group.

The TSEC was very proud to endorse the launch of the **STADIO Khulisa Student Share scheme** and believes this share scheme will assist in socially empowering the STADIO Group students beyond their qualification. Refer to [pages 54 to 73](#) for more information relating to the STADIO Khulisa Student Share Scheme.

SOCIAL

Community engagement remains a focus for TSEC and in 2021 the TSEC endorsed the Group's new approach to community engagement, with a focus on nine typographies,

ranging from outreach programmes in vulnerable communities, to business partnerships to integrated teaching and learning approach covering corporate social responsibility and social impact. Community engagement is focused on the communities within which the Group's activities are predominantly conducted. It is therefore also focused on our students, and getting them involved in community engagement through various institution initiatives, teaching and learning projects and assignments, and producing graduates who have the understanding and social awareness of the critical issues affecting our country and the world.

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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

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

Milpark Education and STADIO HE partnered with Globethics.net to offer an international short course in Corporate Social Responsibility and the SDGs. One of the significant outcomes of this engagement is a joint book publication on Ethics, Higher Education and the SDGs to be published in 2022.

The TSEC assists the Board in integrating sustainability into the daily business activities across the Group. In 2021, the TSEC considered climate-related risk in relation to the Group's activities, and on initial assessment, does not believe that climate-related risks will have a direct impact on the Group. However, the Group acknowledges the importance of protecting our environment, and mitigating any impact it may have on the environment through its business activities as well as mitigating against the possible indirect impact of climate-related risks to the Group. The TSEC established a task team to consider the recommendations of the Task Force on Climate Related Financial Disclosure (TCFD) in the office of the CEO. This task team will develop a plan in which the Group can move towards adopting the recommendations of the TCFD and disclose decision-useful metrics to our stakeholders going forward.

The Group strives to contribute to achieving the SDGs, where possible, and strives to be a responsible corporate citizen.

Refer to [pages 52 to 73](#) for the value created to our stakeholders during 2021.

TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE REPORT CONTINUED



COVID-19

The Group continued its COVID-19 strategy with the below three focus points:

1. Health and safety of our staff and students
2. Continuation of the academic project
3. Protection of financial resources

The Group is comfortable with how it has managed the pandemic to date and believes its above strategy has been effective in ensuring the business continues to thrive.

The Group continues to follow the guidance issued by Higher Health and the World Health Organization. It fully supports the government's vaccination drive and has actively encouraged all staff to be vaccinated, running awareness campaigns for staff and students, and putting processes in place to facilitate the ease of being vaccinated.

ETHICS

The TSEC is responsible for overseeing the Group's adherence to the ethical standards as approved by the Board. The Group's ethics pledge remains in place, and the Group remains committed to the values of

INTEGRITY, QUALITY AND TRANSPARENCY

There were no activities identified across the Group during 2021 that were in contradiction to the Ethics Pledge or the Group's code of conduct. The Group is investigating a Whistleblowing Policy and Hotline to further the commitment to transparency and ensuring an ethical culture and climate.

The Committee is satisfied that it has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act, and there were no instances of material non-compliance to disclose.

The Group remains committed to transformation and believes that transformation is viewed as the catalyst to address the country's socio-economic problems and their associated impact on different sectors and the economy at large.

Dr Busisiwe Vilakazi
Chairperson

29 April 2022

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (the ARC) is pleased to present its report in terms of section 94 of the Companies Act, 71 of 2008 as amended (the Companies Act), the King Code of Governance for South Africa, 2016 (King IV™) and the Johannesburg Stock Exchange (JSE) Listings Requirements for Stadio Holdings Limited and its subsidiaries (the Group) for the financial year ended 31 December 2021.

1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

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

Name

Ms Mathukana Mokoka (Chairperson)
Dr Tom Brown
Dr Busiswe Vilakazi

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

2. FREQUENCY AND ATTENDANCE OF MEETINGS

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

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

3. PURPOSE AND RESPONSIBILITIES

The ARC has an independent role whose purpose is to assist the Board by providing an objective and independent view on the Group's finance, accounting and control mechanisms, including risk management. The ARC regularly reviews, and updates as necessary, its Charter for the Board for approval.

4. ARC ACTIVITIES DURING THE YEAR

In line with its designated responsibilities, the ARC considered the following during the year ended 31 December 2021:

4.1. RISK GOVERNANCE AND INFORMATION TECHNOLOGY (IT) MANAGEMENT

The Board has assigned oversight of the risk management function to the ARC. In assessing the implementation of the Group's risk strategy and framework, the ARC considered

- the Group's risk reports;
- top ten strategic risks (including the impacts of COVID-19 and change management on the Group; and any likely impact of climate-related risks on the Group); and
- assessed the mitigation factors in place.

The ARC reviewed the IT governance risk and compliance strategy, policy and framework with a specific focus on cybersecurity.

The ARC has no reason to believe any risks fall outside the agreed Group's risk tolerance level and reports back to the Board on the above-mentioned strategic and IT risks.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

4.2. INTERNAL AUDIT

The ARC approved the decision to continue outsourcing the Group's internal audit function. During the year, the appointment of BDO Advisory Services Proprietary Limited (BDO) as the Group's internal auditors for a three year period was recommended to the Board for approval. BDO take over the internal audit function from Kuhumelela Chartered Accountants and Advisors Proprietary Limited, who completed their assessment on the procurement, payment and treasury processes during 2021. The main function of internal audit is to provide an independent review of, and provide assurance on the effectiveness of the Group's internal controls, including its corporate governance and accounting processes, whilst noting any control weaknesses that exist.

4.3. EXTERNAL AUDITOR

The ARC nominated and recommended to shareholders the re-appointment of PricewaterhouseCoopers Inc. (PwC) as the independent external auditor. During the year, Mr Dawid de Jager, who had served as the designated partner of the Group since 2017, rotated off the audit, and Mr Viresh Harri was appointed as the designated partner for the 2021 year-end audit.

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

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

The ARC, in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4.4. INTERNAL CONTROLS

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

4.5. FINANCIAL REPORTING PROCEDURES, ACCOUNTING PRACTICES AND INTERNAL CONTROL

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

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

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

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

4.6. CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The ARC reviewed and assessed the fairness of the financial information and disclosures and recommended the approvals of the annual financial statements and integrated annual report of the Group, to the Board, taking into account:

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

4.7. KEY AUDIT MATTERS

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

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

4.8. EVALUATION OF CHIEF FINANCIAL OFFICER

As required by paragraph 3.84(g)(i) of the JSE Listings Requirements, the ARC has assessed, and is satisfied with the expertise and experience of the Group's Chief Financial Officer, Ms S Totaram, as well as the current performance and future requirements for the financial management of the Group, and concluded that the current team has the appropriate skills, experience and expertise required to fulfil the finance function.

4.9. COMPLAINTS AND/OR CONCERNS

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

On behalf of the ARC



Matukhana Mokoka (CA)SA
ARC Chairperson

29 April 2022

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT

We are pleased to present the Remuneration and Nominations Committee's (the REMNO) report. Our report and disclosures are aligned to the principles and recommended practices of King IV™ for remuneration. In this regard we have adopted a three-part remuneration report approach. Part 1 consists of the Remuneration Background Statement; Part 2 sets out the details of the Forward-Looking Remuneration Policy; and Part 3 illustrates the Implementation of the Remuneration Policy adopted in 2021.

The REMNO held three meetings during 2021, which were attended by all REMNO members. The REMNO's members are as follows:

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

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

The role of the REMNO is divided between matters relating to 1. Remuneration; and 2. Nominations, as follows:

Remuneration matters include assisting the Board in:

- overseeing the overall remuneration framework of the Group;
- recommending executive Directors' key performance areas for approval by the Board;
- recommending executive Directors' remuneration for approval by the Board, ensuring that this is fair, responsible and transparent so as to promote the achievement of strategic objectives and positive outcomes in the short-, medium- and long-term;
- ensuring remuneration practices and structures support the strategy and performance goals of the Group, whilst safeguarding stakeholder interest, and recommending these to the Board;
- administering the Group's Share Scheme as delegated to REMNO by the Board;
- carrying out its duties in terms of non-executive Directors' fees and assisting the Board on what to recommend to the Shareholders for consideration in this regard;
- ensuring the disclosure of Directors' remuneration is accurate, complete and transparent; and
- ensuring effective succession planning for executive Directors.

Nomination matters include a focus on:

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

The REMNO assists the Board in reviewing non-executive Directors' remuneration recommendations. In doing so, it takes cognisance of best practices to ensure that such total remuneration is fair and reasonable to both the Directors and the Group.

Fees payable to non-executive Directors are recommended by the Board to the Shareholders at the AGM for approval. The Group's Remuneration Policy and the Implementation Report are tabled at each AGM of the Company for separate non-binding advisory votes by Shareholders.

At the AGM held in June 2021, both the remuneration policy and the implementation report received 96.9% endorsement by shareholders. We want to thank our shareholders for their continued support.

During 2021, the REMNO is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference and mandate as prescribed by the Regulations to the Companies Act and King IV™. The REMNO believes that the objectives stated in the Remuneration Policy have been achieved for the period under review.


Mathukana Mokoka
 Remuneration Committee
 Chairperson
 29 April 2022


Vincent Maphai
 Nominations Committee
 Chairperson
 29 April 2022

PART 1: REMUNERATION BACKGROUND STATEMENT

The REMNO considered a remuneration policy to incentivise the Group's Executive Committee and senior leadership, to strategically position the business to achieve its strategic objectives, taking into account the challenges and impacts that COVID-19 continued to present.

OVERALL REMUNERATION PHILOSOPHY

The Group's overarching philosophy regarding remuneration is to:

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

In addition to the above, it is important to note that being in education, we are in the service industry and our staff are key to the success of our business. We are committed to creating a culture where our staff feel valued, and in return, our staff strive to go beyond their day jobs for the betterment of the Group.

As part of the broader Group strategy, we are in the process of establishing our Employee Value Proposition through the below People Strategy. COVID-19 further highlighted the need to have a clear People Strategy that is underpinned by the values of the Group, ensuring the STADIO Group is an employer of choice.

The People Strategy may differ across the respective institutions, but in general incorporates consistent principles.

STADIO GROUP STRATEGY

PEOPLE STRATEGY

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

VOTING AT THE 2021 AGM AND FEEDBACK FROM SHAREHOLDERS

At the STADIO Holdings AGM held virtually on 22 June 2021, shareholders endorsed the Remuneration Policy and the Implementation Report of the Company by way of separate non-binding advisory votes of 96.9% (2020: 91.8%) and 96.9% (2020: 96.1%) respectively. As the non-binding votes were passed by the requisite majorities, no further engagement with shareholders was required.

The views of our shareholders are important to the Company and the Company engages with shareholders throughout the year. No specific feedback was received in terms of the 2020 Remuneration Report and therefore no specific amendments were made to the current remuneration disclosure.

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT CONTINUED

THE REMNO COMMITTEE'S KEY DECISIONS DURING 2021

During 2021, the REMNO, in accordance with its Terms of Reference, recommended the following key decisions to the Board for approval:

- Executive Committee members' annual salary increases, taking into account the impacts of COVID-19.
- STIs for executive Directors for the 2020 financial year.
- Reassessed the short-term incentive tool used for awarding STIs to executive Directors in 2021.
- Reviewed fees payable to non-executive Directors.
- Supported the appointment of the new CEO of Milpark.
- Reassessed the salary of the CAO during the year.
- Noted progress towards succession planning for key management across the Group.
- Approved 2021 LTI awards and participants.

FORWARD-LOOKING APPROACH

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

For 2022, the REMNO will consider:

- progress against the people development and succession planning for key management and executive Directors;
- review the remuneration policy to ensure alignment with King IV™ and best practice;
- monitor proposed changes to section 30A in the revised draft of the Companies Amendment Bill that was released for public comment on 1 October 2021, which will have a direct influence on the REMNO; and
- the overall remuneration alignment strategy for STADIO Higher Education, following the migration of the former underling institutions into a single registered higher education provider, as well as alignment across the Group.

The REMNO believes that the overall remuneration of executive Directors during 2021 (as set out in Part 3 of this report) is aligned with the Group's strong performance in 2021 and takes into account the exceptional leadership of the Group's management team during the continued challenges presented by COVID-19.

PART 2: REMUNERATION POLICY

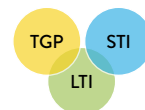
In line with the overall remuneration philosophy set out in Part 1, the Remuneration Policy aims to:

- align remuneration practices with the Group's business strategies and objectives;
- attract, retain and motivate key employees to deliver on their performance goals and strategy;
- ensure the remuneration remains market-related and competitive;
- ensure remuneration packages take into account Group performance and the interests of all our stakeholders, reflecting their views;
- align the short-term incentive tool to the key strategic objectives of the Group;
- reward exceptional performance through short-term incentives linked to key performance objectives; and
- provide long-term performance incentives to motivate and retain key staff whilst driving shareholder value aligned with the long-term objectives of the Group.

The Group has three components of remuneration for its Executive Committee (Tier 1) and Senior Leadership Committee members (Tier 2):

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

The Executive Committee's remuneration is reviewed annually by the REMNO, which seeks to ensure there is a balance between the Executive Committee's base salary, which is fixed, and the variable elements of their remuneration such as STI and LTI. In addition, the REMNO ensures the total package is appropriate considering the size of the business and competitive benchmarking, whilst motivating employees both in the short- and long-term.



REMUNERATION

LEVEL	FOCUS	STRATEGIC VIEW	REMUNERATION		
			TGP	STI	LTI
Tier 1: Group Executive Committee (CEO, CFO, CAO, COO)	Strategy formulation and execution	Long-term	Base salary + benefits	Up to a maximum of TGP as follows: • CEO: 125% • CFO, CAO, COO: 100% dependent on achieving certain targets	Share options
Tier 2: Executive Heads and Subsidiary CEOs	Primarily strategy execution	Medium- to long-term	Base salary + benefits	Up to a maximum of TGP as follows: • Subsidiary CEOs: 50% • Executive Heads: 25% dependent on achieving certain targets	Share options where applicable
Other Tiers: General Employees	Primarily operational	Short-term	Base salary + benefits	Up to a maximum of 25% of TGP dependent on performance and employment tier	Not currently applicable

TOTAL GUARANTEED PACKAGE (TGP)

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

In determining individual TGP increases, this remuneration structure; the performance and level of skill and experience of the individual; and the financial performance of the Group, are considered.

SHORT-TERM INCENTIVE (STI)

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

The overall performance of the Group and the individual are taken into account using a detailed scorecard matrix. This matrix uses pre-determined key performance objectives approved by the REMNO, incorporating the attainment of certain targets, including minimum and stretch targets. For 2022, the split between business performance and individual performance has been amended to allocate 75% bonus for achievement of the overall business targets, weighted equally at 25% per category, and 25% allocated to individual performance, which may be considered more subjective. Refer to page 32 for revised measures and categories.

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

The STI's are subject to malus and clawback provisions. The Group shall be entitled to exercise the clawback provisions in relation to a participant for a period of up to three years following payment of the STI to the participant.

The STI is payable in cash in March every year and is capped per individual, albeit, in exceptional circumstances, the CEO can motivate for a higher bonus. All bonuses are subject to the REMNO's discretion and Board approval.

The REMNO reassessed the STI tool for 2022. The performance measures against which the Executive Committee will be assessed in 2022 are set out below. The details of the 2021 STI are set out in Part 3 of this report.

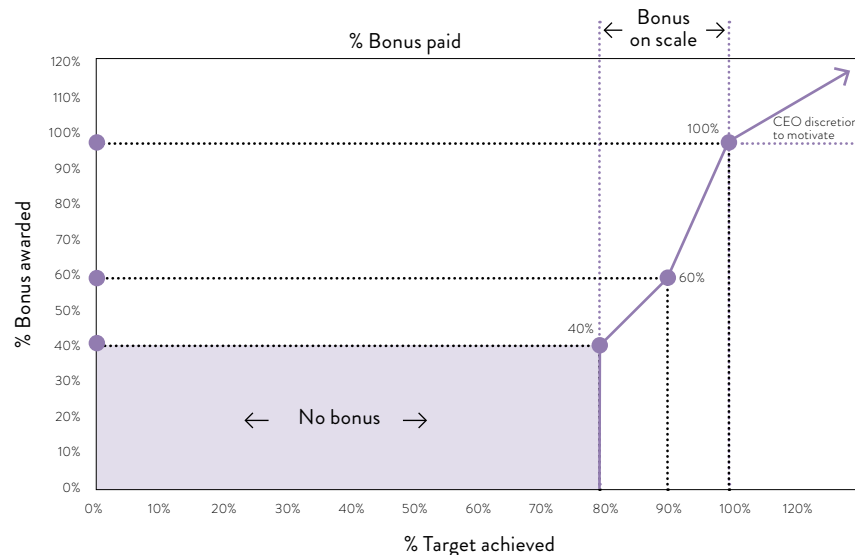
REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT CONTINUED

RELATIVE WEIGHT OF KEY PERFORMANCE MEASURES

Business results	Weighting	Targets		
		Low road	Median	High road
Organic revenue growth	25%	16%	18%	20%
Normalised EBITDA margin ¹	25%	22.4%	25.1%	28%
Core HEPS growth	25%	16%	18%	20%
Business performance	75%			

¹ Normalised EBITDA is earnings before interest, tax, depreciation and amortisation adjusted to exclude the impact of any acquisitions, such as the fair value adjustment in respect of the CA Connect acquisition which does not form part of the underlying performance of the business.

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



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

The overall STI entitlement is as follows:

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

Individual KPAs are derived from the key strategic focus areas based on the individuals' portfolio of interest and include academic performance.

The REMNO has assessed the targets for 2022, as well as the increased targets for the next few years, and is comfortable that the STI targets meets shareholders' expectations, whilst motivating the right behaviour to achieve the Group's targets set for 2026 in accordance with the Pre-listing Statement.

STI DEFERRAL

In 2018, the REMNO decided that a portion of the 2018 bonus entitlement should be deferred to take into account the size and stage of the Group as at 2018, and vests in equal tranches over three years, subject to certain vesting criteria, namely:

- The executive Director still being in the employ of the Group.
- The Group maintaining a minimum EBITDA margin of 20% on its organic business, excluding projects linked to future growth strategies and acquisitions.
- Overall performance of the Group against associated targets (i.e. key target CHEPS for any year still to be achieved).
- To the extent that overall performance of Group against associated targets above does not allow payment of the vested portion in any particular year, same may be rolled forward for a maximum of five years from the end of 2018.
- To the extent that a portion of the bonus pool remains unvested in 2023, the unvested portion shall be forfeited.

It is the discretion of the REMNO Committee, whilst acting reasonably, to defer any STI payment, taking into account the financial fitness of the Group.

LONG-TERM INCENTIVE PLAN (LTI)

The Group established a share incentive scheme for the Executive Committee and certain key members of management. The Group believes that the retention of key skills is important to the sustainability of the Group and the share incentive scheme assists in retaining these skills. Through the share incentive scheme, the Group's performance is linked to longer-term value creation, and is aligned to the value earned by the shareholder. The LTI awards are also subject to malus and clawback provisions.

The maximum number of shares that may be utilised for purposes of the share incentive scheme is 57 332 884 shares, being equal to approximately 7% of the total issued share capital of STADIO Holdings. The maximum number of shares that may be acquired by any one individual for purposes of the share incentive scheme is 12 285 618 shares. The REMNO is recommending an increase in the maximum number of shares that may be acquired by any one individual for purposes of the share incentive scheme to 17 000 000 shares, being equal to approximately 2% of the total issued share capital of STADIO Holdings. It is not anticipated that any one beneficiary will fully utilise the share allocation available to be issued, however, the increase will allow additional share options to be awarded to beneficiaries of the Scheme who currently are not

entitled to receive additional share option awards due to the limit contained in the Trust Deed. This will allow the Group to ensure that key individuals are suitably incentivised in the long-term. This recommendation will be voted on by shareholders at the upcoming AGM.

At 31 December 2021, the number of share options that were awarded but remain unvested amounted to 42 576 657 shares (2020: 43 592 864). At 31 December 2021, the share incentive scheme had 17 participants (2020: 17), being qualifying individuals across the Group. The active participants, however, who are entitled to receive new share option awards, is currently seven participants. The REMNO believes that all participants in the LTI scheme going forward are key to the strategic outcomes of the Group and the respective factors of salary used to determine the amount of exposure is fair and ensures sustainability of the scheme.

In October 2021, the first share options, in respect of share options awarded in October 2017, vested. Further detail is disclosed in Part 3.

MECHANICS OF THE SHARE INCENTIVE SCHEME AWARD

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

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

	2022	2021
CEO*	5	5
Executive Committee	4	4
Tier 2 [^]	2	2

* In 2020, the CEO was awarded 12.3 million share options, (the maximum number of share options available for an individual, under the Trust Deed). The CEO can therefore only participate in the LTI going forward to the extent this maximum limit is not breached.

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

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT CONTINUED

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

VESTING

The vesting of share options is dependent on the individual remaining in service, with 25% vesting on each of the second, third, fourth and fifth anniversary of the award date. In the case of resignation or dismissal of an individual (i.e. bad leaver), unvested share options are generally forfeited. In the case of the death, retirement or retrenchment of an individual (i.e. good leaver), any share options capable of being exercised are exercised within a period of 12 months. It is noted that the share options will not be exercised unless there is growth in the Company's share price.

NON-EXECUTIVE DIRECTOR REMUNERATION

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

In 2022, it is recommended that the non-executive Director fees be increased by 10%, with the chairperson of the Board's fees being increased by 15%. This is to better align the non-executive Director fees to the market rate. In 2021, it was noted that the non-executive Director fees were lower than market rate, but due to COVID-19, the non-executive Director fees were only increased by 3%. The non-executive Director fees remain below market-related fee, however, the REMNO believe the fee increase is fair, and will look to address the misalignment of non-executive Directors' fees to the market over the medium-term. These non-executive Director's fees are recommended by the Board to shareholders for approval at the AGM.

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

The proposed fee structure for the Group's non-executive Directors for the financial year ending 31 December 2022, excluding value-added tax, is set out in the table below:

	Board		Audit and Risk		Remuneration and Nominations		Transformation, Social and Ethics	
	Proposed annual fee 2022 Rands	Annual fee 2021 Rands	Proposed annual fee 2022 Rands	Annual fee 2021 Rands	Proposed annual fee 2022 Rands	Annual fee 2021 Rands	Proposed annual fee 2022 Rands	Annual fee 2021 Rands
Annual fixed fee								
Chairperson	439 450	382 130	113 300	103 000	90 074	81 885	90 074	81 885
Members	240 196	218 360	60 049	54 590	60 049	54 590	60 049	54 590

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

VOTING ON REMUNERATION

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

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

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY

REMUNERATION

TGP

The salary and salary increases of the Executive Committee were approved by the REMNO and the Board. These increases are usually aligned to the inflationary increases offered to the Group, however, in some instances, were adjusted to benchmark against market related rates, where required.

In 2021, the average TGP of all employees across the Group was increased by 3%, being in line with inflation. The REMNO noted that the CEO's TGP was below market value and therefore increased his salary by 6.3%. This increase took into account the continued uncertainties of COVID-19, whilst starting to align the CEO's TGP to the TGP of other CEOs of JSE small cap listed entities.

In 2022, the average TGP of all employees across the Group was increased by 4% to 5%, being in line with inflation. Whilst benchmarking the Executive Committee's salaries against other Executive positions of JSE small cap listed entities, the REMNO noted that the CEO's TGP continued to be below market value and therefore approved a 24% increase for the CEO, staying true to the Group's Remuneration philosophy of ensuring remuneration is market-related and competitive. It is also noted that the CEO was not awarded any new share options through the LTI scheme in 2021 due to holding the maximum number of share options in accordance with the Scheme rules, and his current ability to receive share options under the LTI remains capped to a maximum exposure of 12.3 million shares in accordance with the Share Trust Deed.

STI

For the year ended 31 December 2021, the Group's primary business performance targets were:

- organic growth in revenue of 20%;
- normalised earnings before interest, tax, depreciation and amortisation (EBITDA) margin of 24%*;
- growth in Core HEPS of 20%; and
- individual performance against agreed KPIs aligned to the Group's primary strategic focus areas for 2021.

* Normalised EBITDA is calculated by adjusting EBITDA to exclude the impact of any acquisitions, as well as excluding the fair value adjustment in respect of the CA Connect acquisition which does not form part of the underlying performance of the business.

ACHIEVEMENT OF TARGETS

TARGETS	ACHIEVED	Bonus allocation			
		CEO	CFO	CAO	COO
Growth in organic revenue	+ 17.8%	6%	5%	5%	5%
Normalised EBITDA margin of 24%	28%	19%	15%	15%	15%
Growth in Core HEPS of 20%	+ 24%	31%	25%	45%	25%
		56%	45%	45%	45%

The individual performance targets of the Executive Committee were aligned to achievement of the 2021 strategic focus areas, within an individual's area of influence. These areas, in many instances, overlap across portfolios. The REMNO believes bonuses are paid for exceptional performance and therefore assessed the performance against stringent targets accordingly.

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT CONTINUED

The achievement of the 2021 Strategic Focus Areas have been discussed in detail in the Integrated Report and are summarised below:

2021 STRATEGIC FOCUS AREA	FEEDBACK
Consolidation of all businesses/ finalisation of change management with a focus on getting the new structure in place	New STADIO Higher Education structure implemented, effective 1 June 2021. Change management is not an overnight process and the processes and policies, as well as the remuneration structure, continues to be aligned across STADIO Higher Education.
Successful construction and opening of Centurion and commencement of Krugersdorp construction	STADIO Centurion phase 1 opened for some of our existing students who moved across from the Banklaan campus in July 2021, and opened for new students in January 2022. The Board approved the continuation and completion of Centurion Phase 2. The construction of the distance learning logistics centre at Krugersdorp was consequently deferred until 2022.
Development and implementation of our virtual learning environment, CANVAS, and our customer relationship management software (CRM), with continued roll-out of our enterprise resource planning system (ERP), namely Unit4 Business World.	Successful roll-out of CRM, our system used to administer the enrolment process for new students. The Group continues to seek ways to simplify the application process with modifications to be rolled out to the CRM in 2022. At STADIO Higher Education, CANVAS implementation and ERP roll-out is on track.
Scoping and identification of new STADIO Higher Education student information management system (SIMS)	Scoping and identification of new STADIO Higher Education SIMS is in progress. The Board agreed to use the existing SIMS systems for STADIO Higher Education, consolidating the current contact learning SIMS into one contact learning SIMS, and continuing with the current distance learning SIMS.
Enhance relationships with industry (world of work) to ensure programme relevance and assure graduate employability	The Programme stakeholder committees, industry networking forums, industry partners, lecturers and moderators, industry seminars, digital literacies, amongst other things, are in place.
Delivery of acceptable profit targets	Core Headline Earnings per share grew by 24% year-on-year

100% achieved 90% – 99% 75% – 90%

During 2018, a portion of the 2018 bonus entitlement was deferred, and vests in equal tranches over three years, subject to certain vesting criteria as detailed in Part 2 of this report.

In 2021, all set targets were met, namely the Group achieved an EBITDA margin of 28% and core HEPS growth of 24%, and as such, the third and final deferred bonus vested.

The Executive Committee's Bonus for 2021, including the deferred bonus for 2018, payable in 2022 is as follows:

	2021		2020	
	2021 Bonus R'000s	2018 Deferred portion R'000s	2021 Bonus R'000s	2018 Deferred portion R'000s
Chris Vorster	3 707	–	2 450	–
Samara Totaram	2 018	151	1 829	151
Divya Singh	2 216	124	1 740	124
Johan Human	2 144	–	1 621	–
Total	10 085	275	7 640	275

The following table sets out the remuneration paid to the Executive Committee for the years ended 31 December 2021 and 2020:

	Basic salary/ Director's fees R'000	Bonuses R'000	Gain on exercise of LTIs R'000	Pension contributions paid R'000	Total R'000
2021					
Executive Directors					
Chris Vorster	3 208	2 450	–	159	5 817
Samara Totaram	2 365	1 980	36	351	4 732
Divya Singh	2 269	1 864	36	223	4 392
Prescribed officers					
Johan Human	2 294	1 621	64	113	4 092
Total	10 136	7 915	136	846	19 033
2020					
Executive Directors					
Chris Vorster ¹	2 867	1 800	–	123	4 790
Samara Totaram	2 203	1 890	–	329	4 422
Divya Singh	2 113	1 994	–	210	4 317
Chris van der Merwe ¹	711	3 663	–	70	4 444
Prescribed officers					
Johan Human	2 220	200	–	101	2 521
Total	10 114	9 547	–	833	20 494

¹ Chris van der Merwe resigned as CEO on 31 March 2020 and was appointed as a non-executive director. Chris Vorster was appointed as CEO on 1 April 2020. Chris van der Merwe continued to receive a restraint of trade payment, as noted on page 39, and during 2021, also received a gain on exercise of LTIs of R105 thousand.

During 2021, 2.8 million (2020: 17.6 million) shares options were issued to the Executive Committee. No share options were issued to Chris Vorster who held the maximum number of share options allowed in terms of the Trust Deed. In addition, 1.4 million (2020: 1.9 million) share options vested during 2021, and lapsed because the Company's share price at the vesting date, was lower than the strike price at vesting. Consequently the individuals did not receive any gains in respect of these lapsed share options.

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT CONTINUED

LTI (SHARE OPTIONS)

Details of share options outstanding at the year-end are as follows:

	Opening balance 1 Jan 2021 '000	Number of share options awarded during the year '000	Number of share options vested during the year '000	Number of share options lapsed during the year '000	Strike price per award	Grant date	Closing balance as at 31 Dec 2021 '000
Chris Vorster	7 986	-	-	-	1.23	3-Apr-20	7 986
	4 300	-	-	-	1.21	1-Jul-20	4 300
	12 286	-	-	-			12 286
Samara Totaram	863	-	(431)	-	2.96	3-Oct-17	432
	1 159	-	-	(290)	3.63	3-Apr-19	869
	2 204	-	-	-	1.23	3-Apr-20	2 204
	1 187	-	-	-	1.21	1-Jul-20	1 187
	-	928	-	-	2.62	3-Apr-21	928
	5 413	928	(431)	(290)			5 620
Divya Singh	879	-	(439)	-	2.96	3-Oct-17	440
	1 865	-	-	(466)	3.63	3-Apr-19	1 399
	1 268	-	-	-	1.23	3-Apr-20	1 268
	683	-	-	-	1.21	1-Jul-20	683
	-	845	-	-	2.62	3-Apr-21	845
	4 695	845	(439)	(466)			4 635
Johan Human	1 552	-	(776)	-	2.96	3-Oct-17	776
	1 136	-	-	-	1.23	3-Apr-20	1 136
	612	-	-	-	1.21	1-Jul-20	612
	-	1 064	-	-	2.62	3-Apr-21	1 064
	3 300	1 064	(776)	-			3 588
Chris van der Merwe ¹	2 026	-	(1 014)	-	2.96	3-Oct-17	1 012
	2 580	-	-	(645)	3.63	3-Apr-19	1 935
	4 606	-	(1 014)	(645)			2 947
Total	30 300	2 837	(2 660)	(1 401)			29 076

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

NON-EXECUTIVE DIRECTORS

The annual fees paid to the non-executive Directors during 2021 and 2020 are as follows:

	2021 Non-executive Directors' fees R'000	2020 Non-executive Directors' fees R'000
Vincent Maphai ¹	464	196
Mathukana Mokoka	403	391
Busiswe Vilakazi	355	327
Tom Brown	328	283
Chris van der Merwe ^{1,2}	273	177
Nico de Waal/Dries Mellet ³	273	265
Rolf Stumpf ¹	-	188
Douglas Ramaphosa ¹	-	220
	2 096	2 047

¹ These Directors were appointed, resigned or retired during 2020 and therefore the fees were pro-rated for their time of service as a Company Director during 2020.

² Chris van der Merwe resigned as CEO of STADIO Holdings on 31 March 2020 and consequently received a restraint of trade payment from 1 April 2020, totalling R2 million per annum, ending on 1 April 2022.

³ Nico de Waal's non-executive Director's remuneration is paid to PSG Corporate Services Proprietary Limited of which he is a salaried employee. Dries Mellet is an alternate Director for Nico de Waal and does not receive non-executive Director fees in his own right.

STATEMENT BY THE BOARD REGARDING COMPLIANCE WITH THE REMUNERATION POLICY

The Board receives a report from the REMNO Committee annually on remuneration practices across the Group, including salary levels and trends, bonus and long-term incentive participation. The Board endorses the REMNO Committee's position that the Group's remuneration policy appropriately takes into account the remuneration and employment conditions of employees in the Group as well as relevant external factors. It is the view of the Board that this policy as detailed herein, drives business performance and value creation for all stakeholders.

07

GENERAL INFORMATION

- 131 Shareholder Analysis
- 132 Corporate Information
- 133 Glossary of Terms

SHAREHOLDER ANALYSIS

AS AT 31 DECEMBER 2021

Range of shareholding	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	11 382	84,0	19 083	2
10 001 – 100 000	1 840	13,6	55 196	7
100 001 – 1 000 000	283	2,1	76 385	9
More than 1 000 000	51	0,4	697 529	82
	13 556	100,0	848 193	100

Shareholder spread

To the best knowledge of the Directors and after reasonable enquiry, the spread of shareholders as at 31 December 2021 was as follows:

Public and non-public shareholding	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
PSG Alpha Proprietary Limited	1	0,0	363 637	43%
Directors (including prescribed officers and subsidiary directors)	11	0,1	22 629	3
Directors from other related parties	6	0,0	5 805	1
Non-public shareholding	18	0,1	392 071	47
Public shareholding	13 538	99,9	456 122	53
Total of all shareholders	13 556	100,0	848 193	100

Major shareholders

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

Public and non-public shareholding	2021		2020	
	Number '000	%	Number '000	%
PSG Alpha Proprietary Limited	363 637	42.9	363 637	43.2
Coronation Fund Managers Limited	67 407	7.9	28 594	3.4
Brimstone Investment Corporation Limited	43 565	5.1	43 565	5.2

Share information

Public and non-public shareholding	2021	2020
Closing price at period end (cents)	375	195
JSE market high (cents)	400	210
JSE market price low (cents)	179	75
Total number of transactions on JSE	13 569	24 461
Total number of shares traded	100 468 783	181 725 084
Total value of shares traded (R)	287 684 701	250 510 617
Average price per share (cents)	286	138
Shares in issue	848 192 709	840 996 984
Percentage volume traded to shares in issue	12%	22%

CORPORATE INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Investment holding company in private higher education industry
Directors	<p>Executive Mr Chris Vorster Ms Samara Totaram Dr Divya Singh</p> <p>Non-Executive Dr Chris van der Merwe Mr Nico de Waal*</p> <p>Mr Dries Mellet (alternate Director to Mr Nico de Waal)</p> <p>Independent Non-Executive Dr Vincent Maphai Ms Mathukana Mokoka Dr Busisiwe Vilakazi Dr Tom Brown</p>
Prescribed officers	Mr Johan Human
Company Secretary	STADIO Corporate Services Proprietary Limited
Registered office and business address	Office 101, The Village Square Cnr of Oxford and Queen Streets Durbanville, South Africa, 7550 (PO Box 2161, Durbanville, South Africa, 7551)
Bankers	Standard Bank of South Africa Limited First National Bank Limited Nedbank Limited Absa Bank Limited
Auditor	PricewaterhouseCoopers Incorporated
Corporate advisor and sponsor	PSG Capital Proprietary Limited 1st Floor, Ou Kollege Building 35 Kerk Street, Stellenbosch South Africa, 7600 (PO Box 7403, Stellenbosch, South Africa, 7599) and at 2nd Floor, Building 3, 11 Alice Lane, Sandhurst, Sandton, South Africa, 2196 (PO Box 650957, Benmore, South Africa, 2010)
Independent joint sponsor	Tamela Holdings Proprietary Limited
Company registration number	2016/371398/06
Level of assurance	The Summary Financial Statements, and the Annual Financial Statements from which they are derived, have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The Summary Financial Statements, were compiled under the supervision of Ms S Totaram CA(SA), CFA
Website	www.stadio.co.za

GLOSSARY OF TERMS

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

Accreditation	A quality assurance process under which qualifications and institutions are evaluated by an external body (CHE and DHET) to determine if applicable standards are met. If standards are met, accredited status is granted by the agency.
AFS	Annual Financial Statements
AFDA	The South African School of Motion Picture Medium and Live Performance Proprietary Limited
AGM	Annual General Meeting
AMBA	Association of MBAs
ARC	Audit and Risk Committee, a sub-committee of the Board
Articulation	Articulation is both a formal system and a process. As a formal system, articulation policy ensures that qualifications offered at different institutions match, to the extent that standardisation allows, for transfer of credits. As a process, articulation involves formal and informal agreements between education providers in the context of formal policy
ASACOM or ASA	Academic and Student Affairs Committee, an operating committee
Asynchronous learning	Learning that allows students to access materials, ask questions, and practice their skills at any time that works for them
BA	Bachelor of Arts
B-BBEE	Broad-Based Black Economic Empowerment
BCom	Bachelor of Commerce
BEd	Bachelor of Education
BHAG	Big Hairy Audacious Goal – a long-term goal that changes the very nature of a business' existence
Black	Black people as defined in the B-BBEE Act
Board or B	Board of Directors of STADIO
Brimstone	Brimstone Investment Corporation Limited, the Group's B-BBEE partner
Business Transfer	The amalgamation of the underlying assets and liabilities of Embury, LISOF, Prestige Academy and SBS into a single registered higher education institution, STADIO
CANVAS	STADIO Higher Education's virtual learning environment
CAGR	Compound Annual Growth Rate
CAO	Chief Academic Officer
CA Connect	CA Connect Professional Training Institution CPT Proprietary Limited, the underlying business of which was purchased by Milpark in 2018
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
CHE	The South African Council on Higher Education
CHEPS	Core Headline Earnings per share
CL	Contact learning, i.e. on-campus learning mode of delivery
Companies Act	The Companies Act, No. 71 of 2008, as amended
Core Headline Earnings	Headline earnings are adjusted for certain items that, in the Board's view, may distort the financial results from year-to-year, giving shareholders a more consistent reflection of the underlying financial performance of the Group
CRM	Customer relationship management software that administers the enrolment process for new students
CSR	Corporate Social Responsibility

GLOSSARY OF TERMS CONTINUED

Curro	Curro Holdings Limited	NDP	National Development Plan
DHET	The South African Department of Higher Education and Training	NQA	Namibia Qualifications Authority
Directors	Members of the Board	NQF	The South African National Qualifications Framework
DL	Distance learning	NRF	National Research Foundation
Drop-out	A student decides to discontinue his or her studies prior to completing the programme on which the student was registered	OECD	Organisation for Economic Co-operation and Development
EBIT	Earnings Before Interest and Taxation	Off-campus	includes distance learning and distance learning online modes of learning delivery
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation	On-campus	includes contact learning mode of delivery
EC	Executive Committee, an operating committee	Other	Foreign nationals and other people not defined as Black or White in the B-BBEE Act
ECD	Early Childhood Development	PC	Property Committee, an operating committee
Ekosto	Ekosto 1067 Proprietary Limited, a private company incorporated under the laws of South Africa, 100% of the issued share capital of which is held by Intraframe	PGDA	Postgraduate Diploma in Accounting
Embury	STADIO Proprietary Limited (formerly Embury Institute for Higher Education Proprietary Limited), a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH	PLS	Pre-Listing Statement
EPS	Earnings per Share	Prestige Academy	Prestige Academy Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH.
ERP	Enterprise resource planning is an integrated management of main business processes mediated by software and technology, namely Unit4 Business World	PSET	Post-School Education and Training
EXCO	Executive Committee, an operating committee	PSG	PSG Group Limited
FET	Further Education and Training	PT	Part-time
FT	Full-time	PwC	PricewaterhouseCoopers Inc.
GTER	Gross Tertiary Enrolment Rate – defined as total student enrolments divided by the school leaver age-cohort in the national population	QA	Quality Assurance
HC	Higher Certificate	REMNO or RNC	Remuneration and Nominations Committee, a sub-committee of the Board
HEI	Higher Education Institution	SADAG	The South African Depression and Anxiety Group
HEPS	Headline Earnings per Share	SAICA	The South African Institute of Chartered Accountants
Histodox	Histodox Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS	SAPS	South African Police Service
IAR	Integrated Annual Report	SAQA	South African Qualifications Authority
IASB	International Accounting Standards Board	SBS	Southern Business School Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH
ICT	Information, Communication and Technology	SBS Group	Collectively SBS and SBS's interest in SBS Namibia
IFRIC	International Financial Reporting Interpretations Committee	SBS Namibia	Southern Business School of Namibia Proprietary Limited, a private company incorporated under the laws of Namibia, of which 74% of the issued share capital is held by SBS
IFRS	International Financial Reporting Standards	SCS	Stadio Corporate Services Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH
IIRC	International IR Framework	SIH	Stadio Investment Holdings Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by STADIO
Intraframe	Intraframe Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS	Shareholders	Investors holding ordinary shares in STADIO Holdings Limited
Investco or IC	Investment Committee, an operating committee	SIMS	Student information system is a student management system to manage student data
JSE	JSE Limited	STADIO	STADIO Proprietary Limited, a single registered higher education institutions.
King IV™	King IV Report on Corporate Governance™ for South Africa, 2016	STADIO Group or the Group, or the Company	STADIO Holdings Limited and its underlying subsidiaries
Lisof	Lisof Proprietary Limited is a private company incorporated under the laws of South Africa, 100% of the issued share capital is held by SIH. Lisof's associated property companies, Wadam and Histodox, are wholly owned by SCS.	Success rate	Number of students who graduate/successfully complete their course
Listing date	STADIO listed on the main board of the JSE on 3 October 2017	Stop-out	A student decides to temporarily discontinue his or her studies for a certain period of time with the aim of returning to formal studies at a later stage when it is more convenient
MBA	Master of Business Administration	Synchronous learning	Learning that requires students to attend scheduled lectures, whether on-campus or through live online classes
MBS Education	Master Education Investments Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by Milpark SPV	TCFD	Task Force on Climate-related Financial Disclosures
Milpark/Milpark Education	Milpark Education Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by MBS Education	Throughput rate	The percentage of students from the same cohort who successfully complete their studies
Milpark SPV	Milpark Investments SPV Proprietary Limited, a private company incorporated under the laws of South Africa, of which 74.9% of issued share capital is held by SIH and 25.1% of issued share capital is held by Newshelf 1409 Proprietary Limited, which is a special purpose vehicle held by SIH (49%) and Brimstone (51%)	TSEC or TSE	Transformation, Social and Ethics Committee, a sub-committee of the Board
MOI or memorandum of incorporation	The memorandum of incorporation of STADIO Holdings, as approved by Shareholders on 4 June 2018	UN	United Nations
		UNISA	University of South Africa
		USA	United States of America
		Wadam	Wadam Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS

