

[CLICK HERE](#)

STADIO

— HOLDINGS —

INTEGRATED REPORT
2023



CONTENTS

01



02



03



04



OVERVIEW

- 4 Our 2023 Integrated Report
- 6 The Group at a glance
- 8 Chairperson's reflections

OUR BUSINESS

- 11 Our operating landscape
- 13 Our investment case
- 14 Our strategy
- 15 Our ESG framework
- 17 Our material matters
- 19 Our business model
- 21 Our risks and opportunities

OUR INSTITUTIONS

- 28 STADIO Higher Education
- 31 Milpark Education
- 34 AFDA

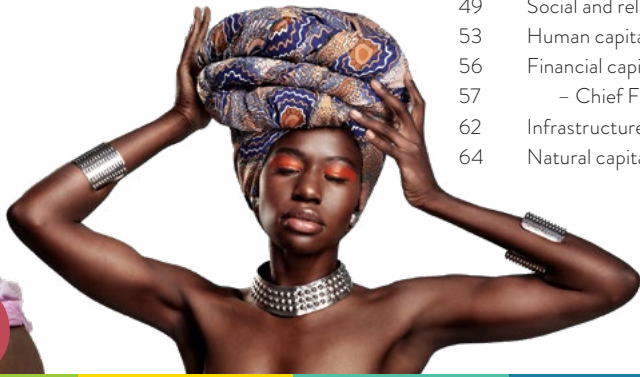
OUR VALUE CREATION

- 36 Chief Executive Officer's review
- 38 Our stakeholders
- 42 Value added statement
- 43 Academic quality and intellectual capital
 - 44 – Insights from our Chief Academic Officer
- 49 Social and relationship capital
- 53 Human capital
- 56 Financial capital
 - 57 – Chief Financial Officer's report
- 62 Infrastructure capital
- 64 Natural capital

05



06



OUR GOVERNANCE

- 67 Our Board of directors
- 69 Governance structure and activities
- 74 Transformation, social and ethics committee report
- 76 Remuneration and nominations committee report

GENERAL INFORMATION

- 88 Shareholder analysis
- 89 Corporate information
- 90 Glossary of terms

OVERVIEW

- 4 Our 2023 Integrated Report
- 6 The Group at a glance
- 8 Chairperson's reflections

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

01

OUR 2023 INTEGRATED REPORT

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

REPORTING PERIOD

Our Integrated Report is produced and published annually, covering the period from 1 January to 31 December 2023, as well as looking at the Group's strategy into the short-, medium- and long-term.

OPERATING BUSINESSES

Our Integrated Report incorporates information pertaining to STADIO Holdings Limited (STADIO Holdings), its three registered private higher education institutions, STADIO Higher Education, AFDA and Milpark Education, as well as its other subsidiaries (together the Group).

FINANCIAL AND NON-FINANCIAL REPORTING

Our Integrated Report is the outcome of a group-wide reporting process and has been prepared for the benefit of all our stakeholders (with a focus on providing relevant information to our investment community). It provides a holistic overview of the Group's strategy and overall performance against this strategy during the year. In assessing our performance, we consider the risks that exist, and management thereof, in executing our strategy, and creating value for our stakeholders, whilst minimising value erosion, over the short-, medium- and long-term.

OUR REPORTING UNIVERSE

Additional reports are included on the Group's website as follows:

- 2023 Summary Financial Results
- Annual Financial Results for the year ended 31 December 2023
- 2023 Financial Results presentation, recording and download
- Sustainability matrix
- Notice of AGM

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

OUR OVERARCHING STRATEGIC PRIORITIES

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

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 below and forms the foundation of all our decisions and planning.

W Widening Access

making quality higher education more accessible to more individuals

W World of Work

ensuring academic relevance and alignment with industry

S Student Centredness

our academic promise is "students at the centre, learning at the core"

OUR KEY STAKEHOLDERS

Our stakeholders are detailed on pages 38 to 41. During 2023, we focused on building our STADIO Community which comprises our key stakeholders, and includes:

- STAFF
- STUDENTS
- OUR SHAREHOLDERS

Other stakeholders of importance include:

- REGULATORY BODIES
- ALUMNI
- OUR WORLD
- INDUSTRY
- MEDIA

OUR CAPITALS

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

OUR 2023 INTEGRATED REPORT continued

MATERIAL MATTERS

Our material matters, as included on pages 17 and 18, are identified through group-wide engagement with our institutions, analysis of the risks and opportunities in our operating environment, as well as feedback from stakeholder engagements. These matters have, 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. Our material matters are continuously assessed and influence the overall strategic direction of the Group and may inform amendments needed to our business model.

- ECONOMIC ENVIRONMENT
- ACADEMIC QUALITY AND EXCELLENCE
- REGULATORY DELAYS
- STUDENT VALUE PROPOSITION
- OPERATING AS A SINGLE INSTITUTION

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

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



REPORTING FRAMEWORKS AND COMPARABILITY

In compiling this Integrated 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, Task Force on Climate-related Financial Disclosures (TCFD) as well as the SDGs.

FORWARD-LOOKING STATEMENTS

Our Integrated 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 our Integrated Report.

APPROVAL AND ASSURANCE OF OUR REPORTS

STADIO Holdings is proud to present its 2023 Integrated Report. The Board acknowledges its responsibility for overseeing the integrity and completeness of the 2023 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 our Integrated Report were verified by a combination of internal and external assurance specialists.

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

The 2023 Integrated Report was approved by the Board on 30 April 2024.

Vincent T Maphai
Chairperson

30 April 2024

Chris Vorster
Chief Executive Officer

30 April 2024

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 page 90

THE GROUP AT A GLANCE

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

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.

W Widening Access

W World of Work

S Student Centredness

These focus areas are what the Group lives by and drives our underlying operations.

We're building trust by delivering year-on-year, to create value for all our stakeholders



MILPARK
EDUCATION



STADIO
HIGHER EDUCATION



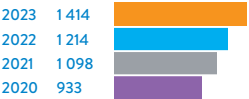
[AFDA]

THREE DISTINCT
PRIVATE HIGHER
EDUCATION
INSTITUTIONS

REVENUE

R1 414 million

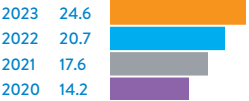
↑ 16%



CORE HEPS

24.6 cps

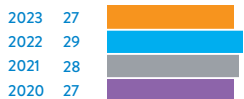
↑ 19%



ADJUSTED EBITDA MARGIN

27%

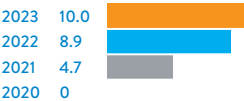
↓



DIVIDEND PER SHARE

10.0 cps

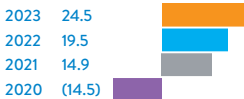
↑ 12%



EPS

24.5 cps

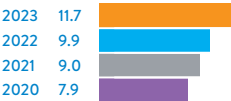
↑ 26%



RETURN ON EQUITY

11.7%

↑ 18%



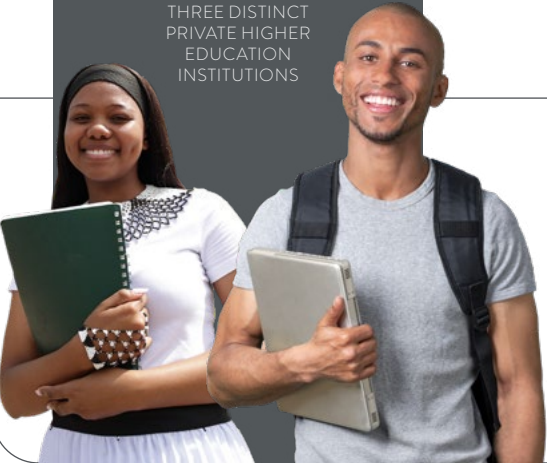
With
46 508
students,
the STADIO
Group is in the
top 10
universities, within
South Africa,
in terms of size

ANOTHER
MULTI-AWARD
WINNING
2023 FOR AFDA
STUDENTS AND
ALUMNI

MILPARK
EDUCATION
BECAME BIGGEST
PIPELINE OF
CHARTERED
ACCOUNTANTS IN
THE COUNTRY

SPORT
LAUNCHED
AT STADIO HIGHER
EDUCATION WITH
SEVENS RUGBY
TEAM WINNING
AT USSA

NEW CFO
APPOINTED –
ISHAK KULA



THE GROUP AT A GLANCE continued

2013 > STADIO Holdings started as a subsidiary of Curro Holdings Limited (Curro), a provider of pre-school and school-based Education. Curro acquired Embury, a registered private higher education institution offering accredited teacher education qualifications in 2013.	2017-2018 > Curro unbundled its entire interest in STADIO Holdings, and STADIO Holdings listed separately on the JSE on 3 October 2017. STADIO Holdings acquired six brands between 2017 and 2018, namely AFDA, CA Connect, Lisof, Milpark Education, Prestige Academy, and Southern Business School.	2020 > On 26 October 2020, the Group achieved a major strategic milestone and successfully consolidated four of its brands (Embury, Lisof, Prestige Academy, and Southern Business School) into a single registered higher private education institution, STADIO (Pty) Ltd, also known as STADIO Higher Education ('Business Transfer').	2021 > In January 2021, STADIO Higher Education registered new students under this brand for the first time. STADIO Higher Education completed the construction of its first comprehensive campus, STADIO Centurion and moved students from its Montana and Banklaan campuses to STADIO Centurion campus.	2022 > In January 2022, STADIO Centurion campus opened to new students. Milpark Education implemented its revised strategy to focus on distance learning online and moved away from contact learning. The Group declares its maiden dividend in respect of the 2021 financial year.	2023 > STADIO Higher Education's distance learning logistics centre opened and operated for the full year. The Group acquired additional shares in Milpark Education, owning an effective interest of 83.9%, following an additional acquisition in January 2024.	Our future STADIO Durbanville comprehensive campus will open to new students in January 2026, subject to regulatory approvals. AFDA will expand its Gauteng footprint and the Group will continue consolidating smaller campuses. The Group aims to accommodate 56 000 students by 2026, with an EBITDA margin of over 30%, in time, and 100 000 students.
--	---	---	---	--	---	--

OUR CAMPUSES AND SUPPORT CENTRES:

We have a far-reaching footprint with **86%** of students studying via distance learning and **14%** studying via contact learning.

We have **10** contact learning campuses and **six** distance learning support centres around the country and in Namibia.

The Group stands firmly grounded on the values of **service, quality, integrity** and **people-focus** ...

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

Schools of **business, commerce & management**

MILPARK EDUCATION
STADIO HE

School of **education**

STADIO HE

Schools of **film, media architecture, design & fashion**

AFDA
STADIO HE

School of **information technology**

STADIO HE

Schools of **law & policing**

STADIO HE

Business school

MILPARK EDUCATION

School of **humanities**

STADIO HE

School of **engineering**

STADIO HE

(to come)

THE BREADTH OF OUR OFFERINGS

CHAIRPERSON'S REFLECTIONS

I have always said that the success of the STADIO Group is both a moral and financial imperative for South Africa. With the demand for higher education growing annually, and the ongoing resource constraints at our public universities restricting access for individuals (the effect is compounded annually), it is time for our institutions to step in as first-choice institutions and fulfil the huge need of these individuals, and the country.

The Group has made some great strides in being the “first-choice”, and, during the year, the Board made some key strategic decisions to aid this, approving, to name a few:

- the construction of the STADIO Durbanville comprehensive campus for opening in January 2026, which, we believe will enable the Group to satisfy its contact learning needs for the future;
- the optimisation and restructuring of our smaller campuses, bringing about efficiencies and allowing us to provide a better student experience;
- the development of key in-demand programmes, ensuring we cater for comprehensiveness across multiple schools and modes, whilst rationalising certain programmes, ensuring only relevant quality programmes are offered;
- the investment into solar energy solutions across the campuses, aligning to our commitment to the environment and bringing cost savings in the future;
- the share repurchase programme to ensure shareholder value is not diluted through future share issues (as part of the long-term share incentive scheme);

- the acquisition of additional shares in Milpark Education from minority shareholders, believing in the growth prospects of Milpark Education going forward as it becomes the leading online distance learner provider in the country; and
- the adequacy of the loss allowance and debt management strategy, ensuring we make responsible business decisions, whilst supporting as many students, as possible, to continue studying, where feasible. During 2023, the struggling economic environment, coupled with the impacts of loadshedding and increased interest rates, directly impacted our students, who took longer to make payments. The implementation of new systems hindered timeous billing, in some instances. Management continues to proactively manage debtors' collections and have a clear strategy and robust processes in place to keep the loss allowance within acceptable levels.

In all our decisions, the Group, and Board, are guided by our commitment to the overarching goals for the Group, of **W****W****S**, recognising the importance of a solid governance structure, and staying true to our values of Quality, Service, Integrity and People Focus.

STUDENT
NUMBERS

↑10%

to
46 508

DIVIDEND
PER SHARE

↑12%

to
10.0 cps

CORE
HEADLINE
EARNINGS

↑19%

to
R209 million

Reflecting on 2023, I am proud of the Group's continued solid performance, delivering strong academic, operational and financial performance, whilst staying true to its core purpose of widening access to quality higher education. The Group has once more proven that it has the track record to deliver on its strategic objectives, despite the enormous economic challenges facing our country, and is an organisation that can be counted on.

VINCENT T MAPHAI
Chairperson



CHAIRPERSON'S REFLECTIONS continued



As part of the journey to be a first-choice institution, the Group continued to focus on improved student service, acknowledging past shortcomings, particularly in responding timeously to students due to the large volumes on certain programmes. This remains a key driver going forward. We believe in the importance of getting the basics right and believe in keeping things simple. The Group uses technology to enhance its offerings, increase efficiencies, and improve our student experience. Whilst always striving for excellence, we continually seek to balance this with affordability, staying true to our purpose of giving more individuals the opportunity to access quality higher education.

The Group continues to monitor the draft policy on the recognition of South African higher education institutional types, which, subject to certain criteria being met, will allow private higher education institutions to be called universities. Currently, regulations do not allow South African private higher education institutions to call themselves universities, even though private higher education institutions are registered, and all qualifications and sites of delivery are accredited, through the same regulatory bodies as public universities. The Group welcomes this change in legislation. Acknowledging the initial draft policy had many flaws, and is expected to change, the Group believes its institutions are largely well positioned to achieve university status, should the regulations allow.

Coupled with our overall ESG strategy, which is still in the early stages of implementation, we have focused on community engagement and responsible citizenship, looking to integrate good practice and principles of civic responsibility into the curriculum, aiming to produce graduates who are socially conscious and aware, and further aware of the role they play in the environment. Overall, the quality of our academic offering, and teaching and learning, is admirable. Governed by strong policies and processes, the Group provides its students with qualifications that are relevant and aligned to the needs of industry. The Group involves industry partners in most facets of its offering, from curriculum development, input into assessments, and having industry experts hosting seminars or webinars for students. Furthermore, in 2023, we saw our first two Doctorates conferred in record time!

Being a purpose-led organisation, the Group continues to recognise the importance of non-financial factors on the overall performance of our Group. In 2023, despite the economic headwinds, the Group, once more, produced solid financial results with Revenue up 16%, to R1.4 billion from R1.2 billion in 2022, and Earnings per share up 26% to 24.5 cents per share, up from 19.5 cents per share in 2022. Our key performance indicator of core headline earnings, was up 19% to R209 million, from R176 million in 2022.

I would like to thank my fellow Board members for their continued support and leadership over the past year. To Ishak Kula, welcome to the team. To Samara Totaram, thank you for your many contributions to the Group over the past seven years. To management and all the staff, thank you for your continued efforts in making our institutions, first-choice institutions. I believe that STADIO Higher Education, AFDA and Milpark Education are making, and will continue to make, a great contribution to South Africa and our entire society.

I would also like to thank our students, shareholders and other stakeholders for your continued support. As they say, "It takes a village to raise a child", and in our instance, it takes all our stakeholders, "our STADIO Community", to further promote higher education and enable the Group to continue delivering on its purpose of widening access to quality higher education for more individuals.

Thank you.

OUR BUSINESS

- 11 Our operating landscape
- 13 Our investment case
- 14 Our strategy
- 15 Our ESG framework
- 17 Our material matters
- 19 Our business model
- 21 Our risks and opportunities

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

02

OUR OPERATING LANDSCAPE

The need for higher education in South Africa is vast and the demand continues to outweigh the supply.

THE SIZE OF THE MARKET

- The higher education landscape comprises 26 public universities and 134 registered or partially registered private higher education institutions that are operating as at February 2024¹
- The National Development Plan (NDP) aims to increase the number of students enrolled in higher education to 1.6 million students by 2030
- As an element of the NDP, DHET would like to see one million of these students enrolled in private higher education
- In 2021, 232 915 students were registered with private higher education institutions (up 6% from 2020)
- Private higher education institutions make up 18% of the total higher education market in South Africa (up from 17% in 2020, and 15% in 2019)
- The global average is closer to 33%²

INPUTS

3

- NSC and IEB Bachelor passes have increased annually by 11% since 2008
- In contrast, public university 1st Year Bachelor intakes have on average increased by 0,8% per annum
- The average theoretical under supply has grown by an average of 45% per annum since 2008
- For 2024, if we assume that about 110 000 1st years will study bachelors' degrees at public universities, in theory more than 180 000 Grade 12s from 2023 would not get a seat to study a degree at a public university in 2024

¹ Register of private higher education institutions (7 April 2024)
² <http://data.uis.unesco.org/>
³ National Senior Certificate (NSC) Report

WHAT WE'VE DONE

- Continued expansion of our PQM across the breadth of our Schools and modes of delivery
- Investment in technology allowing easier access and more student support
- Minimum of one access qualification per school (enables entry for those without degree passes)
- Expanding capacity through investment in new comprehensive campus and distance learning programmes

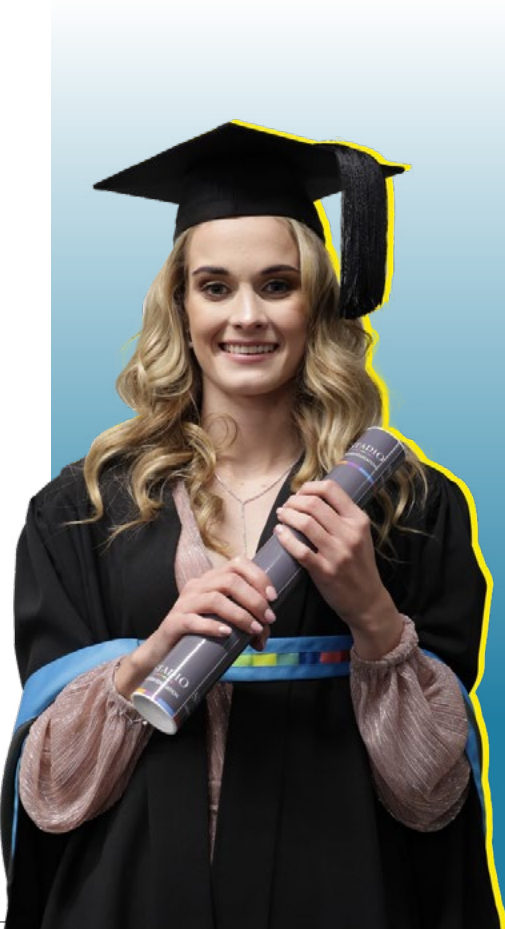
REGULATORY ENVIRONMENT

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

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

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

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



OUR OPERATING LANDSCAPE continued

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

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



The South African economy continues to lag with increased geopolitical instability, higher inflation rates, increased interest rates, increased fuel costs and unprecedented levels of loadshedding, all stifling economic growth and adding financial pressure onto our students. Accordingly, affordability remains a critical factor that management need to manage.

WHAT WE'VE DONE

- The Group stands true to its commitment of widening access to quality higher education by ensuring its qualifications remain affordable and keeping tuition fee increases to a minimum in 2023
- The Group continues to seek financing partners for its students, e.g. Capitec, Student Hero, Fundi, and to engage with its students, entering into payment plans on a case-by-case basis, as necessary
- Established the STADIO Kusasa Foundation, a s18A trust, to seek funding and award bursaries to students
- In addition, the Group has laid a strong foundation through the investment in technology, infrastructure, systems, policies and processes with a focus on achieving operational efficiencies
- These operational efficiencies are starting to bear fruit and will allow the Group to continue to drive access and provide a solid student value proposition

“Higher education equips individuals to make the best use of their talents and of the opportunities offered by society for self-fulfilment. It is thus a key allocator of life chances, an important vehicle for achieving equity in the distribution of opportunity and achievement among South African citizens.”

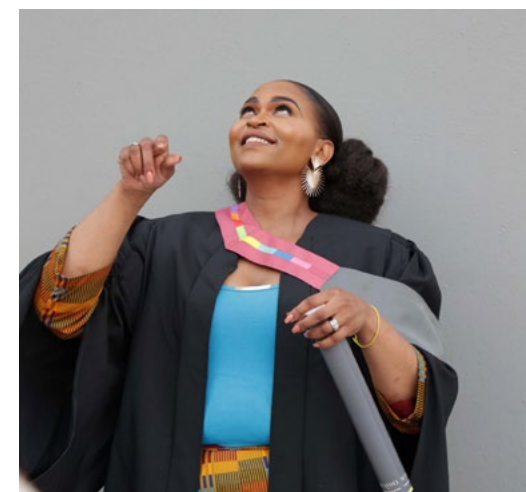
CHE

Higher education is a necessary spend for students to make a step-change in their lives:

- The unemployment rate in South Africa is 32.1%¹
- Graduate unemployment rate was at about 9.6%²

¹ Quarterly Labour Force Survey (QLFS) for Q4: 2023

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



OUR INVESTMENT CASE

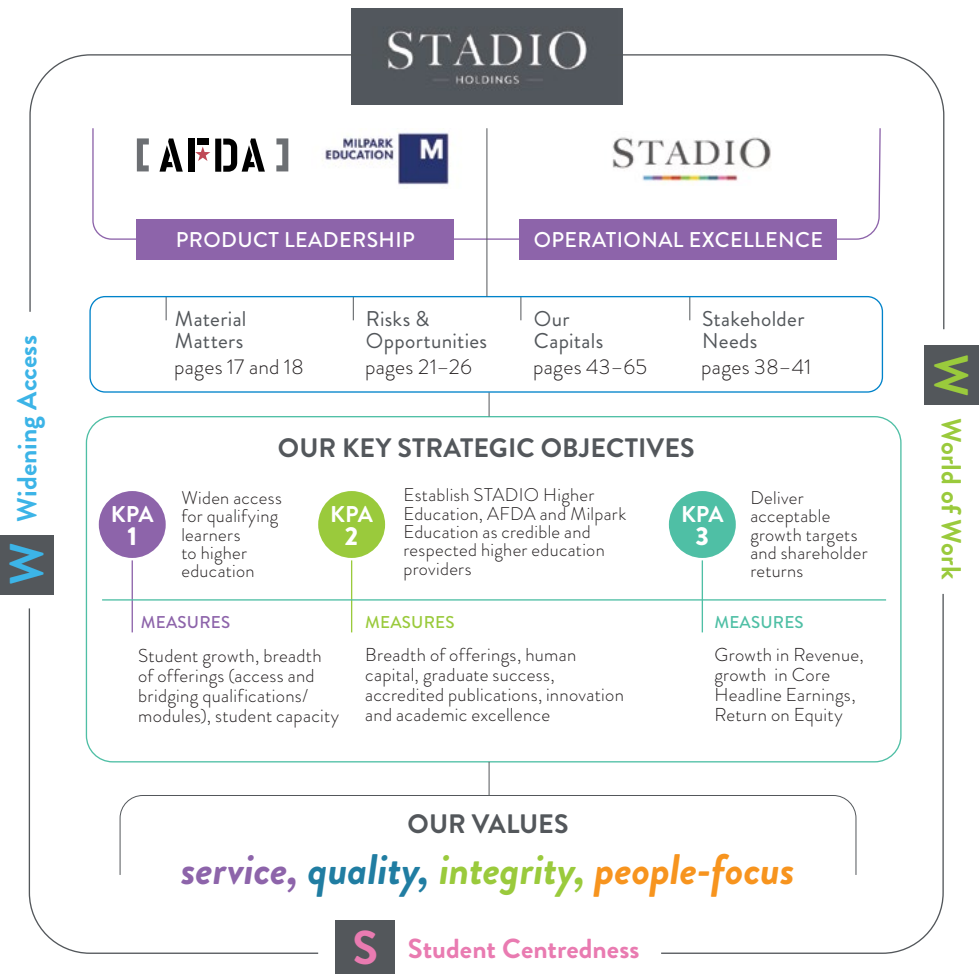
WE DO NOT WANT TO
BE ANOTHER PUBLIC
UNIVERSITY,
WE WANT TO DO
THINGS DIFFERENTLY,
WE WANT TO DO
THINGS BETTER –
THE STADIO WAY



A NEW VISION IN HIGHER EDUCATION

OUR STRATEGY

As a purpose-led Group that focuses on providing more individuals with an opportunity to access quality higher education, our strategy provides a clear framework to achieve our goals in the short-, medium-, and long-term, ensuring we create value for all our stakeholders. The Group is represented by three distinct higher education institutions, each with a unique customer base and product focus, and therefore, each with its own tailored strategic focus. Ultimately, the overall Group strategy is underpinned by its ultimate focus areas of **WWS** ensuring we create value for our stakeholders.



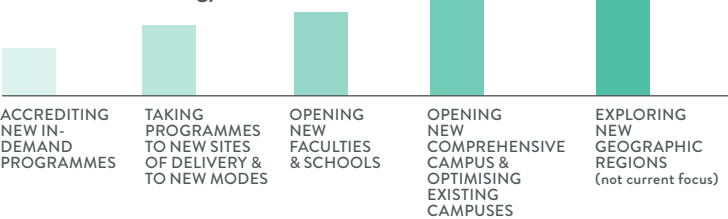
OUR BUSINESS AIM

The STADIO Group's business aim is to grow its student numbers to 56 000 students by 2026

The Group's long-term business aim is to accommodate 100 000 students (i.e. approximately a 5% market share of the total South African Higher Education market), over both contact and distance modes of delivery, with 80% of students studying via distance learning

We want to be a first-choice institution, a real alternative to the public universities

Our Growth Strategy



EXPLORE OTHER GROWTH OPPORTUNITIES THROUGH EXCITING INTERNATIONAL AND LOCAL PARTNERSHIPS

The Group's growth strategy is supported by a strong balance sheet with no debt at 31 December 2023 and access to R100 million debt through a rolling credit facility (RCF). The RCF was utilised in January 2024, as part of the Group's acquisition of additional shares in Milpark Education. The Group has the option to increase the funding with a further R100 million, should the need arise.

The construction of the Durbanville campus, the Group's final comprehensive campus, will be funded through cash resources and long-term debt.

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 a larger mega-campus where required;
- Maintaining acceptable salaries, operating cost and bad debt margins;
- Enhancing operational efficiencies (including IT systems, property management and utilisation, marketing, finance, academic, regulatory and the like) and managing costs to acceptable levels; and
- Ensuring that students' fees are collected timeously and minimising bad debt.

THE GROUP'S 2024 FOCUS AREAS

The Group's priority areas for 2024 are built on the priority areas set for 2023:

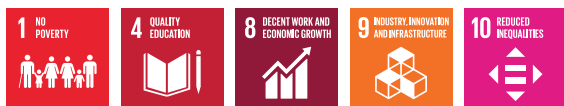
- On track for university status
- Commence the Durbanville Campus construction and meet the milestones according to agreed plan
- Optimisation of staff, campus, and structure (including consolidation of smaller campuses)
- Execute agreed technologies to enable efficiencies and improve student experience
- Agree on Student Funding model to be rolled out
- Continued expansion and refinement of the PQM with a focus on enhancing stature of key identified School

OUR ESG FRAMEWORK

We have a key role in educating and equipping individuals with skills to enter the working world as advocates for sustainable development, and climate-related risks – ready to find much needed solutions for the global challenges being faced as identified through the SDGs.

The 17 Sustainable Development Goals (SDGs) adopted by the United Nations, are a set of aspirations aimed to assist in tackling the global challenges being faced by the world, to, amongst others, reduce poverty, economic, social and gender inequality and environmental destruction, whilst bringing about peace and sustainable governance practices, by 2030.

Our Group is focused on the following SDGs.



We believe that the achievement of provision of Quality Education is essential to the achievement of all other SDGs. Our core business operations are perfectly aligned to SDG 4 and we have a pivotal role to play in the success of our country and the world, in general.

STRATEGY

The Group is a purpose-led business and at the heart of what we do is to empower individuals through providing them access to quality higher education. Our approach to ESG is therefore integrated into the Group's daily operations and, although ESG matters are included as specific agenda items of discussion, ESG matters are embedded into our overall business model and strategy, with appropriate governance and risk mitigating processes in place.

The Group performed a gap-analysis during the year to understand its shortcomings in adopting the new sustainability-related standards, and set-out a three-year road map to ensure its overall reporting structures are better aligned to capture the pertinent information to report meaningful information to investors going forward, considering the Group's views on double materiality.

GOVERNANCE

The Group has a robust governance structure as seen on pages 69–73. The responsibilities of the various Board committees are outlined below:

BOARD

- Exercises ethical leadership and judgement to grow the business sustainably
- Sets the overarching strategy and monitors the associated ESG risks and opportunities that may impact our Group

AUDIT AND RISK COMMITTEE

- Assesses and monitors the specific ESG-related risks within the Group's risk management framework
- Consider the recommendations of the TCFD as well as IFRS S1 and IFRS S2

TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE

- Primarily responsible for overseeing and monitoring the Group's approach to ESG matters, its related policies, and execution thereof
- Considers the measurement and disclosure requirements required by IFRS S1 and IFRS S2

MANAGEMENT

- Daily management and awareness of ESG related matters throughout the business activities

RISK MANAGEMENT

The Group assesses its ESG related risks as part of its overall risk management framework. Given the pressing real concerns about climate change, the Group continued to assess the likely impact of climate change on its organisation and the whole supply chain. To date, given the nature of the Group's offerings, management does not believe that climate related risks have a material impact on meeting the Group's strategic objectives.

Refer to pages 21–26 for more information on the Group's Risk management framework.



OUR ESG FRAMEWORK continued

OUR IMPACT

Although we are still in the early stages of our reporting journey, the Group has made good progress in collecting data to enable meaningful reporting going forward. In 2023, the Group introduced a sustainability matrix which will assist in facilitating data-driven decision making going forward. The Group is guided by its double materiality approach and is in the process of finessing the key ESG metrics to report on annually.

Although we believe our direct impact on the environment is minimal, we believe our social impact through educating individuals and providing them with access to quality education higher, is significant. We recognise our role as a responsible citizen and the key function our institutions can play in ensuring its staff, graduates and students are socially conscious and aware, with an understanding of the risks and the importance of environmental, social and governance issues.

ENVIRONMENTAL

Given the nature of our business, we believe our business activities’ carbon footprint is low and the direct impact on the environment is considered minimal. 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. Furthermore, we believe that sustainable business practices will create value for our stakeholders and we strive to limit our carbon footprint as much as possible, with various initiatives on energy, water and waste in place across the Group. Refer to our natural capital on pages 64 and 65.

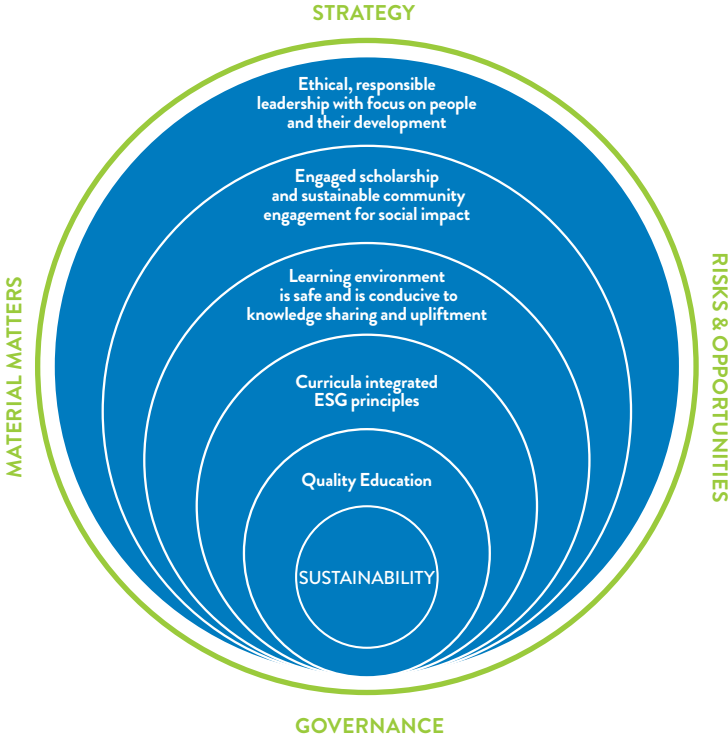
During 2023, we saw some disruption on our Gauteng campuses, as a result of water outages, often linked to loadshedding. To date, the impact is not considered material and the Group has alternative water sources in place, such as water tanks and boreholes, that limit this risk. Management is busy finalising the Group’s policies around water usage for the Group, and rolling out its water project to ensure all campuses have sufficient water backup to mitigate any possible impacts of water shortages in the future.

SOCIAL

Education, unquestionably, plays a critical role in providing individuals with the necessary skills and intellectual capital they need, to not only find jobs, but to create jobs, promoting equality, and ultimately social justice. It is widely acknowledged that individuals who further their post-school education obtain a wide range of financial, personal and other lifelong benefits, and society, as a whole, derives a multitude of direct and indirect benefits.

Furthermore, we acknowledge the vast inequality in our country and the need to provide affordable education. We have also seen the huge need to provide student support and offer bridging modules and basic literacy skills to our students, who in many instances, lack the basic education foundations necessary to succeed at a higher education level. Refer to pages 43 to 50 for examples of how our academic teams are investing in our students and the initiatives they have adopted to assist in supporting our students and creating value for them.

The Group is committed to producing graduates who are socially conscious, and environmentally aware. To achieve this, we integrate key ESG principles into our qualifications, through ESG integrated modules, projects and business activities. We also adopt an approach to community engagement that is focused on social impact and sustainable relationships, whilst encouraging “engaged scholarship”. Refer to pages 51 and 52.



Some examples of our integrated approach:

- The Milpark Business School offers a module titled Community Engagement: Social Responsibility and Environmental Management, with the core purpose of this module being to ensure that the postgraduate students (specifically in the Post-graduate Diploma in Business Administration and Masters in Business Administration qualifications) explore the significance of social responsibility and environmental management from a corporate, government, individual and NGO perspective.
- The STADIO School of Fashion has embedded sustainability into its curriculum, teaching its students to be ethical and to embrace “slow” fashion, i.e. production of fewer products at a higher quality. The STADIO School of Fashion educates its students on the impact that the fashion industry has on the environment and ensures they are aware that they are part of an ecosystem. The School of Fashion trains students in textile manufacturing to ensure that all fashion practices are sustainable.
- STADIO Higher Education introduced a “Second Transcript” for students, whereby students receive a second digital transcript based on acquired graduate skills and attributes achieved throughout their student journey, promoting holistic development of our students.

Refer to our sustainability matrix here <https://stadio.co.za/sustainability/> for further metrics.

OUR MATERIAL MATTERS

MATERIAL MATTERS ARE KEY ITEMS IDENTIFIED THAT:

1. Impact our ability to execute our strategic priorities
2. Impact our ability to preserve and create stakeholder value

Identifying our material matters requires input from all our institutions, as well as feedback from our various stakeholders. Our material matters are reviewed by our Executive Committee, Audit and Risk Committee, and Board for relevance, together with the Group’s risks and opportunities as identified on pages 21–26. We ensure our business model remains adequate in navigating these material matters, whilst continuing to preserve and create stakeholder value.

In assessing our material matters, we consider both financial and non-financial factors, recognising that environmental, social and governance (ESG) issues may impact financial performance. In considering our material matters, we have, therefore, considered the impact on an ESG level too. Our material matters are consistent with the material matters disclosed in the prior year. The below material matters are ranked according to their perceived impact on the Group.

Current year MM ranking	MATERIAL MATTER	ESG IMPACT	Prior year MM ranking	Strategic objectives	Risk
1	ECONOMIC ENVIRONMENT The South African, and global, economy continued to underperform in 2023 with geopolitical risk adding to the uncertainty. This directly impacts the ability of our students to afford higher education and impacts the Group’s ability to execute its strategic goals. In 2023 we saw our collections slow, and accordingly increased our bad debt loss allowance.	SOCIAL Our institutions offer quality qualifications, at affordable and relevant prices, that upskill our students and equip them to get a job, a promotion or become an entrepreneur, benefiting society as a whole. When students are unable to pay their tuition fees, they risk exclusion from the institution and not being able to graduate. The Group continues to seek responsible ways of making education affordable, as well as finding financing solutions for our students. We have partnered with Capitec, Student Hero, Fundi, and Manati to provide financing to our students. In addition, we continue to monitor all debt levels and ensure students that are struggling to make payments, are identified, and assisted with financing plans, where permissible. In 2023, our S18A bursary trust, the STADIO Kusasa Foundation, received its inaugural donation from the Jannie Mouton Foundation, and continues to seek funding for bursaries for those students in financial need.	1	KPA 1 KPA 2 KPA 3	1, 2, 4, 9
2	ACADEMIC QUALITY AND EXCELLENCE The Group remains committed to academic excellence and quality which ensures we are the trusted partner for students and industry. We have invested in our policies and processes, as well as staff resources to ensure our academic quality meets our commitment to high quality learning. We engage with industry to ensure our qualifications are relevant and take into account the needs of the world of work, giving our graduates a better chance of securing employment upon graduating. Academic quality directly impacts our reputation amongst most of our stakeholders, specifically our students, industry, alumni, and regulators and remains integral to our overall student value proposition.	ENVIRONMENTAL – SOCIAL Quality education is one of the Sustainable Development Goals and the provision of quality education is fundamental to all our institutions. Our institutions recognise the key role they can play in ensuring their graduates and students are socially conscious and aware, with an understanding of the risks and the importance of environmental, social and governance issues. Our academic quality allows our institutions to expand their programme offerings and introduce new and exciting Schools, whilst enabling our graduates to enter the world of work with relevant and sought after skills that empower them.	2	KPA 1 KPA 2	2, 4, 6, 7, 8, 10

Current year MM ranking	MATERIAL MATTER	ESG IMPACT	Prior year MM ranking	Strategic objectives	Risk
3	REGULATORY CHANGES AND DELAYS  Our institutions are reliant on the CHE, SAQA and DHET (same Regulatory Bodies as the public universities) to accredit new products and existing products to new sites of delivery. Programmes can take up to 24 months to be accredited and this uncertainty impacts the Group's growth strategy and makes planning difficult. Regulatory changes may also impact our status and ability to grow and open new campuses timeously, such as the Durbanville comprehensive campus. All regulatory changes are assessed and the expectant impact is determined to ensure the Group manages these changes so that they do not impact our ability to create stakeholder value.	ENVIRONMENTAL – SOCIAL – GOVERNANCE The Group is committed to promoting and maintaining the highest level of governance across the institutions, despite the frustrations and impacts of delays on achieving our growth strategies. Sound corporate governance structures are in place within the Group with Quality Assurance committees and various other committees that look to discuss, evaluate and mitigate these changes. The Group is implementing an ESG plan to progress its ESG compliance and reporting whilst staying true to its core business.	3	KPA 1 KPA 2 KPA 3	4, 5, 9, 10
4	STUDENT VALUE PROPOSITION  The Group student value proposition encompasses the unique benefits and features that our higher education institutions offer to our students, with a focus on the quality of teaching, academic programmes, student support services, industry engagement, breadth of offerings, relevance, flexibility and ultimately, affordability. As mentioned previously, affordability is key and something that management consistently has to balance when making strategic decisions to create value for its various stakeholders. Developing a strong Student Value Proposition is crucial for the Group to attract and retain students, and to differentiate ourselves from our competitors. Management and the Board recognises the importance of providing a strong student value proposition and in 2023, Student Experience and Student Retention were two of the key focus areas approved by the Board.	ENVIRONMENTAL – SOCIAL – GOVERNANCE Our students are at the centre of what we do and they have high expectations of the higher education institution they choose to attend. Our academic and operational focus remains “students at the centre, learning at the core”. It is therefore important that we deliver on the high quality standards we set ourselves to provide our students with skills that are relevant in industry and will assist them in obtaining a job, receiving a promotion, having the skills to create entrepreneurial opportunities, whilst ensuring our graduates and students are socially conscious and aware, with an understanding of the risks and the importance of environmental, social and governance issues. In turn our graduates can positively impact society as a whole.	5	KPA 1 KPA 2 KPA 3	1, 3, 4, 5, 8, 9, 10
5	STADIO HIGHER EDUCATION OPERATING AS A SINGLE INSTITUTION SINCE BUSINESS TRANSFER  In 2020, the Group completed the Business Transfer and launched STADIO Higher Education, a comprehensive institution. The businesses of Embury, Lisof, Prestige Academy, and SBS (the erstwhile institutions) operated on a decentralised basis with different processes, systems and policies. As part of becoming a single institution, STADIO Higher Education has been busy aligning their processes, systems, and policies, to the ‘STADIO Way’, whilst further investing in new technology and structures to become a first-choice institution. These changes can be burdensome on the individuals involved, are a distraction from managing the day-to-day operations, and can negatively impact staff wellness and morale.	ENVIRONMENTAL – SOCIAL – GOVERNANCE The Business Transfer was a critical milestone for the Group and key to the Group's strategy to unlock value in the medium to long term, which in turn will see STADIO Higher Education being able to better deliver value to its stakeholders. Furthermore, this provides an opportunity to expand the breadth of our offerings and qualification mix to cater for more individuals. In 2023, the erstwhile institutions were legally deregistered. In all its decisions, management considers the environmental impact of, for example, building a new comprehensive campus, and looks for opportunities to reduce any negative environmental consequence of its actions. Change management can be stressful for staff and a staff wellness strategy is in the process of being rolled out across the institution. Good governance structures have been implemented across the group, supported by policy and the new STADIO values which speak to service, quality, integrity and people focus.	4	KPA 1 KPA 3	3, 5, 6, 7, 9

OUR BUSINESS MODEL

INPUTS

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



ACADEMIC QUALITY AND INTELLECTUAL CAPITAL

- Three distinct registered private higher education institutions
- 87 accredited programmes across both contact and distance learning modes of delivery (2022: 91)
- Continued development of in-demand programmes
- Quality assurance and excellence structures
- Continued investment in system, processes and technology solutions to support students and ensure operating efficiency, whilst also ensuring academic integrity (Proctorio)
- Internationally recognised accreditations



HUMAN CAPITAL

- 1 193 permanent employees
- R601 million spent on salaries and wages (2022: R520 million)
- Highly qualified and skilled leadership team, with expertise in education, academics, finance, business and entrepreneurship
- Robust Board of Directors



SOCIAL AND RELATIONSHIP CAPITAL

- Access to quality education for 46 508 students
- Bursaries and corporate and social investment R45 million (2022: R32 million)
- Community engagement initiatives
- Continued roll-out of STADIO Khulisa Student Share Scheme
- Staff phantom share scheme and staff study assistance programme rolled out



INFRASTRUCTURE CAPITAL

- STADIO Krugersdorp Distance Learning Logistics centre opens
- 16 campuses or distance learning support centres nationwide
- Continued implementation of technologies CANVAS
- R941 million invested on capital expenditure, including IT and technologies over the past seven years



FINANCIAL CAPITAL

- Strong balance sheet with no gearing at year end
- Revolving debt facility of R100 million utilized in January 2024 (with opportunity to raise an additional R100 million)
- R130 million cash on hand (2022: R 148 million)
- R404 million operating cashflows (2022: R361 million)



NATURAL CAPITAL

- Invested R5 million into solar projects with continued roll-out across campuses in 2024
- Managing and optimising water and electricity usage
- Investing in curricula to educate students to be socially conscious and environmentally aware
- Community engagement projects

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

BUSINESS AND VALUE CREATION ACTIVITIES

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

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

PURPOSE AND VALUES

STRATEGIC OBJECTIVES

OUTPUTS

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

OUTCOMES

ACADEMIC QUALITY AND INTELLECTUAL CAPITAL

- 8 103 graduates (2022: 7 498)
- 54 programmes in development (2022: 31)
- STADIO Higher Education opened the School of Humanities
- 133 research outputs (2022: 91)

HUMAN CAPITAL

- Strong new Heads of Campus appointed for STADIO Higher Education
- New Head of Milpark Education's Business School appointed
- New Group CFO appointed effective 1 January 2024
- Roll out of staff wellness strategy

SOCIAL AND RELATIONSHIP CAPITAL

- 10% growth in student enrolments
- 641 new shareholders through the STADIO Khulisa Student Share Scheme
- R2.1 million paid to staff through the Staff Phantom Share Scheme
- Staff study assistance programme launched
 - Some students excluded due to non-payment

INFRASTRUCTURE CAPITAL

- 2 new distance learning support centres opened
- ERP rolled out across STADIO Higher Education
 - teething issues
- Early exit of Milpark Education's Melville lease
- Continued roll-out of CANVAS at Milpark Education
- Krugersdorp logistics centre opens in January 2023

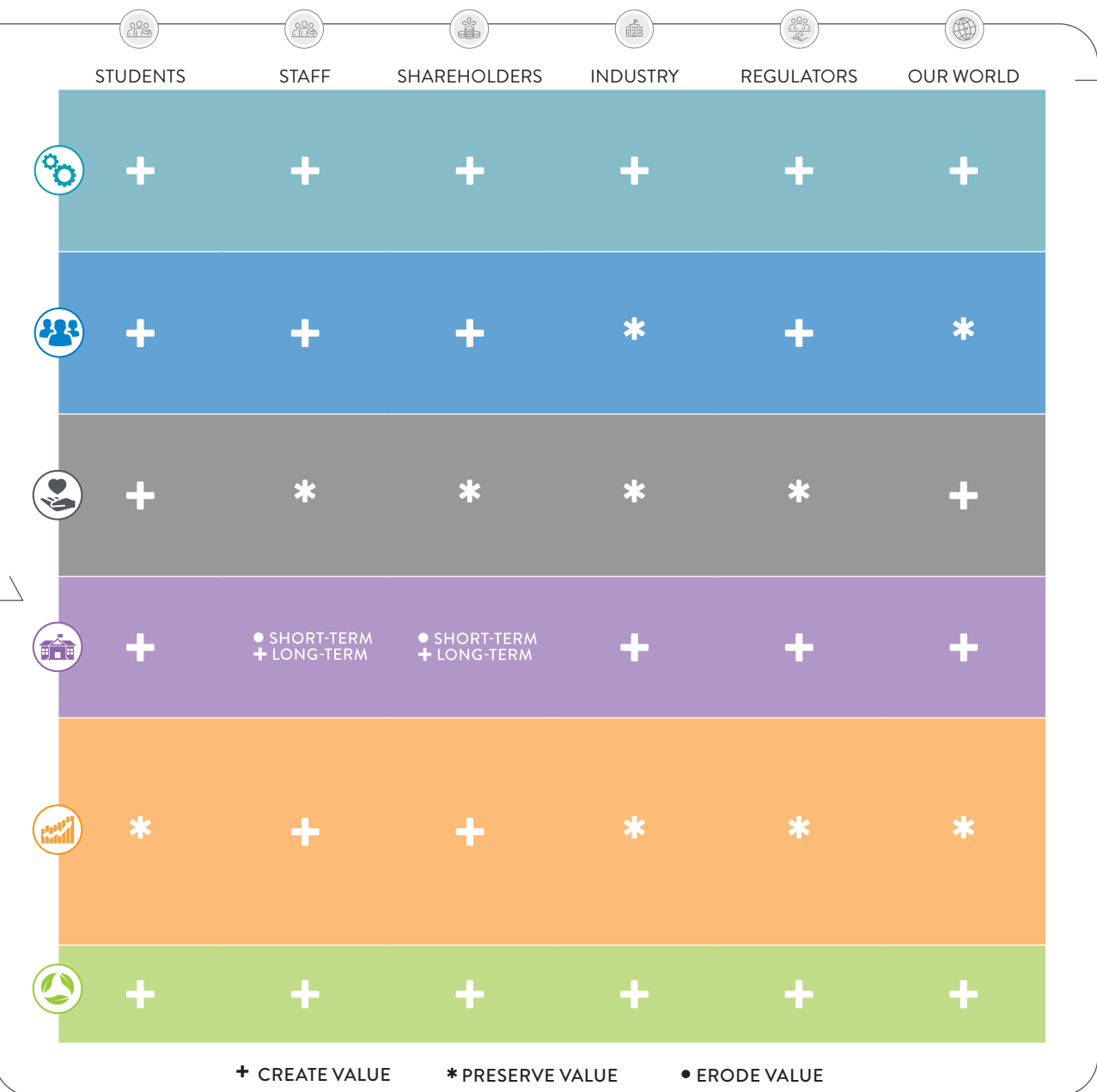
FINANCIAL CAPITAL

- Revenue up 16%
- Core Headline Earnings up 19%
- Return of Equity up to 11.7% (2022: 9.9%)
- Dividend per share of 10 cents declared (2022: 8.9 cents per share)
- Loss allowance up to 9% (2022: 7%)

NATURAL CAPITAL

- Solar solution implementation completed at Waterfall campus and continues to be rolled out across other campuses
- Investigating water security at all campuses
- Webinars held for students on ESG matters

OUR BUSINESS MODEL



TRADE-OFFS

- 

ACADEMIC QUALITY AND INTELLECTUAL CAPITAL

Financial capital is utilised for ongoing research and development of academically sound curricula and processes which positively impacts our academic quality and intellectual capital, human capital and social and relationship capital. Academic excellence needs to be balanced with ensuring our qualifications remain affordable. Delays in accrediting qualifications also negatively impacts the Group's growth plans and financial capital
- 

HUMAN CAPITAL

Financial capital is utilised in hiring additional staff members & training and developing staff, which positively impacts on our human capital
- 

SOCIAL AND RELATIONSHIP CAPITAL

Financial capital is utilised to assist in granting bursaries and funding which positively impacts our social and relationship capital
- 

INFRASTRUCTURE CAPITAL

The construction of our new comprehensive campuses and investment in technologies, may have short-term implications on staff wellness and shareholder returns, and yet in the long-term should be positive use of financial capital ("j-curve"). Construction may also negatively impact our natural capital, however, careful environmental assessments are performed to mitigate and minimize the impact.
- 

FINANCIAL CAPITAL

There is a fine balance between financial capital utilisation and the other capitals – financial capital is needed to invest in, and positively impact, the other capitals, and yet this allocation must be balanced, ensuring the Group continues operating and providing a return to its shareholders.
- 

NATURAL CAPITAL

Financial capital has been utilised in solar projects which will save the Group money in the long-term, as well as positively impact natural capital as energy usage is reduced.

OUR RISKS AND OPPORTUNITIES

RISK MANAGEMENT AND GOVERNANCE

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

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

RISK GOVERNANCE

The Board has mandated the oversight of the Group's risks to the Audit and Risk Committee, who ensure that identified risks are properly mitigated to within acceptable tolerance levels. Management is delegated with the responsibility of effectively identifying and managing the Group's risks (and opportunities) and a Risk Committee has been established to facilitate regular and targeted risk and opportunity discussions.

The Group's combined assurance approach, provides the Board and management with additional reassurance regarding the Group's internal control environment.

STRATEGIC RISKS AND OPPORTUNITIES

Major strategic risks may impact the Group's ability to meet its key strategic objectives. The strategic risks managed throughout the 2023 year, and the associated opportunities, are disclosed on the following pages.

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

ESG MATTERS

During 2023, our Material Matters disclosure has been enhanced to link our material matters monitored with the strategic risks monitored, as well as identifying the ESG impact of its material matters. This is aligned to our integrated approach to manage ESG related matters. Refer to pages 15 and 16.

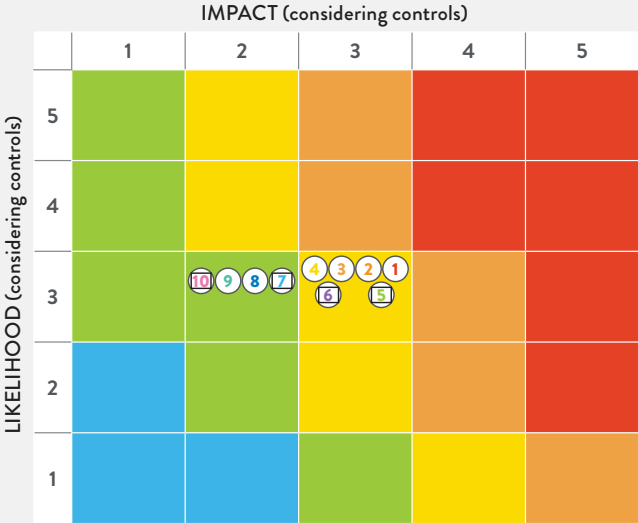
During 2023, the Group continued to assess the likely impact of climate change on its organisation and its supply chain. Climate related risks was a topic at each Operating Risk Committee Risk. Given the nature of our business, we continue to believe that climate related risks do not currently have a material impact on meeting the Group's strategic objectives.

Management will continue to monitor climate-related risks going forward. Furthermore, our institutions will continue to focus on its role in ensuring its staff, graduates and students are socially conscious and aware, with an understanding of the risks and the importance of environmental, social and governance issues.



RISK MATRIX AND CATEGORIES

Our risks are categorised and shown below in terms of highest risk rating first, down to lowest risk rating. These risks are linked to our material matters, as well as our strategic key performance areas, as disclosed on pages 17–18 and 14, respectively.



- 1 ECONOMIC
- 2 POLITICAL
- 3 TECHNOLOGY SYSTEMS
- 4 REGULATORY
- 5 SALES AND MARKETING
- 6 HUMAN RESOURCES
- 7 REPUTATION
- 8 COMPETITION
- 9 OPERATIONAL
- 10 ACADEMIC
- EXTERNAL RISK
- INTERNAL RISK
- RISK HAS INCREASED SINCE PRIOR YEAR
- RISK HAS DECREASED SINCE PRIOR YEAR
- RISK REMAINS UNCHANGED SINCE PRIOR YEAR

RESIDUAL RISK LEGEND	MILD	MINOR	MODERATE	MAJOR	EXTREME
(Likelihood X Impact = Inherent Risk) (Inherent Risk X Assessment Of Controls Effectiveness = Residual Risk)	<5	5-10	10-15	15-20	>20

OUR RISKS AND OPPORTUNITIES continued

RISK IDENTIFIED	INTERNAL or EXTERNAL	KEY RISK INDICATOR	INHERENT RISK	RESIDUAL RISK	STRATEGIC LINK	CONTROLS IN PLACE
1 ECONOMIC  (2022: 1) Risk increased, but remains at 1	External and Internal	- South African economy continues to lag, impacting the ability of students to afford higher education - Failure to achieve key strategic imperatives - Failure to achieve projected student numbers and widen access to quality higher education - Increase in debtors' book with slower collections and increased bad debts - Large investments in capital projects with lower-than-expected capital returns OPPORTUNITIES: - Collections are better than expected - Increase in number of students - Operational efficiencies from investment in processes, systems and structures	Major	Moderate	 	- Pricing products reasonably and competitively - Focused debtor collection policy and processes implemented - Continued optimisation of current operations and processes - Investigating student funding model and alternative payment methods for students
2 POLITICAL  (2022: 4)	External	- Geopolitical tension, South African, and other key global, elections impacting economic environment and creating uncertainty - Slow pace of political support for private higher education - Continued emphasis on the cost of higher education (#FeesmustFall; #missingmiddle) OPPORTUNITY: - Private higher education institutions are seen as more stable	Moderate	Moderate	 	- Regular engagement with Regulators and policy decision makers - Regular engagement with student bodies - Commitment to responsible and reasonable pricing, delivering on student value proposition
3 CYBERSECURITY & TECHNOLOGY SYSTEMS  (2022: 3)	External and Internal	- Risk that system is breached and data is lost or stolen through cybersecurity attack or students lose access to the system - Implementation of new IT systems do not meet the needs of the business, cost more than expected, and are dependent on key individuals - Lack of integration of systems causes inefficiencies and impacts ability to bill timeously OPPORTUNITY: - Effective IT systems should promote quality offering to students and bring about efficiencies	Major	Moderate	  	- Data encryption tools, implementation of cybersecurity solutions and other security software, multi factor authentication - Continued Cybersecurity training - Cybersecurity insurance with penetration testing completed at all institutions - Continuous analysis of processes and systems to ensure operating effectively - Manual workarounds where necessary

OUR RISKS AND OPPORTUNITIES continued

RISK IDENTIFIED	INTERNAL or EXTERNAL	KEY RISK INDICATOR	INHERENT RISK	RESIDUAL RISK	STRATEGIC LINK	CONTROLS IN PLACE
4 REGULATORY  (2022: 2)	External and Internal	- Delays in accreditation of new programmes and sites hinder growth opportunities and make planning difficult - New CHE Quality Assurance and Institutional Audit Frameworks are designed for public institutions and achieving self-accreditation status and university status is onerous and costly	Major	Moderate	KPA 1 KPA 2	- Quality assurance includes external expert reviews and internal dual oversight prior to submission for accreditation - Good pipeline of programmes with regular submissions of high quality - Proactive assessment of institutional preparedness for the CHE audits including mock audits, self-evaluation reports and Institutional improvement plans where needed - CHE audit for private institutions delayed and will not go ahead in 2024, as originally expected - Completed comprehensive self-audit with improvement processes implemented, where necessary
		OPPORTUNITY: - Early accreditation/successful site extensions will allow new programmes to be offered earlier and enable growth projects - Achieving university status adds to perceived quality of brand				
5 SALES AND MARKETING  (2022: 5)	Internal and External	- Lack of public awareness and/or misunderstanding regarding the status of private higher education - Incorrect target market - Not responding timeously to student queries due to staff capacity and increased volume of queries over registration period	Major	Moderate	KPA 1 KPA 3	- Focused resources allocated to both general brand awareness and targeted marketing activities. - Participation in sporting programmes is growing brand awareness and assists in building a holistic offering - Continued focus on student response rates
		OPPORTUNITY: - STADIO Higher Education's brand awareness is growing - Milpark Education's PGDA results in SAICA exams is increasing its brand perception - AFDA's continued awards create good exposure for the brand				

OUR RISKS AND OPPORTUNITIES continued

RISK IDENTIFIED	INTERNAL or EXTERNAL	KEY RISK INDICATOR	INHERENT RISK	RESIDUAL RISK	STRATEGIC LINK	CONTROLS IN PLACE
6 HUMAN RESOURCES  (2022: 6)	Internal	- Staff wellness and fatigue in a post-COVID world is more prevalent in staff and students (This is not unique to STADIO Group) - Staff remuneration is low in comparison to universities' remuneration structures - Meeting transformation targets at senior management level will be costly	Major	Moderate	KPA 2	- Various staff support services available e.g.: SADAG, FAMSA - Staff and student wellness strategy in place - Build a culture, and institutions, that staff want to work for and be associated with (institution of choice) - Offering market-related remuneration combined with good working conditions to attract and retain the best academic and professional support staff, with a remuneration project team established to set out a harmonisation plan over the short- and medium-term - Comprehensive employee value proposition being developed, staff bursaries, phantom scheme, improved culture, exciting brand and working for purpose - Providing opportunities, albeit below public university standards, for research incentives (research publications and research titles), and study assistance for staff and their families - STADIO reiterates the importance of its values, one of which is "people-focus"
	Internal	OPPORTUNITY: - Many individuals choosing to work for our exciting brands - Many individuals want to 'work for purpose' and therefore education is attractive to them				
7 REPUTATION  (2022:7)	Internal and External	- Institutions do not meet the expected standards of service delivery and quality - Students are quick to use social media to voice concerns or dissatisfaction - Delays and service inefficiencies in responding to student complaints – students seek instant gratification and are not prepared to wait (long waiting queues in online world are not visible) - 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	Moderate	Moderate	KPA 2	- Organisational commitment to student-centredness and ethical conduct of all role-players - Organisational monitoring of "minimum standards of quality" through centralised quality and learner support committees - Continuous monitoring of curricula by academic heads, as well as the institutional Senates - Quality management at subsidiary Boards and STADIO Holdings Board - Customer Service remains a focus area for all staff and is driven from CEO's office - Continued reflection on improving processes and systems to operate more efficiently and improve the overall student experience - Customer complaints escalation process established to address customer complaints timeously
		OPPORTUNITY: Good service and academic offerings will improve reputation and brand and increase institutions' standing				

OUR RISKS AND OPPORTUNITIES continued

RISK IDENTIFIED	INTERNAL or EXTERNAL	KEY RISK INDICATOR	INHERENT RISK	RESIDUAL RISK	STRATEGIC LINK	CONTROLS IN PLACE
8 COMPETITION  (2022:8)		- Large number of competitors in the higher education space with increasing number of investors and larger conglomerates - Price is critical and competitors are entering market at lower price points than feasible - Increased competition in distance learning (including in the public space) OPPORTUNITY: - Opportunity exists to assist the public higher institutions with public private partnerships and capacity constraints - Increased competition ensures one does not become complacent and aids in improving processes and striving for excellence	Moderate	Moderate	KPA 3	- Continue to focus on our WWS and being first-choice institutions - Continued refinement of PQM ensuring programmes offered are relevant, high quality and in-demand - Committing to responsible and reasonable pricing and promoting affordability of offerings - Focusing on high-quality international partnerships and collaborations to promote global "competitiveness"
9 OPERATIONAL  (2022:9)	Internal and External	- Organisational disruptions due to: - Increased levels of loadshedding and water outages - ongoing change management, the alignment of new processes and implementation of new IT systems - strikes and unrest (e.g.: KZN riots, WP taxi strikes) - Implementation of campus and School optimization plans may lead to business disruptions OPPORTUNITY: - Synergies and efficiencies through optimisation plans and harnessing new AI technologies - Solar system implementation should assist in saving energy costs going forward and aids Group's commitment to the environment	Moderate	Minor	KPA 1 KPA 2	- Solar solution in progress of being implemented across campuses - Institutions are adaptable with good practices and protocols in place with ability to teach and service students online

OUR RISKS AND OPPORTUNITIES continued

RISK IDENTIFIED	INTERNAL or EXTERNAL	KEY RISK INDICATOR	INHERENT RISK	RESIDUAL RISK	STRATEGIC LINK	CONTROLS IN PLACE
10 ACADEMIC  (2022: 10)	Internal	- Failure to deliver high quality programmes - Integrity of online assessments, especially in light of disruptive Artificial Intelligence and Machine Learning software being used by students - Impact of Student wellness and external pressures on student's ability to engage, pay and pass OPPORTUNITY: - Use of AI can bring about efficiencies and enhance the learning experience - Micro-credentials and "just-in-time" learning presents an opportunity to enter a new market of premium short learning programmes	Moderate	Minor	KPA 2	- Rigorous quality assurance continues - Continuous monitoring of student success rates, dropout rates, and graduation rates with concomitant improvement plans (as required) - Continuous monitoring of curricula, assessments, and teaching with formal remedial interventions for improvement - Stakeholder participation and industry engagement in curriculum design and review, as well as learning and teaching ensure workplace relevance - Return to venue based assessments in some instances - Establishing international student exchange programmes, as well as collaborations with international partners - Academic teaching and learning models in place which cater for the blended contact and online distance models of learning and teaching, at differing price points - Student retention dashboard created assisting to identify students at risk

OUR INSTITUTIONS

- 28 STADIO Higher Education
- 31 Milpark Education
- 34 AFDA



A look at our three institutions and some of their achievements during the year

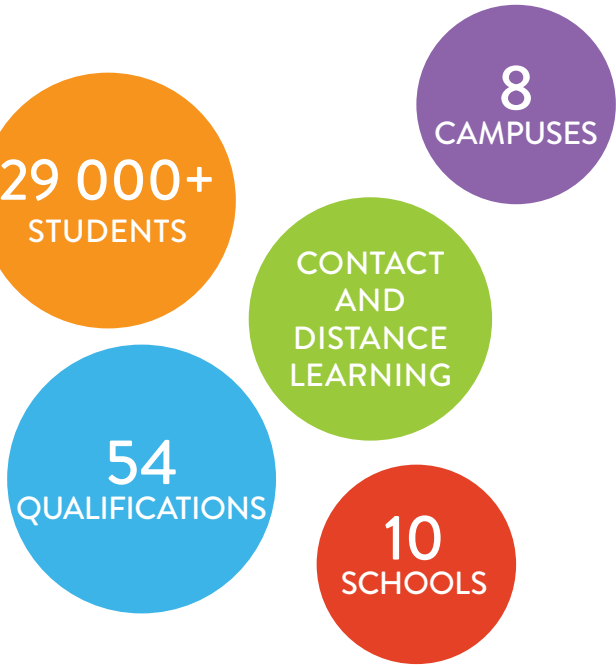
STADIO

HIGHER EDUCATION

STADIO Higher Education continued to cement its place as a first-choice institution, offering a holistic student experience.

STADIO Higher Education is a comprehensive institution offering qualifications across various disciplines including, education, commerce, management and administration, policing, law, information technology, fashion, media and design, architecture and spatial design and humanities, with qualifications offered on both the contact and distance learning modes of delivery.

It was another exciting year for STADIO Higher Education, a year in which STADIO Higher Education continued to put its mark on the higher education sector, whilst expanding its comprehensive offering and student value proposition.



In 2023, STADIO Higher Education showed good growth in students, particularly in the distance mode of delivery, with positive growth in new students on both the contact and distance learning modes of delivery. Furthermore, STADIO Higher Education made significant progress in terms of optimising its contact learning campuses, as well as positioning its distance learning offerings for growth.

In March 2024, the Board approved the construction of the new comprehensive campus in Durbanville, Western Cape. It is anticipated that construction will commence in the latter half of 2024, and open to new students in January 2026, subject to regulatory approvals. We believe this campus will be a showroom for the STADIO Higher Education brand in the Western Cape.



“We are creating an institution that thinks differently and considers its students’ needs in all we do. I am immensely proud of the many achievements over the past year and proud to be part of an institution that lives its values daily, making decisions that support the sustainability of our country, through empowering more individuals to access quality higher education.”

Chris Vorster, CEO

2023 HIGHLIGHTS

Despite a challenging economic environment, STADIO Higher Education continued to execute its growth strategy and deliver on its core principles of WWS. We continue to seek ways of making things simpler, yet better, for our students, whilst also enabling management to make data-driven decisions. Some highlights during the year include:

INTRODUCTION OF SPORT AT STADIO

As part of offering a holistic student experience, STADIO Higher Education introduced professional, and casual, sport to students. STADIO Higher Education’s sports strategy will be implemented on a phased approach, carefully balancing resources available with students needs. In 2023, STADIO Higher Education attended the Ladies USSA netball tournament, and the USSA sevens rugby tournament in Kimberly. Excitedly, the STADIO Sabres came home with the trophy for the Sevens rugby and have been promoted to the A league in 2024.

STADIO Higher Education is also the official education partner of Western Province, the Blue Bulls and Sharks. Besides its support of these three signature rugby unions, STADIO Higher Education is also an official partner of the Under-18 Craven Week. STADIO Higher Education makes bursaries available to the U18 Craven Week Players of the Tournament (best back, best forward and best player), which will enable these players access to further their studies at a tertiary level.

STADIO Higher Education continued its partnership with the prestigious Cape Epic and Wines2Whales cycling events. The women’s and men’s winners of the Exxaro development category, at both events, were awarded bursaries to study with STADIO Higher Education, demonstrating our commitment to support more individuals to access higher education.

TECHNOLOGY & LEARNING

Canvas, our world class learning management system has been rolled out across all programmes. Students have engaged positively with this system and we receive good feedback on the overall learning experience for our students.

Our academic conference was held at our STADIO Centurion comprehensive campus under the banner of “Technology enabling curriculum reform”, with local and global experts participating and sharing best practice.

STADIO HIGHER EDUCATION continued



PROFESSIONAL ANNUAL FASHION SHOW

Our BAC accredited School of Fashion, once more hosted their annual Fashion Show, this time at the Mall of Africa in Midrand. The fashion show is a highlight of the institutional calendar and provides our students with a platform to showcase their work and designs to industry and experts in the field. The 2023 fashion show focused on garments that were truly African-centric with an emphasis on designs that are locally manufactured using local textiles and up-cycling fabrics, in some instances.

INAUGURAL INTER-CAMPUS DEBATE

STADIO Higher Education hosted the inaugural inter-campus debate with robust participation from both students and staff. The topic was “The meaning of Africanisation and Transformation in the context of a student”. The debate was judged by Prof Mlamuli Hlatshwayo, Prof Divya Singh, and Mr Roux Rossouw, with prizes and a floating trophy available for the winning campus, and prizes for the student’s choice team.

SUCCESSFUL GRADUATION CEREMONIES

4 886 students successfully graduated during the year, including STADIO Higher Education’s first doctorate students, who graduated in minimum time. Furthermore, 684 new graduates became shareholders of STADIO Holdings, and part of the STADIO Khulisa Share Scheme during the year.



BUILDING A CULTURE THAT EMBODIES OUR VALUES

STADIO Higher Education made good strides in creating a culture that embodies its core values and attracts quality staff. Aligning four different institutions with different processes, policies, styles of operating, and culture, does not happen overnight. Furthermore, change management requires, in most instances, compromise, and results in an element of short-term pain. In 2023, we rolled out our staff wellness strategy and continue to do so in 2024.



Overall, staff wellness has improved since the prior year, and this is something management remain acutely aware of, acknowledging that since COVID-19, staff wellness is a global concern.

In 2023, the STADIO Phantom Staff Share Scheme was rolled out, which saw staff receiving payouts linked to the Group dividend declared in March 2023.

We continue to cement our underlying values of SERVICE, QUALITY, INTEGRITY and PEOPLE FOCUS into our daily operations, and believe our staff are committed to our overall purpose of providing quality higher education to more students.

2023 also saw the launch of STADIO Speaks, the STADIO Higher Education podcast that delves deep into the wealth of expertise of our diverse team members across various fields and disciplines.

Listen to our CEO’s story here:



STADIO HIGHER EDUCATION continued

OUR HUMAN CAPITAL

We are a people focused institution and understand that it is our people who drive our success. In 2023, we saw the following leadership changes:

- Merwe Roux was appointed as the institutions Chief Information Officer. The Board acknowledges the importance that technology and data driven decision making have on improving student experience and the quality of our academic offerings, whilst enabling efficiencies. We see this as a critical role going forward as STADIO Higher Education continues to implement key technological solutions balancing innovation with affordability.
- Samara Totaram resigned as Chief Financial Officer (CFO), effective 31 December 2023, with Ishak Kula joining the institution as CFO, effective 1 January 2024.



BUILDING A STRONG ACADEMIC TEAM

MEET DR LEAH MOFOMME

Dr Leah Mofomme, Head of Department at the STADIO School of Policing, with a Doctor of Philosophy in Leadership and Change; Master of Public Administration; and Bachelor of Arts in Social Science; is one of the most skilled and experienced police officers and social workers in South Africa and boasts a total of 36 years' experience in Law Enforcement. She has had a fascinating career and brings academic excellence, as well as industry experience to her role. She optimises our values of Service, Quality, Integrity and People Focus, and is committed to gender equality and uplifting individuals in society.

Dr Mofomme served in the South African Police Service (SAPS) for 30 years where she retired at the level of Deputy National Commissioner, with the rank of Lieutenant General. She then served a further six years at the Department of Transport Agencies (Cross-Border Road Traffic Agency (C-BRTA) and National Traffic Police) as the Road Transport Inspectorate Commissioner and executive manager responsible for training and corporate services.

Dr Leah is one of the experts responsible for the rollout of the handbook on responsive police services for women and girls subject to violence. She has participated in vast number of specialist webinars as a speaker and participant. In July 2021, she participated in the Paris generation equality session on gender-responsive policing, addressing violence against women and girls. She also presented the rollout of the handbook to the high level meeting of the Tanzania Police management in November 2021.

Dr Leah is currently running wellness centres in the townships, where she is providing social work, primary health care and dance workshops. She provides individual and group therapy for women and girls facing gender based violence and other psycho-social challenges. Her police background and social work qualifications enable her to use a holistic approach at her wellness centres.

Dr Leah is the 2nd Vice-President of the International Association of Women Police (IAWP), a position she held since 2018. Prior to 2018, she was the 3rd Vice President of the IAWP.

As the first woman from Africa or any developing country to hold this high position, Dr Leah ensures that the IAWP policies and practices are conscious of the plight of women in developing countries, ensuring that training conferences are affordable and responsive to their needs.



MILPARK EDUCATION



WHO IS MILPARK AND WHAT DOES MILPARK OFFER?

Milpark Education is a registered Higher Education Institution provider in South Africa currently offering 23 accredited higher education programmes.

Milpark was founded in 1997 and is one of the first providers of management education in South Africa. Milpark serves the educational needs of both corporate entities and public students. The institution offers qualifications through four schools: The Business School, The School of Commerce, The School of Financial Services, and The School of Professional Accounting (incorporating CA Connect).

Using tailored programmes and learning journeys, Milpark's Corporate Education team also enables organisations to meet their specific Learning and Development needs. The learning journeys are shaped by the workplace culture, and the product and service offering so students can achieve targeted outcomes.



MILPARK'S FLAGSHIP QUALIFICATIONS INCLUDE:

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

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

HIGHLIGHTS DURING 2023

Milpark Education repositioned its brand to emphasise its strategic intent and student-centric approach. CEO Andrew Horsfall says listening to students over the years has given the leaders at Milpark Education a valuable insight into what students need. Horsfall states, "I think we sometimes forget that the business world is composed of people who are also trying to get the basics right. In South Africa, this amounts to good leadership, ethical and morally sound business principles, figuring out how to be diverse and inclusive and enabling in our workplaces. This is our focus while providing students with the kind of educational experience that becomes an evolution of thought and professional advancement."

Enroll and Start Your Journey

After acceptance, complete the enrollment process, and you're ready to begin your educational journey at Milpark!



Milpark Education's new brand claim is succinctly captured in the phrase: "We've got you. You've got this." This message reflects Milpark Education's commitment to supporting students on their educational journey and providing a transformative experience that goes beyond a qualification. That said, over 2,300 Graduands will attend their graduation ceremonies in March and April of 2024 – three of whom will adorn the red gown and receive the Doctor of Business Administration (DBA).

MILPARK EDUCATION'S BUSINESS SCHOOL

Segran Nair was appointed as the Director of the Business School in June 2023. His vision extends beyond conventional boundaries, aiming to bridge the gap between accountants and the broader business community. The Business School also collaborated with international bodies and associations such as the Association of MBAs and the Business Graduates Association (AMBA & BGA), the Association of African Business Schools (AABS), and the International Business Conference (IBC).

In addition, the Business School collaborated with international partner Woxsen University (India) for the MBA Business in Emerging Markets (BEMA) international module to exchange learnings and forge partnerships between two countries that possess huge talent and potential and are

MILPARK EDUCATION continued

already reinventing business and technological advancements to suit their unique contexts. MBS continues to be the only AMBA accredited MBA in Africa for online learning in 2023. The achievements of the Business School's alumni, highlight the School's capacity to cultivate business leaders with a global perspective and network.



Segran Nair: Director of Business School

Milpark Business School received the Golden Arrow Award of Excellence from PMR. Africa for the MBA programme.

SCHOOL OF FINANCIAL SERVICES

To meet the growing demand in the financial services sector, Milpark launched a new school, the School of Financial Services by merging two existing schools – the School of Financial Planning and Insurance and the School of Investment and Banking – to focus on providing vital training, as well as undergraduate and postgraduate qualifications, for professionals working in an increasingly complex financial services landscape.

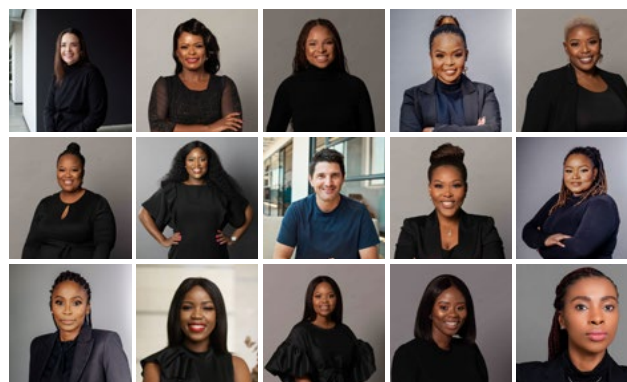
The School also introduced an unprecedented qualification, a Postgraduate Diploma in Risk Management, accredited by the Institute of Risk Management South Africa (IRMSA), in September 2023. The first-of-its-kind qualification comes with five specialisation streams: Compliance Risk Management, Bank Risk Management, Insurance Management, Financial Risk Management and Disaster Risk Management.

The top PCE Candidate Award from the Financial Planning Institute of Southern Africa was awarded to a School of Financial Planning alum. Other graduates showcased their expertise by securing a position in the top ten of The Insurance Apprentice competition, and top five in the Financial Planning Institute (FPI) Financial Planner of the Year competition.

Additionally, Milpark alumni collectively demonstrated their proficiency during the September 2023 FPI Professional Competency Examination for CFP® professionals, achieving a commendable pass rate of 54.55%, surpassing the overall pass rate for the exam which stood at 35.22%. Milpark Alumni ranked 3rd, 4th, and 5th overall for the sitting.

SCHOOL OF COMMERCE

The School of Commerce was awarded the "Best Skills Provider in 2023" at the annual SA Board for People Practices' People (SABPPP) Factor Awards, in relation to Milpark Education's National Diploma in Human Resources qualification. This is Milpark Education's fifth award in as many Factor Awards ceremonies, solidifying the School's reputation as a leading skills provider in the industry.



SCHOOL OF PROFESSIONAL ACCOUNTING

The School of Professional Accounting began offering the BCom in Accounting in 2023, making professional accounting education more accessible to more potential students. Milpark now offers the only fully online path to becoming a CA(SA) – with a focus on support, flexibility, and community.

The School's fast-growing Postgraduate Diploma in Accounting (PGDA/CTA) also retained its status as the only fully online programme to be accredited by the South African Institute of Chartered Accountants (SAICA). The School had the highest number passes of all institutions in SAICA's 2023 ITC examinations, surpassing many contact institutions by a wide margin.

- Through an exciting and meaningful partnership with the African Women Chartered Accountants Association (AWCA), five deserving candidates were awarded full bursaries for the PGDA/CTA programme. The collaboration is not only about financial support but invests significantly in mentorship and guidance as well. The AWCA is a non-profit founded in 2002 created as a forum to help African female chartered accountants support each other and to channel donations to fund the studies of aspiring African women CAs(SA).
- Three alumni from the PGDA/CTA programme achieved recognition by making it onto the SAICA Top Honours Roll in the January 2023 ITC exams, with an additional two alumni achieving this distinction in the June sitting.



The School of Professional Accounting emerged as the largest contributor to the CA(SA) pipeline based on the South African Institute of Chartered Accountants (SAICA) ITC results in 2023 (486 candidates, 23% of total) broken down as follows over the two sittings: 88% pass rate for our first-time ITC writers in January 2023 and 82% pass rate for our first-time ITC writers in June 2023.

For ICAN, Namibia's equivalent of SAICA's ITC, 79% of our candidates passed, with 80% of them being first-time writers.

MBA in top 100 global ranking – first ever African debut.

MILPARK EDUCATION continued

WEBINARS LINKED TO HOT TOPICS AND BEYOND

Milpark Education hosted a total of 17 Webinars in 2023, covering a broad range of topics such as ChatGPT & AI: Our Creations Have Become Creators, Exploring the Future of AI: A Deep Dive into OpenAI's GPT-4, and The Oros Economy.

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

RESEARCH AND CONFERENCE PARTICIPATION EXAMPLES

- Participated in a panel titled "The MBA: Change and Evolution" hosted by Victor Hedenberg (AMBA & BGA Membership Director) at the Association of MBAs and the Business Graduates Association (AMBA & BGA) MBA Conference in Seville, Spain.
- Dr Jane Victoria Usher was one of the panel speakers at the MBA Expo in Johannesburg, South Africa.
- Dr Chimene Nukunah, our Research Manager at Milpark Business School, delivered a presentation on the topic "Can Management Education be Decolonised?" at the International Business Conference (IBC) in Swakopmund, Namibia.
- Lecturers at Milpark Business School, Thea Ngele and Dr Silma. M. Koekemoer, presented a thought-provoking paper titled "Theory versus Practice in Public Administration: Aligning Academic Coursework with Practical Skills" at the 17th International Winelands Conference in Stellenbosch, South Africa.

ALUMNI ACHIEVEMENTS

- Bryan Nicol (PGDip Financial Planning alum) received the Top PCE Candidate Award by the Financial Planning Institute of Southern Africa.
- Deidré Blair-Henneberry (BCom Short-term Insurance alum) made it to the top 10 of the Insurance Apprentice competition (season 9).
- In September 2023, during the Financial Planning Institute's Professional Competency Exam, Milpark Alumni achieved a pass rate of 54.55%. This is higher than the overall pass rate for the exam, which stood at 35.22%. Milpark Alumni ranked 3rd, 4th, and 5th overall.
- Noel de Kock (PGDip Financial Planning alum) made it to the top 5 of the Financial Planning Institute (FPI) Financial Planner of the Year competition.
- Amasi Mwela (MBA alum) was appointed as the Managing Director at Cars.co.za, a premier online marketplace.
- Jason English (MBA alum) hosted a thought leadership session on the "The Oros Economy". Jason also authored the of the upcoming book on the subjected titled, "The Oros Effect".
- Sandile Hogana (MBA alum) was appointed Chief Customer Solutions Officer at Air Traffic and Navigation Services (ATNS). Victoria Marule (MBA alum) attended at International Business Conference 2023.
- Sonika Dames, Zoe Klaver, and Megan Conradie (PGDA/CTA alum) achieved above 75% and made the South African Institute of Chartered Accountants (SAICA) Top Honours Roll in the January 2023 ITC exams.
- Jaco Fourie and Rebecca Lapin (PGDA/CTA alum) achieved above 75% and made the SAICA Top Honours Roll in the June 2023 ITC exams.
- Shawn Reddy (MBA alum) was a panellist at the Automechanika Johannesburg, the leading automotive aftermarket trade show in Sub-Saharan Africa.



[AFDA]

AFDA is the number one school for the creative economy and offers three Higher Certificate programmes, four undergraduate degrees and four postgraduate qualifications in film, television, performance, business innovation and creative writing.

AFDA celebrates its 30th year of operation this year and has established itself as one of the leading institutions of its kind in the world today. AFDA currently has four campuses in Johannesburg, Cape Town, Durban and Gqeberha. AFDA's 7000+ alumni continue to have an unmistakable impact on the local and international entertainment industry, with an illustrious list of acclaimed industry awards. In the last three years alone, AFDA alumni have won:

- 52 South African Film and Television (SAFTA) awards;
- 16 Simon "Mabhunu" Sabela awards;
- 14 KykNET Silwerskermfees awards;
- 12 South African Society of Cinematographers (SASC) Visual Spectrum awards;
- 8 Durban International Film Festival (DIFF) awards;
- 8 South African Music Awards (SAMA)
- 6 Loeries;
- 5 Fleur du Cap awards;
- 4 Jozi Film Festival awards;
- 4 Naledi awards; and
- 3 Standard Bank Ovation awards.

AFDA students and alumni also worked in key positions on 2 Oscar winning films. Alumnus Kyle Stroebel was the colourist on the Oscar award winning documentary "My Octopus Teacher" and AFDA Johannesburg honours students worked on the student Oscar winning film "Lakuthon'Ilanga". From 2015 to 2021, five AFDA alumni feature films have been selected by South Africa and Lesotho as their Oscar candidates for the Academy Award for Best Foreign Language Film.

"Our 30th year of operation sees over 2600 AFDA students enrolled across our four campuses in Johannesburg, Cape Town, Durban and Gqeberha. The AFDA campuses are a hub of creativity and innovation. Our 7000+ alumni are making waves in the entertainment industry, with numerous award wins and contributions to Oscar winning films."



These impressive accomplishments by AFDA alumni are testament to AFDA's unique and progressive project-led research and learning approach, focusing on experiential, collaborative and explorative learning. AFDA has a proven track record of producing industry ready, multi-skilled graduates.

AFDA students also benefit immensely from passionate, dedicated lecturers and academic staff who are industry heavyweights in their own right. AFDA lecturers are actively involved in the industry on an ongoing basis, and many of them have been part of award-winning film, television and theatre productions. This also ensures that the knowledge and skills AFDA students are taught are in line with current industry standards and practises. Furthermore, AFDA takes pride in continually investing in the latest technology and equipment, to ensure AFDA students have hands-on experience and competence on gear and equipment used in the industry.

AFDA is recognised internationally through its full membership of CILECT – The International Association of Film and Television Schools. All AFDA students and alumni have the opportunity to continue or further their studies at any of the more than 180 CILECT member film schools around the world. These include: UCLA (Los Angeles), Tisch (New York), Columbia, (Chicago), La Femis (Paris), London Film School (London), Chapman University (California) and the Beijing Film Academy (Beijing), to name but a few.

AFDA is also fully registered and accredited by the South African Department of Higher Education and Training (DHET), Council on Higher Education (CHE) and the South African Qualifications Authority (SAQA). AFDA participates proactively in the ongoing reaccreditation and quality assurance processes of the CHE to maintain the quality of the AFDA programmes.

"As we look to the future and our continued growth, we hope to open our door for a new AFDA campus in Hatfield Pretoria. We also continue to expand our offerings into various areas of the creative economies. AFDA remains committed to nurturing the next generation of creative talent and shaping the future of the South African entertainment industry and creative economy" Teresa Passchier, AFDA CEO



OUR VALUE CREATION

- 36 Chief Executive Officer's review
- 38 Our stakeholders
- 42 Value added statement
- 43 Academic quality and intellectual capital
- 44 – Insights from our Chief Academic Officer
- 49 Social and relationship capital
- 53 Human capital
- 56 Financial capital
- 57 – Chief Financial Officer's report
- 62 Infrastructure capital
- 64 Natural capital

*Insights into how the Group
uses its Capitals to create
and preserve value for its
stakeholders*

04

CHIEF EXECUTIVE OFFICER'S REVIEW

Despite a tough economic backdrop, the Group produced solid results for the year ended 31 December 2023, with our key indicator of underlying business performance, core headline earnings, up 19% year on year. This result was not without its challenges, and I want to thank my Executive team, the leadership teams at each of our institutions, and all the staff across the Group for their continued hard work, dedication and excellence. People are critical to our success and ensuring our students receive a quality student and academic experience. Although there are always improvement points, I stand proudly as the CEO of the STADIO Group, knowing each of our institutions equip our students with the skills, values and qualification to enter the world of work as highly employable graduates.

I've always said that **Higher Education requires patience**. Any investment into new programmes, or a new campus does not bear fruit in year one – there is a “j-curve” for all these investments. I'm pleased to say, however, that I can see these investments starting to yield the fruit they promised. Our STADIO comprehensive campus in Centurion was opened to new students in January 2022. In 2024, being the third year that students register to study at this campus, our classrooms now hold first years, second years and third years, resulting in a 55% year on year growth in total students to this campus. Even more exciting is the 63% year on year growth in new students at this campus. The student growth is also positively impacted by accrediting more programmes to this site. In 2022, STADIO Centurion opened with 5 programmes. In 2024, STADIO Centurion now offers 15 programmes across 4 Schools.

Accordingly, it is with great excitement that the Board has approved the construction of the new STADIO Durbanville comprehensive campus, which will commence construction during 2024 and open to new students in January 2026. We believe it is important to have a few comprehensive campuses, in key locations, and are also in the process of consolidating some of our smaller campuses. With the introduction of the Durbanville campus, we believe the Group has sufficient capacity to meet its target of 100 000 students over time, of which 20 000 are targeted via contact learning. These campuses will show case the breadth and quality of our offerings and double up as

distance learning support centres for the 80% of our students that study via distance learning.

Our distance learning business continues to grow and, with minimal investment in technology, is easily scalable. We have seen Milpark Education's focus on its online distance learning model being hugely successful, with Milpark Education becoming the biggest contributor to the Chartered Accountant pipeline in South Africa – a remarkable achievement. The STADIO Krugersdorp Distance Learning Logistics Centre was fully operational from January 2023, and allows the Group to scale without compromising its agility and quality of its offering, and can also service the rest of the Group, bringing about synergies and efficiencies.

Furthermore, we have continued to focus on our student value proposition across our institutions, with a focus on operational excellence and efficiencies. We have made great strides in this regard with the introduction of new technologies and systems, that not only enhance our academic offering, but also bring about operational efficiencies. We have improved, and will continue to improve, our processes and systems with a focus on simplicity, and meeting the basic expectations and needs of our students. We continue to recognise that affordability is paramount in meeting our mission of educating more individuals. We have seen how many students have been impacted by the tough economic environment and take longer to pay their fees. Management is proactively managing this, and although the Group's loss allowance has increased, management have considered this in all our decision making and are not overly concerned. All our decisions are made responsibly and are underpinned by our core goals of WWS. This is who we are, and this is what drives us daily.

CONSTRUCTION
OF DURBANVILLE
COMPREHENSIVE
CAMPUS

CORE
HEPS
↑19%
to
24.6 cps

RETURN
ON EQUITY
↑18%
to 12%



2023 was an action-packed year, filled with many highs, whilst navigating the ongoing struggling South African economy. More than ever, it was a year that reinforced the huge role that the Group must play in widening access to quality higher education for more individuals and provide these individuals with the necessary skills to better their own futures, and those of our country.

CHRIS VORSTER
Chief Executive Officer

CHIEF EXECUTIVE OFFICER’S REVIEW continued

The Group has made great strides in embedding its ‘STADIO Community’ during 2023, noting that our key stakeholders, staff, students and shareholders, all have a role to play in widening access to higher education. In this vein, we are very thankful to the Jannie Mouton Foundation, who made the inaugural donation to the STADIO Kusasa Foundation, a s18(a) registered bursary fund, that makes bursaries available to well deserving students who have encountered financial hardships.

“I have always wanted a qualification that will change my life and career. As a person who comes from a disadvantaged background with no parents and the only person at home from my siblings who still wakes up in the morning, I believe obtaining this qualification will change everything and I’ll be able to grow and use my knowledge of business and project management skills” - Kusasa beneficiary.

REVIEW OF RESULTS

I’ve touched on a few highlights of 2023 above, and there are many more highlights discussed throughout this Integrated Report, but touching on a few other items that made me excited during the year:

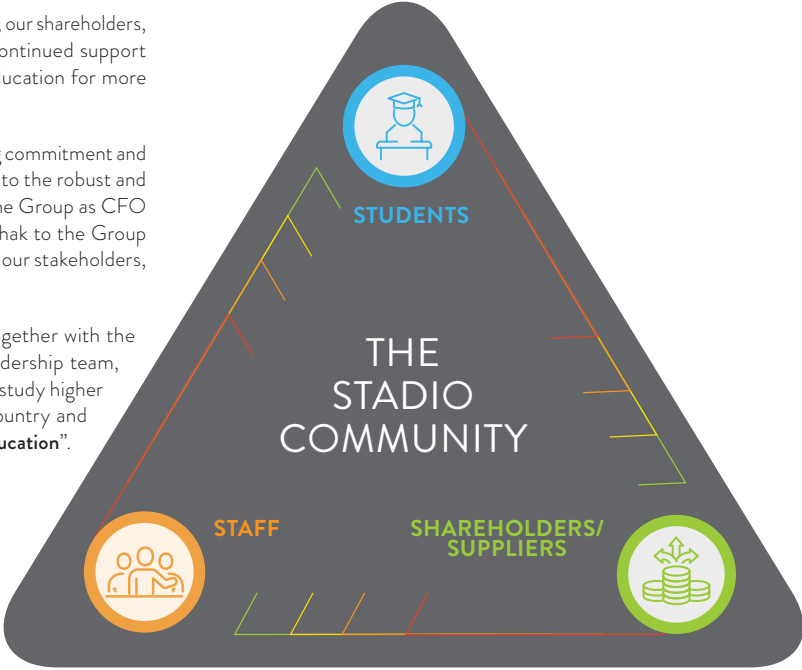
- STADIO Higher Education conferred its first 2 Doctorates graduates, in minimum time
- STADIO Higher Education introduced competitive sport for the first time, starting with netball and sevens rugby
- Milpark Education’s PGDA had an 82% pass rate for first time writers of the SAICA ITC Board exam

- AFDA graduation films continue to win awards, winning the Simon Sabela Best Student Film Award for 8 years running
- Additional purchase of shares in Milpark Education
- Continued roll-out of Khulisa share scheme (with 441 new shareholders)
- Roll out of the STADIO Staff Phantom Share Scheme, where staff members received payouts based on the dividend declared by the Group

I would like to thank our students, the members of the Board, our shareholders, other stakeholders, and once more, our staff, for your continued support and contributions to widening access to quality higher education for more deserving individuals – we are making a difference!

I would also like to thank Samara Totaram for her unwavering commitment and support in growing the STADIO Group from its inception to the robust and groundbreaking Group we have today. Ishak Kula joined the Group as CFO in January 2024, replacing Samara. I want to welcome Ishak to the Group and am excited for the role he will play in creating value for our stakeholders, going forward.

I believe that we have created a solid foundation, and together with the Group’s strong balance sheet, experienced and agile leadership team, are not only becoming a first-choice for those wanting to study higher education but we are filling a much needed gap in our country and supporting our students by being a “new vision in higher education”.



HIGHER EDUCATION REQUIRES PATIENCE, BUT THE FRUITS OF OUR LABOUR ARE COMING



To note: Taking existing programmes to new sites = no new development costs and only accreditation to new site is needed

Infrastructure is already in place and scalable for distance learning

OUR STAKEHOLDERS

As a higher education provider, we understand that our success is linked to our role and the impact we have on our stakeholders. Our stakeholders play an important role in our growth and development, and it is through their continued support that we are able to fulfil our

mission and vision. The Group is committed to fostering an environment that promotes collaboration and engagement among all stakeholders and believe that our key stakeholders of staff, students, and shareholders form our core “STADIO Community” where the success of one

stakeholder results in the success for another stakeholder. We are committed to generating value for all stakeholders by understanding our stakeholders needs, nurturing relationships, engaging in fruitful activities, contributing to their success, and utilising our capitals to create and safeguard value for our stakeholders.

LEVEL OF INFLUENCE ON DECISIONS

- H HIGH
- M MEDIUM
- L LOW

PERCEIVED RELATIONSHIP WITH STAKEHOLDERS

- + POSITIVE
- NEUTRAL



STAFF

PERCEIVED RELATIONSHIP /
QUALITY OF RELATIONSHIP



LEVEL OF INFLUENCE
ON DECISIONS



CAPITALS
IMPACTED



WHY WE ENGAGE

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

HOW WE ENGAGE

- Daily engagement and communication
- Performance development and evaluation
- Training and professional development
- Social engagements
- Regular Executive and key management meetings

THEIR NEEDS AND EXPECTATIONS

- Fair and market-related remuneration
- Professional development
- Supportive and inclusive work environment
- Access to sufficient resources and materials
- Work-life balance
- Recognition for their contributions

VALUE MEASURE

- Market-related remuneration (R601 million spent on salaries and wages)
- Gender pay gap below the average in South Africa, at 13.4%
- Staff phantom share scheme created with first payout in 2023
- Staff bursary and study assistance programmes
- Staff discounts available through company partnerships
- Staff wellness strategy rolled out
- Managing new systems, processes and policies adds strain in short term
- Enhanced culture and reputation
- Purpose-driven business



STUDENTS

PERCEIVED RELATIONSHIP /
QUALITY OF RELATIONSHIP



LEVEL OF INFLUENCE
ON DECISIONS



CAPITALS
IMPACTED



WHY WE ENGAGE

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.

HOW WE ENGAGE

- Regular engagement and communication
- Social media and marketing campaigns
- Orientation
- Regular lecturer and student support engagements
- Virtual learning environments
- Graduations

THEIR NEEDS AND EXPECTATIONS

- Provide quality and affordable education
- Access to highly qualified lecturers and staff
- Access to sufficient resources and materials
- Relevant, flexible and supportive learning environment
- Provide a safe, healthy, and inclusive environment for learning
- Creating opportunities for employment

VALUE MEASURE

- Average module success rate of 84%
- High-quality qualifications which translate into well qualified students
- Breadth of offerings allowing access to higher education
- Positive student experience
- Professional sport rolled out
- Increased student support and engagement
- Advanced knowledge, research skills and critical thinking
- Professional networking
- Access to industry experts and international partnerships
- Discounts available through institution partners
- Timeous response to queries on some qualifications, can be improved

OUR STAKEHOLDERS continued



OUR SHAREHOLDERS

PERCEIVED RELATIONSHIP /
QUALITY OF RELATIONSHIP



LEVEL OF INFLUENCE
ON DECISIONS



CAPITALS
IMPACTED





WHY WE ENGAGE

Investors provide us with the financial resources to deliver on our strategic objectives and create shareholder value, whilst holding us accountable to continue delivering acceptable growth targets and shareholder returns.

HOW WE ENGAGE

- Regular financial results presentations and AGM
- Investor engagements and roadshows
- Stock exchange news system (SENS) announcements

THEIR NEEDS AND EXPECTATIONS

- Good Return on Equity
- Growing Dividend pay-out ratio
- Preservation of shareholding
- Robust strategy
- Innovative, transparent and ethical leadership
- Good corporate governance, policies and structure

VALUE MEASURE

- Return on Equity up 18% year on year, to 11.7% (2022: 9.9%)
- Dividend per share up 12% to 10 cents per share (2022: 8.9 cents per share)
- Loss allowance increased to 9% (2022: 7%)
- Strong balance sheet, with minimal gearing
- Approval of new comprehensive campus which will bring value in the long-term
- Key strategic priorities met for 2023
- New experienced CFO appointed
- Strong experienced leadership team
- Solid growth strategy
- Stock is not highly liquid



REGULATORY BODIES

PERCEIVED RELATIONSHIP /
QUALITY OF RELATIONSHIP



LEVEL OF INFLUENCE
ON DECISIONS



CAPITALS
IMPACTED







WHY WE ENGAGE

Higher Education is a highly regulated industry, with high regulatory barriers to entry. All institutions must meet the high-quality standards as required by the Council on Higher Education (CHE) and DHET, and any new qualifications may only be offered once they have been assessed by the CHE, SAQA and DHET quality assurance teams, are accredited and finally certificated.

HOW WE ENGAGE

- Regular communication
- Attendance of CHE meetings, conferences, workshops
- Collaboration on policies and papers
- Regulatory submissions as required

THEIR NEEDS AND EXPECTATIONS

- Compliance with regulations and minimum quality standards
- Government aims to have 1.6 million students in higher education by 2030
- Public universities have capacity constraints and the annual demand for university exceeds the available capacity at the public universities
- Research capabilities

VALUE MEASURE

- Strong quality assurance structures established
- Increased breadth of offerings from access qualifications (higher certificates and diplomas catering to individuals without degree entry) to doctorates
- Student Numbers up to 46 508 (2022: 42 463) contributing to the National Development Plan for 2030
- No academic failings identified
- 6 Doctorate graduates in 2023 from the 2021 cohort
- Accredited research and publications up year on year with 101 research outputs achieved

OUR STAKEHOLDERS continued



INDUSTRY

PERCEIVED RELATIONSHIP /
QUALITY OF RELATIONSHIP



LEVEL OF INFLUENCE
ON DECISIONS



CAPITALS
IMPACTED





WHY WE ENGAGE

Industry relationships are critical in assisting us develop qualifications that remain relevant and aligned to industry needs, ensuring our graduates are highly employable.

HOW WE ENGAGE

- Engagement on programme development, moderation, lectures
- Teaching practice and internships
- Industry partnerships
- Provision of tailored short-courses and other qualifications for staff development
- International collaborations

THEIR NEEDS AND EXPECTATIONS

- Well-rounded, knowledgeable graduates who are ready for the world of work
- Relevant qualifications
- Quality academic offering
- Graduates who are prepared for the 21st century workplace and understand the importance and value of social responsibility

VALUE MEASURE

- Positive industry feedback
- 13 new qualifications offered in 2024
- Introduction of STADIO Stripes project, presenting students with digital badges for additional skills and competencies acquired throughout the student journey
- Exciting new and continuous international partnerships



ALUMNI

PERCEIVED RELATIONSHIP /
QUALITY OF RELATIONSHIP



LEVEL OF INFLUENCE
ON DECISIONS



CAPITALS
IMPACTED







WHY WE ENGAGE

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 – they are our marketing force and play an important role in providing honest and constructive feedback to the institution.

HOW WE ENGAGE

- Communication and updates
- Regular Khulisa shareholder engagements
- Social media campaigns

THEIR NEEDS AND EXPECTATIONS

- Skills to enable them to find employment, become an entrepreneur or progress in their current jobs
- Relevant qualifications equipping them for 21st century workplace with an understanding of key financial and IT literacies
- Association with a prestigious brand and institution

VALUE MEASURE

- Continued roll out of the STADIO Khulisa share scheme making graduates with NQF 8 qualifications and above, shareholders in STADIO Holdings
- Brand perception of our institutions is growing
- Alumni industry awards
- 90% of graduates at STADIO Higher Education are employed, or continue to study, within 9 months of graduating

OUR STAKEHOLDERS continued



OUR WORLD

PERCEIVED RELATIONSHIP /
QUALITY OF RELATIONSHIP



LEVEL OF INFLUENCE
ON DECISIONS



CAPITALS
IMPACTED



WHY WE ENGAGE

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. Furthermore, 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.

HOW WE ENGAGE

- Daily operations and interactions

THEIR NEEDS AND EXPECTATIONS

- Reduce carbon footprint
- Responsible ESG strategy in place

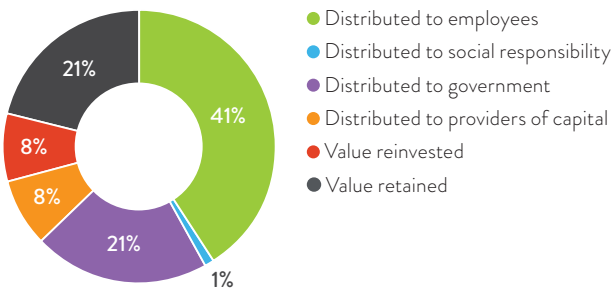
VALUE MEASURE

- Integration of social responsibility and global citizenship good practices, and principles of civic responsibility, are integrated into the curriculum
- Commitment to produce graduates who are socially conscious and environmentally aware
- The 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.
- Solar project is underway and continues to be rolled out across the campuses
- Water saving plan and strategy is in progress
- Recycling initiatives in place at all campuses, albeit more can be done here
- ESG strategy in early stages of rollout
- Environmental assessments on all new campuses

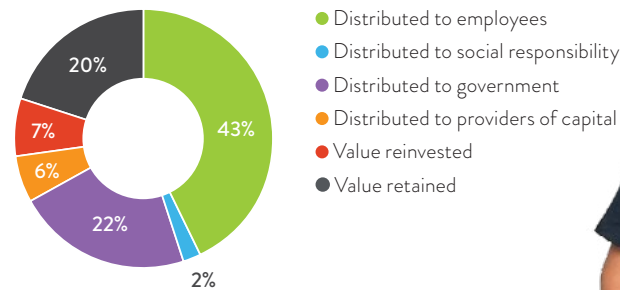


VALUE ADDED STATEMENT

VALUE DISTRIBUTION 2023



VALUE DISTRIBUTION 2022



Value distributed	2023	
	R'000	Contribution
Distributed to employees	460 068	40%
Distributed to social responsibility	15 463	4%
Distributed to government	236 958	21%
Distributed to providers of capital	93 074	8%
Value reinvested	85 710	7%
Value retained	236 263	20%
Total wealth created	1 127 536	100%

Value distributed	2022	
	R'000	Contribution
Distributed to employees	413 963	43%
Distributed to social responsibility	19 034	2%
Distributed to government	206 827	22%
Distributed to providers of capital	59 130	6%
Value reinvested	68 392	7%
Value retained	186 485	20%
Total wealth created	953 831	100%

CONTRIBUTING TO THE SUSTAINABLE DEVELOPMENT GOALS

SDG 4: Education for All and for Future





SDG 4 stands for **Sustainable Development Goal 4**, one of the 17 goals adopted by the UN in 2015 to achieve a better and more sustainable future for all by 2030.

SDG 4 is essential in achieving the other SDG targets and plays a key role in supporting the education elements in other SDGs, such as gender equality, health, decent work, peace, justice, and environmental protection.

SDG 4 requires the collective action and commitment of all stakeholders, including governments, civil society, private sector, and individuals, to transform education systems and ensure learning for all, and our Group is committed to playing our part.



ACADEMIC QUALITY AND INTELLECTUAL CAPITAL



The quality of our academic offering is fundamental to delivering on our strategic objectives and creating value for our students. Our academic quality and intellectual capital is therefore critical to all we do. We strive to deliver a comprehensive range of qualifications that support access to higher education through its breadth of offering, whilst promoting workplace relevance in all our qualifications to ensure our graduates are ready for the world-of-work.

MEASURES: • Number and range of accredited and pipeline programmes • % module success rates • Graduate employability survey • Number of Research outputs • Independent professional and industry accolades



SDG 4 has 10 targets that cover various aspects of education, such as access, completion, learning outcomes, skills, literacy, numeracy, and education for sustainable development

INPUTS



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

87 ACCREDITED QUALIFICATIONS ACROSS 18 SCHOOLS

Local and international accreditations and associations ensure accountability and quality



Our academic team is led by our Chief Academic Officer, Prof Divya Singh, supported by a strong academic leadership team and structure, providing overarching quality assurance and clear direction

BUSINESS AND VALUE CREATION ACTIVITIES

Teaching and Learning	Internationalisation
Student Support	Programme and Qualification Mix
Professional development	Research
Industry relevance	Quality Assurance
Community Engagement	Work integrated learning

SUPPORTED BY

- State of the art technology systems enabling interactive, flexible and innovative learning solutions that enhance operating effectiveness and allow us to scale without compromising quality
- Experienced, highly qualified staff
- Robust academic structure, governance, policies and processes

OUTPUTS AND OUTCOMES

PQM
13 new qualifications offered in 2024
9 certificated to be offered in 2025 with a further
54 pipeline programmes in development/awaiting accreditation

Milpark Education’s MBA ranked in the top 100 global ranking, first ever African entry

Introduction of bridging modules to support students in “bridging the gap” between school and higher education

8 103 GRADUATES
(2022: 7 498)

90% STADIO Higher Education graduates employed or studying within 9 months

RESEARCH
As private institutions, we are focused on teaching and learning, whilst understanding the importance of research. In 2023 we had 123 research outputs & numerous key note addresses (2022: 91)

2023 STADIO Higher Education academic conference
“Technology enabling curriculum reform”

AFDA alumni win multiple awards

Milpark Education hosted a total of 17 Webinars in 2023, covering a broad range of topics such as ChatGPT & AI: Our Creations Have Become Creators, Exploring the Future of AI: A Deep Dive into OpenAI’s GPT-4, and The Oros Economy.

OTHER CAPITALS IMPACTED



STRATEGIC OBJECTIVES



MATERIAL MATTERS

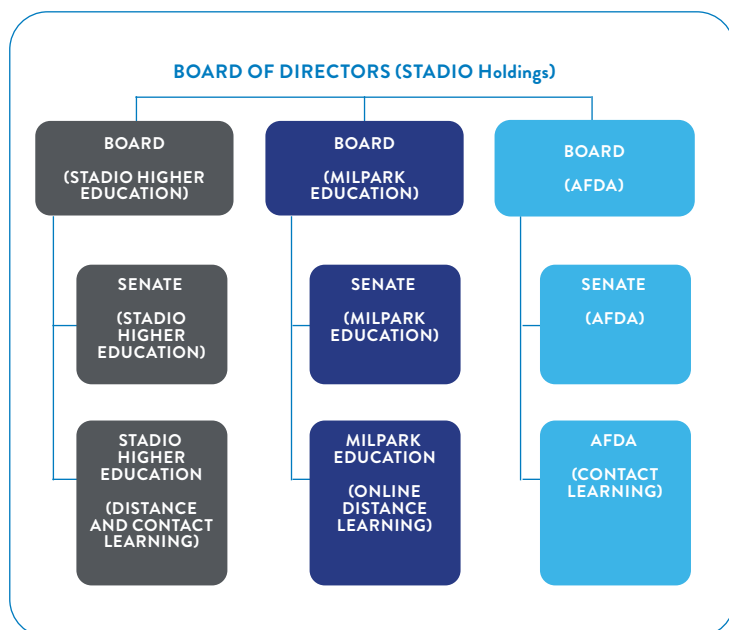


STAKEHOLDERS



INSIGHTS FROM OUR CHIEF ACADEMIC OFFICER – PROF DIVYA SINGH

Academic Performance Monitoring, Oversight and Reporting Structure



(refer to page 70 for more information regarding Academic governance)

LEARNING AND TEACHING

The technology revolution that is changing the face of business is widespread and higher education has not been exempted. Emergency remote learning during the COVID-19 pandemic propelled higher education into an acceptance of technology faster than might otherwise have been the case. The 2023 framing of the academic project across the Group took place with a complete awareness of the need to integrate technology into teaching and learning to promote graduate readiness for the workplace, as well as establish greater efficiencies and operational excellence.

While online and distance learning students were an easier transition, for the contact learning staff and students the adjustments were more pronounced. Following the return to campuses for contact learning in 2022, after the pandemic restrictions were lifted, a blended contact learning model was approved for both STADIO Higher Education and AFDA. In 2023, this model was refined to ensure students received the full value of the contact learning classroom with the concomitant benefits of understanding the psychologies of teamwork, collaboration, and cooperation founded on real life face-to-face human and social engagements. Both STADIO Higher Education and AFDA remain fully cognizant of the changing workplace and the introduction of technology, which often reduces the need for people to be physically in the same place. We are equally conscious that our students are social citizens who must be skilled and equipped to participate in both communities, as well as in the realm of technology. Students are not unanimous in whether they prefer contact learning through synchronous online classes or whether they want to experience the presence and personality of other human beings. Additionally, extrinsic challenges of bandwidth and connectivity constraints for staff and students, the limitations of loadshedding, the cost of data and the essence of keeping contact learning students engaged while online, all continue in 2023.

All institutions have shifted emphasis from physical libraries. Students, through their learning management systems, are now required to use the various available online library platforms. The libraries are increasingly used as Information Resources Centres and the appropriate fit-out is underway to ensure they are kitted out with appropriate technology and computers for students learning.

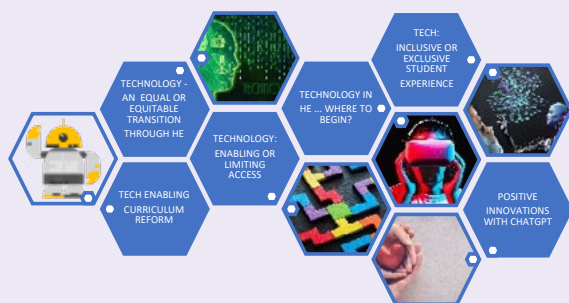
“Transition, transformation, and traction summarise the academic project in 2023. It’s been insightful understanding the expectations wrought by the COVID-19 pandemic on learning and teaching and, while responding to the changed expectations, ensuring that the pursuit of ubiquitous quality, inclusivity and academic success regain their prominence in the academic project.”

PROF DIVYA SINGH
Chief Academic Officer



INSIGHTS FROM OUR CHIEF ACADEMIC OFFICER continued

Staff development and training in online teaching is a priority at all three institutions as lecturing staff engage with new models of learning. In 2023 the STADIO Higher Education Academic Conference was successfully hosted under the banner *technology enabling curriculum reform*. Local and global experts participated sharing challenges, opportunities, and leading best practices.



Technology-enabled teaching will continue to be part of the compendium of compulsory professional development engagements for all staff.

STADIO Higher Education has made great strides in embedding Canvas – its benchmarked, world-class learning management system – across all programmes, with Milpark Education in the early stages of its adoption of Canvas. During Orientation, new students at STADIO Higher Education engaged with the SmarterMeasure platform as a critical diagnostic instrument for proactive risk management, identifying possible gaps in the students' foundational knowledge. Planned remedial activities and monitoring ensure that students have access to ongoing academic support. AFDA continues to bed down its Curriculum 2.0 (focussed on integrating technology into the curriculum) and manage the balance between venue-based and online teaching and learning. AFDA's first graduate cohort (2023) under AFDA's Curriculum 2.0 indicated positive reviews, with no major remedial work required.

Reflecting on the staff and student experiences indicated in the institutional surveys, both AFDA and STADIO Higher Education successfully managed the balance between venue-based classes and synchronous online learning and teaching. Refinement of the STADIO Higher Education learning and teaching model continues as students express a desire for more of a campus experience. In 2023 STADIO Higher Education promoted a campus focus on various sporting initiatives, and student social engagements such as art, drama, choir, debates, other social activities).

In 2022, Milpark Education signalled its decision to discontinue contact learning, to focus on its online distance learning. In 2023, in keeping with its stated purpose to be a pre-eminent provider of online distance learning, all current accredited distance learning programmes underwent an exciting and innovative facelift, as the mode of delivery was redesigned for online learning and teaching, with all new programmes coming on board in 2024 and 2025 also being designed as online distance learning programmes. Milpark Education's online distance learning model has been well received by its students, who enjoy this supportive, collaborative and flexible model.

In keeping with the acknowledgement for technology in the world of work, STADIO Higher Education integrated IT competence into its curricula, ensuring that graduates, at least, have a fundamental IT literacy before entering the world-of-work. In the Student Voices on Technology Survey, it was especially encouraging to hear the students' voices emphasising the value derived from technology being integrated into their curricula.

AFDA, Milpark Education, and STADIO Higher Education all place focused emphasis on quality assurance, curriculum relevance and reform, and curriculum transformation. STADIO Higher Education hosted the inaugural inter-campus student debate The Prof Hlatwayo Africanisation Debate challenging the meaning of Africanisation generally, and specifically engaging on student experiences and expectations of how Africanisation should be translated in the higher education milieu. The debate was robust with staff and student participation. Identified improvements from the discussions will assist STADIO Higher Education further its agenda of ensuring a local and contextually relevant learning experience for students. Small suggestions such as ensuring signage in more than English were amongst the options raised by students that would make spaces more welcoming.

ACADEMIC INTEGRITY

Ensuring the integrity of assessments and assuring graduate credibility continued to be prioritized in the academic project across all three institutions. The scourge of assessment fraud – exacerbated by the emergence of numerous generative AI platforms – remains a global challenge with dire consequences for institutions that have failed to respond to these challenges. Consequently, the Group refined or, where necessary, amended its processes to counter this risk, ensuring academic integrity and quality remained intact. Milpark Education, with its approved strategy to build a reputation for excellent online distance learning, continued to refine its implementation of proctored online assessments, and has been very strict in following disciplinary and even legal processes where cheating has been identified. AFDA's assessment strategy of more-practical, applied, project-based assessments yielded positive outcomes. STADIO Higher Education persisted with the re-institution of venue-based summative assessments in both contact and distance learning. This was not without challenges as students made impassioned arguments to return to the take-home model of assessment (implemented during COVID-19), however, STADIO Higher Education has been steadfast in its commitment to qualification integrity. Depending on the module, other alternate assessment practices including continuous assessments, project-based assessments, and portfolios and presentations may also be applied. However, the non-negotiable parameter in assessment credibility is authenticated assessment and this remains a primary consideration when alternative assessments are proposed. Turn-it-in, software that assists in detecting similarity and the probability of a submission being AI generated, is implemented. Furthermore, all new STADIO Higher Education students are required to complete an internally developed Academic Integrity course at the start of their programme which gives them the full understanding of similarity, plagiarism, referencing, and how to ethically use the available technologies.

Examining the success rates from STADIO Higher Education, the return to venue-based assessments shows a more realistic re-alignment with success rates in the pre-COVID-19 era. The attrition rates, however, have been negatively impacted post-COVID-19, largely resulting from the impacts of the pandemic on South Africa, and the continued sluggish economy. This is exacerbated by the absence of national funding opportunities for students in private higher education. The Group remains cognizant of the need to ensure its education remains affordable for students and supports its students where possible. In 2023, limited study bursaries were made available to students at each of the institutions, and STADIO Higher Education was fortunate to receive an extremely generous bursary award for indigent students from the Jannie Mouton Foundation which has supported many students to complete their qualifications and graduate.

INSIGHTS FROM OUR CHIEF ACADEMIC OFFICER continued

STUDENT SUCCESS AND GRADUATION RATES

Cohort studies remain a challenge across all three institutions. However, the success of the academic programme across the Group is managed through ongoing monitoring and biannual reporting of module success rates, dropout rates, and overall graduation numbers to the Board.

STUDENT SUCCESS RATES AS A PERCENTAGE

	AFDA	MILPARK EDUCATION	STADIO HIGHER EDUCATION
Undergraduate Success Rates (%)	90%	67.43%	80.47%
Postgraduate Success Rates (%)	96%	57.87%	80.30%

It was pleasing to see that Milpark Education had the highest pass rate of the SAICA ITC Board exam in 2023 and became the biggest contributor to the CA(SA) pipeline.



YEAR-ON-YEAR GRADUATION NUMBERS

	2019	2020	2021	2022	2023
Graduation Numbers (students)	7 294	8 224	8 705	7 498	8 103

2023 MODULE DROPOUT RATES AS A PERCENTAGE

AFDA	MILPARK EDUCATION		STADIO HIGHER EDUCATION	
	Under-graduate	Post-graduate	Contact Learning	Distance Learning
1.05%	15.94%	9.96%	3.22%	11.52%
			Under-graduate	Post-graduate
			7.08%	14.48%

2023
GRADUATION
NUMBERS
(per institution)

UG – undergraduate
PG – postgraduate

[AFDA]

888

UG: 774
PG: 114

MILPARK
EDUCATION M

2 349

UG: 1 648
PG: 701

STADIO
HIGHER EDUCATION

4 886

UG: 4 487
PG: 379

TOTAL

8 103

UG: 6 909
PG: 1 194

INSIGHTS FROM OUR CHIEF ACADEMIC OFFICER continued

STUDENT CENTREDNESS

• Student Support and Wellness

Recognizing the diversity of the Group’s study body and the Group’s commitment to implementing standards of equitable access as far as reasonably possible, a comprehensive student support intervention was identified as a key driver of academic success. In the past, much of the focus has been geared to embedding a quality curriculum and ensuring that students successfully transition through their registered programme (the so-called “Student Journey”). However, in 2023, acknowledging the Group’s commitment is to widen access with success, each institution focused more keenly on the students’ transition into higher education. There is no gainsaying that school-leavers are entering the higher education institutions singularly under-prepared for the new learning demands. Various initiatives geared towards student support and academic success defined by the student profile of the institution were instituted to bridge the gap and promote a more positive learning experience with the concomitant benefit of improving student retention.

A second emerging challenge confronting higher education, both nationally and globally, is mental health and the wellness of students. The students in the Group continue to benefit from the agreement with the South African Depression and Anxiety Group (SADAG), which offers 24/7 support and counselling to all students. Recognising the impact of wellness on student success, the trusted SADAG-STADIO Group agreement will continue, and has been further supplemented by internal institutional arrangements, for example the appointment of educational psychologists and/or counsellors, and STADIO Higher Education has a further agreement with Zwonaka, a social services centre in Hammanskraal that provides additional support to the adult learners in distance learning. Furthermore, STADIO Higher Education has a fully functional Centre for Student Support (C4SS) on every Campus. The Group remains committed to the values of student centredness and proactively identifies students-at-risk and provides them with a learning management plan. In 2023, the C4SS was responsible for coordinating all student support and wellness activities on the campuses and maintaining contact and doing follow-ups with students requiring additional assistance.

SIGNIFICANT ACHIEVEMENTS ACROSS THE GROUP

AFDA undergraduate film wins Best Student Production Award at the 11th African Emerging Filmmakers Awards	Inaugural Inter-Campus Debate on Africanisation	Highest number of first-time writers and, overall, the highest number of successful candidates in the CA(SA) Board Exam	Re-designed paediatric doctor’s scrubs for the Nelson Mandela Children’s Fund
All Milpark Education alumni scored between 8-22% higher than the average mark for the three Professional Competency Exams	Milpark Education alumnus place in the Top 3 of the 2023 Financial Planner of the Year competition	Participated in Graduate Fashion Week International Runway Show, Dubai	Milpark Business School ranked in top 100 globally
STADIO Annual Lecture – Dr Mathews Phosa, Mr Johnny Dladla, and Ms Sanusha Naidu – discussing South Africa’s vision when drafting the Constitution, reflecting on the successes of our constitutional democracy, and the opportunities and challenges of democracy in Africa	STADIO Higher Education’s School of Fashion hosted the 2023 DEFSA Conference, acknowledged as the largest Research Conference for design disciplines nationally		AFDA alumnus film, ‘Inkabi’ (The Hitman) premiered globally on Netflix in March 2024

COMMUNITY ENGAGEMENT AND RESPONSIBLE CITIZENSHIP

The values of social responsibility and global citizenship are recognised across the Group with a stress on integrating good practice and principles of civic responsibility into the curriculum. STADIO Higher Education, AFDA and Milpark Education all placed greater (but different) emphasis on community engagement and social impact driven by their respective strategic focus areas and budget. AFDA is at the early stages of implementation, while at STADIO Higher Education there was a much more concerted approach to implementing community engagement and especially the principles of engaged scholarship, given STADIO’s commitment to achieving university status. The projects are monitored by the Community Engagement Committee, which is a committee of the Senate and Chaired by the Chief Academic Officer, with every School required to register at least one engaged scholarship project. Sixteen engaged scholarship projects were recorded, and all met their 2023 targets. Integration of good practices and lessons learned from the various projects have been integrated with teaching and learning as appropriate and in 2024, the focus will be on looking at conference presentations and research outputs based on project outcomes. A key measure of success of the engaged scholarship projects is the requirement that the projects must be sustainable. Milpark Business School continues to integrate a community project into the MBA programme. Students choose an identified charity and present their work in empowering the charity as part of their final summative assessment. A winner is chosen from all the presentations and Milpark Education donates to the chosen Charity. In 2023, the National Institute for the Blind (NID) was the winner for their project to activate an NPC and PBO that can provide accredited post-secondary education and training for persons with disabilities and persons who are under employed so that they can enter the labour market self-sufficiently. The Charity’s mission and vision are closely aligned with the national skills development strategy.

GRADUATE EMPLOYABILITY

The Group understands that it will be known by the graduates it produces and there is a deliberate positioning of holistic development and graduateness in our Institutions’ approaches to learning and teaching. The Group further prides itself on graduates who are prepared for the 21st century workplace but equally understand the importance and value of social responsibility. In 2022 STADIO Higher Education launched its STADIO Stripes project which presents students with digital badges for all additional skills and competencies acquired during the Student Journey. The Stripes fall into two categories: graduate attributes integrated into the learning curriculum; and general development which is available to all students. 26 curriculum embedded Stripes were developed in 2023, 24 of which were relevant to building attributes for the world-of work, and 12 general development Stripes were developed, 11 of which focused on self-development. Some examples include: Use Microsoft Office to Process Words, Images and Numbers; Design and create a simple website using open-source software; Design a solution for impactful change: Prepare a project charter, to name a few.

INSIGHTS FROM OUR CHIEF ACADEMIC OFFICER continued

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

The annual Graduate Employability Survey at STADIO Higher Education enables the Institution to track graduate admission and access to the world of work, as well as to identify opportunities and challenges that graduates may experience. Based on the September 2023 Graduate Employability Survey, 68% of STADIO Higher Education graduates were employed within 2 months of completing their studies and 74% were employed when surveyed in September 2023. These numbers must be understood in the context of the student and general South African realities:

- 16% of the graduate respondents indicated that they were continuing with full-time study;
- several respondents indicated that they were setting up on their own (and did not seek employment); and
- South Africa has a national unemployment rate for graduates of about 10% and persons with Higher Certificates and Diplomas of about 21%.

PROGRAMME AND QUALIFICATION MIX

GROUP PQM

Certificated Programmes (2024 offering)	New Programmes Offered (2024)	New Programmes Certificated (2025 offering)	Programmes in the Pipeline
91	13	9	47

At the end of the year, twelve programme site extension applications were still pending from the CHE.

Early in 2023, the DHET published the draft Regulations for the Recognition of South African Higher Education Institutional Types for comment. However, by the end of the year, the revised Guidelines had not been published and there is no timeline indicated. STADIO Higher Education, being our comprehensive institution, declared its intention to pursue university status when the Regulations allow and has commenced planning for the eventuality building on the broad principles of the draft document. Specific focus areas include scope and range of qualifications, doctoral programmes, research and publication outputs, and internationalization. STADIO Higher Education is making good progress in all areas.

STADIO Higher Education has placed qualitative focus on international partnerships, rather than taking a quantitative approach. All agreements must be value-adding and actively contribute to improved scholarship. Specific Schools took the intentional approach of establishing domestic industry body partnerships before becoming actively engaged with internationalisation and it was approved by the Senate.

Some of the more exciting internationalisation activities include inter alia a joint Conference planned with Middlesex University for 2024 *Redesigning Leadership in the Digital Era: A Praxis-Based Approach*, and joint funding for academic and student exchange, and research initiatives with Queen Maud University and Brock University, respectively. The School of Fashion has maintained relationship with CIAFE (Graduate Fashion Week) and its accreditation from the British Accreditation Council. Since 2022 STADIO has been the South African partner to the University of Kent facilitating applications for their Law Training Unit offering the UK Law Conversion Examination. Students in the School of Education benefitted from the Global Talks Series with Pacific Oaks (U.S.A). STADIO Higher Education currently hosts the southern African Regional Office affiliated to Globethics, Geneva. New MOAs with Curtin University (Architecture), University of Portsmouth (Policing), and University of East Finland (Education) are currently under review by the international partners.

In 2024, internationalisation at STADIO will drive an agenda of Continental partnerships, contributing to the commitment to local context, Africanisation, and curriculum transformation.

ACADEMIC GOVERNANCE

There are no identified areas of academic governance failure. Academic governance is strictly managed through a robust committee structure, which reports to the Institutional Executive Committee and the respective Boards. All institutions submitted their 2022 Annual Reports timeously and the DHET raised no matters for attention. No student complaints were submitted to the Council on Higher Education or remain unresolved with the DHET. The CHE site visits to the AFDA Atlas Campus and Milpark Education, Cape Town Campus (Milpark Education) were successfully completed.



SOCIAL AND RELATIONSHIP CAPITAL



The Group believes in the power of education to transform our nation and is focused on widening access to quality education for qualifying individuals. We rely on various relationships in creating and delivering our suite of academic offerings that is mutually beneficial to the world of work and society as a whole, and this capital looks at the society and community in which we operate.

MEASURES: • Number of students • Number of graduates • Community Engagement and social impact projects • Number of Khulisa shareholders • Employee and student wellness projects • Spend on CSI initiatives



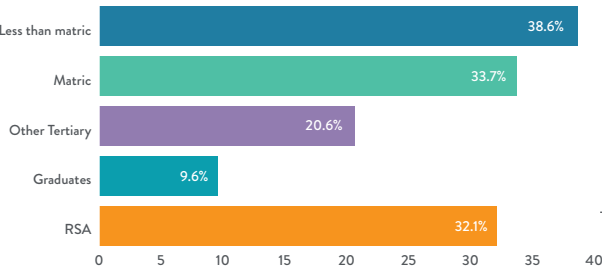
INPUTS

No capacity constraints for distance learning which is easily scalable (only additional staffing)

Contact learning capacity for 20 000 students following construction of Durbanville campus

We believe all our stakeholders have a role to play in widening access for more individuals to higher education: from increasing capacity at our institutions and our range of offerings; to supporting our students to be successful; to contributing through bursaries, internships and employing graduates. We actively look to create and foster relationships with our stakeholders to provide a holistic approach to our students and graduates.

Unemployment rate in South Africa Q4:2023



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

BUSINESS AND VALUE CREATION ACTIVITIES

- Upskill individuals through quality academic offerings and structured, and in some cases, individualized, student support
- Widening access through provision of affordable, flexible qualifications
- Breadth of offerings, allowing more individuals to study without degree passes by offering higher certificates, diplomas, bridging modules, literacies
- STADIO Kusasa Foundation (s18a bursary fund) seeking funding for students with financial difficulties
- Community engagement projects
- Social responsibility incorporated into curricula, teaching and learning
- Student centredness

SUPPORTED BY

- Impassioned leadership equipping graduates with the tools to be employed
- Our STADIO Community
- Clear vision and mission

OUTPUTS AND OUTCOMES

- Student numbers up to **46 508** (2022: 41 296)
- Graduates up **8%** to **8 103** (2022: 7 498)
- Assist in breaking the cycle of poverty by equipping graduates with the tools to be employed
- R44** million spent on Bursaries and Discounts (2022: R32 million)
- 684** new Khulisa shareholders during the year
- Inaugural Khulisa shareholders shares being able to trade their shares (value up 50%)
- Student support initiatives at all institutions
- Student wellness initiatives at all institutions with key partnerships such as partnership with South African Depression and Anxiety Group (SADAG)
- Sustainable Community Engagement-Value index created to monitor value in projects

OTHER CAPITALS IMPACTED



STRATEGIC OBJECTIVES



MATERIAL MATTERS



STAKEHOLDERS

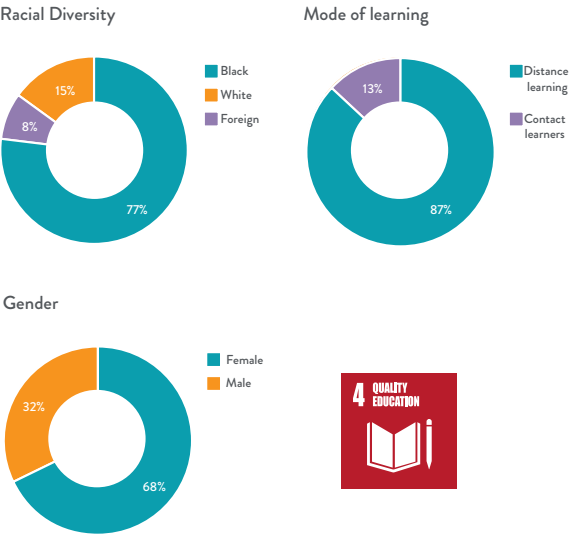


SOCIAL AND RELATIONSHIP CAPITAL continued

SDG 4 aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all, regardless of gender, age, disability, ethnicity, or location. Our institutions pride themselves on being inclusive – institutions for all.

INCLUSIVE QUALITY EDUCATION

Our institutions pride themselves on being institutions for all. This is reflected in our student mix.



Some Community projects during the year include:

All institutions participate in specific community engagement projects in their areas. Some initiatives included Campus Cancer Awareness Drive for CHOC, a stationery drive, collecting winter clothing for indigent communities, and a Feed your Neighbour Campaign, having identified hunger amongst students at a specific campus as a serious concern. Non-perishable food items were donated that could be collected by students in need.

Highlighting the importance of the environment, staff and students met on different beaches to participate in a beach clean-up. Animal welfare (Bella's Guardian Angels Rescue) and Santa Shoe Box were also amongst the campus activities. All the activities focused on building social awareness and civic responsibility values amongst key role players on the campus.

Some other initiatives included a "Knitwits project", where garments were knitted and delivered to the Tygerberg Hospital. The real purpose of knitting was to assist students release stress and anxiety and the knitting sessions attracted students of all genders. An inter-campus competition collecting sanitary pads to help women in communities without access to monthly basic essentials.

SOCIAL IMPACT THROUGH SPORT

In 2023, STADIO approved a dedicated focus on sport and specifically rugby (2023 being the year of the Rugby World Cup) to promote social cohesion and create opportunities for previously disadvantaged youth. STADIO firmly believes in the social impact of sport and the wisdom of sport as a socio-economic 'leveller'. In 2023, 27 bursaries were awarded to 3 provincial rugby unions – Stormers, Sharks and Bulls – for mainly historically disadvantaged players to pursue their studies and have a "fallback" position when their rugby careers are over. STADIO is also the main sponsor of the Craven Week Rugby Tournament. The Craven Week focuses on providing opportunities to previously disadvantaged players allowing them to showcase and hone their skills and, in many instances, serves as their stepping stone out of economic penury and into provincial, national, and global opportunities in sport. Further, STADIO supports the premier North-South Rugby Schools Tournament which is a competition between the 24 best rugby schools from the North and South. The Tournament is racially integrated and provides opportunities for the players to mix and acknowledge the diversity that epitomizes South Africa. STADIO also supports the Hansie Week Rugby Tournament in Makgopong which is a rugby festival for the so-called 2nd-tier rugby schools. These are typically historically disadvantaged schools from primarily rural areas. It is the biggest gathering of schools across the country and showcases raw talent and professional development.



INTER-CAMPUS AFRICANISATION DEBATE

The inaugural Prof Hlatshwayo Inter-Campus Africanisation Debate took place in September. Teams of students from the different campuses were required to engage with the meaning of Africanisation especially in higher education. The Debate was won by the Centurion Campus and the team from Krugersdorp were the runners-up. The best speaker award went to the Randburg Campus. Creativity, communication, teamwork, and understanding diversity were key lessons for all participants, both staff and students but more importantly, the content of the presentations raised many key student concerns. The winners and runners-up received a cash prize as well as a STADIO Higher Education Stripe (our second transcript) for Public Speaking. The debate will be an annual event at STADIO Higher Education, however, STADIO will miss a critical opportunity if stakeholders don't take the lessons learned (student voices) into their annual improvement plans.

SOCIAL AND RELATIONSHIP CAPITAL continued

COMMUNITY ENGAGEMENT

At the turn of the century, UNESCO reiterated the importance of higher education as a public good and called for higher education institutions to re-evaluate their mission and purpose, and tangibly commit to the drivers of social justice, equal and equitable access, responsible citizenship, and holistic development of future generations. These principles were taken up with varying levels of emphasis across the STADIO Group but specifically in the STADIO Academic Promise, approved by the Board in 2018 with its clear mission:

Students at the centre – learning at the core ... We believe that having admitted you as a student, we will do all reasonable things to enable our students to succeed (“access with success”).

Over the years, the institutional strategy and Academic Plans have progressively focused on the mantra of STADIO making a sustainable social impact, with differing focuses across our institutions.

AFDA embarked on a journey to update its community engagement guidelines in 2023. The full results of this new implementation are yet to be seen but within the student communities there have been drives to collect and distribute food and other consumables to students in need, as well as numerous positive engagements with strategic partners in their respective communities, such as Internships at the Durban International Film Festival, providing content to

Sunshine Cinema (a local solar powered non-profit cinema), and coordinated the annual Kasi Vibe township festival.

Milpark have established a formal Community Engagement programme. Some examples of community engagement projects include: a free budgeting 101 short course for unemployed graduates in conjunction with an NPO, My Career in Insurance. The Business School continues to integrate a community project into the MBA programme, with clear outcomes and social impact recognised.

STADIO Higher Education has increased its focus on community engagements, specifically engaged scholarship. 16 engaged scholarship projects were approved for 2023 and were monitored quarterly at the Community Engagement Committee. “Communities” included societies as well as industries with whom the students were required to engage for purposes of enhancing their learning in the discipline areas. A formal Community Engagement Conference (discussing CSI and impact, and how to do more with less) was hosted in June with both internal and external speakers. The three scheduled development seminars on community engagement and impact, were hosted during the monthly Central Academic Sessions so that all academic staff were taken on the journey of understanding community engagement, engaged scholarship, and calculating value of community engagement. Most importantly during 2023, social responsibility was highlighted in curricula and integrated into specific modules. In addition to the academic programmes, STADIO Higher Education also records direct activities intended to empower specific communities especially through sport and through its bursary programme.

ENGAGED SCHOLARSHIP

The notion of engaged scholarship is an evolving concept in the national higher education sector. Simply explained, it prioritises sustainable community projects and programmes that we also contribute to teaching and learning and/or research. In January 2023, the academic leadership held its inaugural engaged scholarship workshop to (i) identify what could be done with limited resources; and (ii) establish community engagement governance standards. The commitment of Schools and excitement to forge the bridge between scholarship (especially teaching and learning and community engagement) was the single most important factor that contributed to the success of the 2023 engaged scholarship project. Every School had at least one engaged scholarship programme. Every project also supported the inculcation of one or more of STADIO’s approved Graduate Attributes. In 2023, STADIO had 16 registered engaged scholarship projects in various stages of implementation.

Some of the highlights include:

- Establishing a virtual clinic for business advice to small businesses and new entrepreneurs. It focuses on assisting vulnerable communities providing a free service and support to improve their success
- An entrepreneurship hub was developed that enables and facilitates young entrepreneurs with their start-up projects. The hub provides guidance and a safe environment. It builds capacity among budding entrepreneurs and facilitates their growth through shared knowledge and resources
- Constructing planters using sustainable strategies that contribute to the local food programme, emphasising the attributes of collaboration, critical thinking, social consciousness, and responsibility



SOCIAL AND RELATIONSHIP CAPITAL continued

COMMUNITY ENGAGEMENT, SOCIAL IMPACT AND SUSTAINABILITY IN THE CURRICULUM

Several of the registered engaged scholarship projects are integrated with the teaching and learning curriculum:

Student assignments in the BA in Visual Arts in Visual Communication Design, have a dedicated focus on sustainable design, and in particular circular design. The idea is that **waste becomes a resource**. In this module, students look at products which were traditionally seen as waste and are taught how they are now seen as a resource in that they can be brought back into the supply chain after it has completed its original purpose. In other words, students are taught to think about the end step (recycling) at the beginning of a products cycle (the design phase). For instance, plastic packaging would re-enter the economy as a valuable technical or biological nutrient. Designers are also taught to embed recyclability principles into their pack design so that by the end of its life, the packaging material can be successfully recycled.

One of the annual student excursions is to MCC labels in Paarl which focusses on sustainability. Students are introduced to their sustainability practices and how to reimagine their designs with the environment in mind. Students are taught to think foremost about the environment, **instilling product stewardship**, forward thinking initiatives and how to create new solutions. Apart from this, resources are shared with the students, and they are encouraged to do further research on their own.

In the School of Law, the principles of social responsibility and citizenship are addressed in several LLB modules, including Social Justice and Constitutional Law. Transformative constitutionalism is a core theme in the curriculum and addressed across modules – students are engaged to consider the law as a **transformation tool**, and specifically how the law may be seen a bridge between “the old” and “the new” because of the impact and nature of constitutional values.

Additionally, STADIO Higher Education is cognisant of the gap that often exists between basic education and higher education readiness. In support of student success and in its attempt to bridge this gap (as part of its commitment to access with success), STADIO Higher Education has **integrated fundamental literacies** (end-user-computing) in all programmes in 2023. Numeracy has also received additional attention where, rather than adding modules (and cost) to the curriculum, maths literacy has been built and integrated into the curriculum of relevant programmes raising students’ capabilities and promoting success. In 2023, the Centre for Student Success focussed on academic literacy programmes working with students identified as needing support.

HOLISTIC STUDENT DEVELOPMENT AND GRADUATE ATTRIBUTES

Linked to its formal curriculum and teaching and learning, STADIO Higher Education introduced a Second Transcript for students. This promotes holistic development of our students and has been an immense success.

From 2023, graduates will receive their formal Academic Transcript as well as a second digital transcript (STRIPES) recording their acquired graduate attributes and skills whilst on their student journey.

A total of 5 389 Stripes were awarded in 2023, of which 3 586 are linked to, and integrated with, their formal curriculum.

CONCLUSION

STADIO Higher Education’s commitment to responsible citizenship is taking shape notwithstanding limited resources. The outcomes of 2023 are testimony to smart work practices and innovations that optimally harnessed available opportunities, as Schools focus on preparing public-minded leaders for the future, and STADIO Higher Education positions itself in the ethos of higher education.



HUMAN CAPITAL



Our staff are our human capital. As education providers, the skills and expertise of our educators and academic staff, coupled with their ability to engage with students, is critical in facilitating the development of well-rounded graduates, ensuring the quality and integrity of our academic offering, and delivering on our student value proposition.

MEASURES: • Performance evaluations • Staff ratios and turnover • Staff qualifications and experience • Appropriate remuneration benchmarking • Student satisfaction • BBBEE rating



INPUTS

- 1 193 permanent staff, supported by fixed term contractors
- 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.
- 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.
- The STADIO Group rolled out the Staff Study Assistance Program, in 2023, providing Bursaries for staff members to assist in promoting continuous professional development and lifelong learning, whilst ensuring our academic teams remain relevant and the best qualified to present the teaching and learning programmes offered.
- Refer to pages 76–86 for the Group's Remuneration Policy.

BUSINESS AND VALUE CREATION ACTIVITIES

Performance development and evaluation programme (CPD)	Staff wellness strategy
Professional development	Seminars and conferences
Employment Equity Committee	Succession planning
Remuneration harmonisation and benchmarking	

SUPPORTED BY

- Experienced, strategic, entrepreneurial, people-focused senior leadership team
- Relevant technologies, systems, policies and processes
- Strong values and good culture
- Robust board of directors and governance structures

OUTPUTS AND OUTCOMES

- Gender pay gap of 13.4%
- R4 million spent on staff development and training (2022: R3 million)
- 2023 STADIO Higher Education academic conference “Technology enabling curriculum reform”
- Milpark hosted 17 webinars covering a range of hot topics, including “Exploring the Future of AI”
- 133 Research outputs produced
- Some key leadership changes include: Ishak Kula appointed as Group CFO effective 1 January 2014 and 3 new commercial Heads of Campus at STADIO Higher Education, with new Director of the Milpark Business School appointed
- Phantom staff share scheme rolled out linking payouts to the dividend paid by the Group. This aims to align the employee decision making with the strategic outputs of the Group
- One of our values is PEOPLE-FOCUS

OTHER CAPITALS IMPACTED



STRATEGIC OBJECTIVES



MATERIAL MATTERS



STAKEHOLDERS

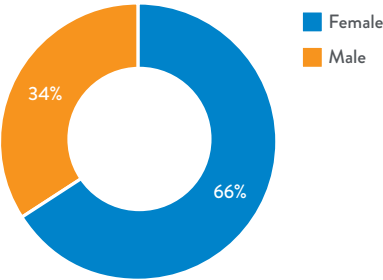


HUMAN CAPITAL continued

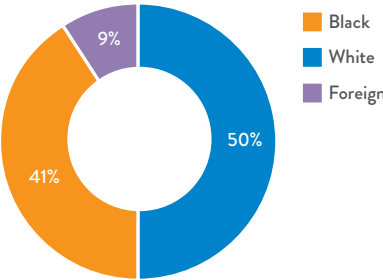
TRANSFORMED WORK FORCE

Each institution is managed by its own HR function, with its own Employment Equity Committee (EEC). The EEC is established to monitor progress against the Employment Equity plan and provides input and direction into the overall Employment Equity plan and underlying policies. The EEC assists in driving transformation across the Group. To date, the Group is making good progress in achieving the targets as set in its EE Plan. Furthermore, the Committees continue to monitor the proposed sector targets in the amended Employment Equity Act.

Gender Equity



Employment Equity



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 continues refining its employee value proposition, and STADIO Higher Education has made good progress in harmonising its salaries across the new institution. In saying that, the alignment of all salaries and grading off all positions, takes time, and there is still much work planned on this.

In 2023, the Group introduced the Staff Phantom share scheme, as well as the Staff Study Assistance programme to provide bursaries for staff and discounts for their family members. In addition, certain perks and discounts were agreed with some of the Groups partners.

Gender pay gap

In 2023, the Group began the process of analysing the pay gap in more detail. According to the latest World Economic Forum’s Global Gender Gap Report, South African women receive between 23% and 35% less than men for the same work. The Group’s gender pay gap is 13.4%, being better than market average and reflecting the Group’s commitment to equal pay, for equal work. The Group will continue to perform this analysis going forward, as well as look at the total pay gap to better inform remuneration decisions going forward.

Source: 1 <https://insightplus.bakermckenzie.com/bm/browse#/locations=south-africa>.

EXPERIENCE AND STATURE OF OUR CHIEF ACADEMIC OFFICER EVIDENT THROUGH VARIOUS KEYNOTE ADDRESSES

Keynote: CHE Strategy Conference 2024/25-2030 – Key factors to address by the private higher education sector, and redress from the CHE 2024/25-2030

Keynote: CHE Annual Conference – Responsible Leadership Leading Academic Freedom, Institutional Autonomy and Public Accountability: 5 Bricks in the Wall

Keynote: 15th International Conference of the South African Association of Family Ecology and Consumer Science – African humanism and higher education: exploring the triad of food insecurity, human rights, and academic success considering s27 of the Constitution

Co-Editor: International Publication: Globethics, Geneva – AI: Laws, Rules and Ethics

WHISTLE BLOWERS LINE

The Group is committed to conducting its business with honesty, integrity and fairness, and expects all employees to maintain high standards in accordance with its policies and procedures. A culture of transparency and accountability is essential in order to prevent unlawful and unethical behaviour, and to address such behaviour it when it does occur. Accordingly, we have engaged Whistle Blowers (Pty) Ltd, to provide an Anonymous Reporting service through the Whistle Blowers Ethics Hotline.

Call: 0800 202 022 (Toll Free)

Email: stadio@whistleblowing.co.za



PRIVATE AND CONFIDENTIAL

HUMAN CAPITAL continued

OUR LEADERSHIP TEAMS



- 1 **MR CHRIS VORSTER**
CHIEF EXECUTIVE OFFICER
Group and STADIO Higher Education
- 2 **PROF DIVYA SINGH**
CHIEF ACADEMIC OFFICER
Group and STADIO Higher Education
- 3 **MR JOHAN HUMAN**
CHIEF OPERATING OFFICER
Group and STADIO Higher Education
- 4 **MR ISHAK KULA**
CHIEF FINANCIAL OFFICER
Group and STADIO Higher Education
- 5 **MS KATE RIDGE**
COMPANY SECRETARY
Group and STADIO Higher Education
- 6 **MS TERESA PASSCHIER**
AFDA CEO
- 7 **MR ANDREW HORSFALL**
Milpark CEO
- 8 **MR MERWE ROUX**
STADIO Higher Education CIO
- 9 **MS CHARISKA KNOETZÉ**
STADIO Higher Education Head: DL
- 10 **PROF PATRICK BEAN**
STADIO Higher Education Head: CL

FINANCIAL CAPITAL



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

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 • Dividend growth

INPUTS

- Purpose led business with high demand to fulfil a big societal need
- Highly generative cash business with access to rolling credit facility
- Economic environment directly impacts the financial capital

- Facilitating student funding through partnerships with CAPITEC, Student Hero, Manati and Fundi.
- Amended debt collection processes to allow access to more students despite outstanding balances, whilst actively managing outstanding debt to acceptable levels.
- Continue to explore more funding solutions for our students

We believe in the growth potential of Milpark Education

Additional
15.4%
purchased in Milpark Education for
R139 million

BUSINESS AND VALUE CREATION ACTIVITIES

Strategic objectives and activities	Risks and opportunities
Material matters	Combined assurance

SUPPORTED BY

- Solid growth strategy
- Experienced, responsible, entrepreneurial leadership
- Shareholders and other stakeholders

REVOLVING CREDIT FACILITY

The Group maintains a healthy balance sheet, with 0% Gearing (excluding IFRS 16) at 31 Dec 2023.

In January 2024, the Group utilised R100m of their revolving debt facility to partially settle the purchase of shares in Milpark Education.

The Group has access to an additional R100m if needed.

10.0cps
THIRD ANNUAL DIVIDEND DECLARED

41% DIVIDEND PAYOUT
(move to 85% free cashflow in time)

OUTPUTS AND OUTCOMES

Revenue up **16%** to R1.4 billion (2022: 1.2 billion)

EBITDA Margin **28%** (2022: 29%)

Loss allowance **9%** of revenue (2022: 7%)

Return on Equity up **18%** to 11.7% (2022: 9.9%)

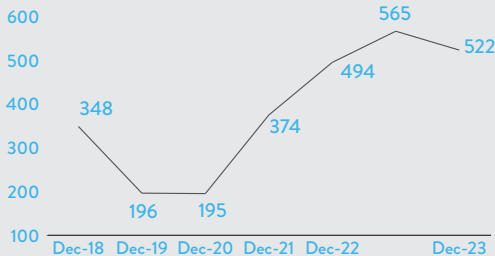
R36 million spent to purchase shares in STADIO Holdings to protect shareholder value by avoiding future dilution as a result of settling future obligations under the long-term share incentive trust

5-year share price high of **R5.65**

21 572 shareholders (2022: 25 030)

SDO share price

Cents per share



OTHER CAPITALS IMPACTED



STRATEGIC OBJECTIVES



MATERIAL MATTERS



STAKEHOLDERS



CHIEF FINANCIAL OFFICER'S REPORT

YEAR UNDER REVIEW

The Group is pleased to report a solid set of results for the period ended 31 December 2023, driven by good performance of its underlying institutions, STADIO Higher Education, AFDA and Milpark Education.

COMMENTARY ON INSTITUTIONS

STADIO Higher Education showed good growth in students, particularly in the distance mode of delivery, with positive growth in new students on both the contact and distance learning modes of delivery. Furthermore, the institution made significant progress in optimising its contact learning campuses as well as positioning its distance learning offerings for growth.

STADIO Higher Education's distance learning operations centre in Krugersdorp was operational throughout the year which further enables scalability whilst improving efficiencies and better service.

Milpark Education continued its investment into various systems and infrastructure during the year, to further improve on its teaching and learning model and overall student experience. This investment assists in cementing Milpark Education as the South African leader in online distance learning, whilst aligning the business for growth. The Postgraduate Diploma in Accounting (PGDA) and PGDA Bridging programmes continued to deliver solid growth for the year, with the business introducing new programmes in accounting in 2023. In December 2023, Milpark Education agreed an early settlement to exit its rented premises in Melville, Gauteng, and accordingly, derecognised the onerous contract provision recognised in 2022, resulting in a gain of R4m.

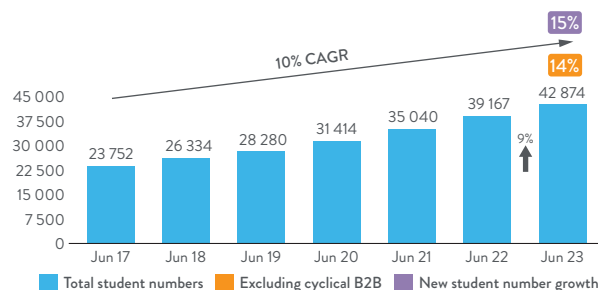
AFDA continued to entrench its position as the leading film and television school in the country, whilst optimising its offerings on its four campuses located in Johannesburg, Durban, Gqeberha and Cape Town, and investigating further expansion opportunities.

REVIEW OF RESULTS

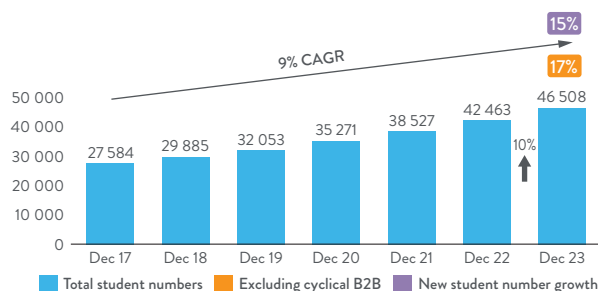
The Group monitors student numbers on a semester basis. The Group increased semester 1 student enrolments by 9% to 42 874 students at 30 June 2023 (June 2022: 39 167). At 31 December 2023, semester 2 students enrolments increased by 10% to 46 508 (December 2022: 42 463).

Distance learning student numbers reflected good overall growth of 11% to 37 067 at 30 June 2023 (June 2022: 33 505) and 11% to 40 689 at 31 December 2023 (December 2022: 36 764).

Total student numbers: SEMESTER 1: 30 June



Total student numbers: SEMESTER 2: 31 December



REVENUE

↑ **16%**
from
R1.4 billion

CORE HEADLINE EARNINGS

↑ **19% to
R209 million**
from
R176 million

CASH GENERATED FROM OPERATIONS

↑ **R360 million**
from
R308 million



The Group is positioned for growth, with a strong balance sheet and good cash generation it is well positioned to expand its footprint with the construction of our new comprehensive Durbanville campus.

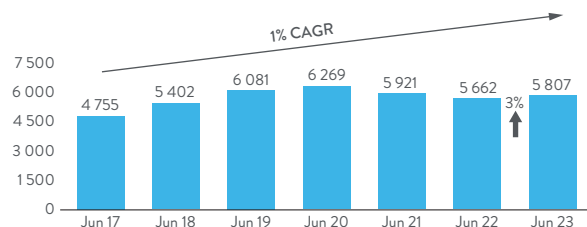
ISHAK KULA
Chief Financial Officer

CHIEF FINANCIAL OFFICER'S REPORT continued

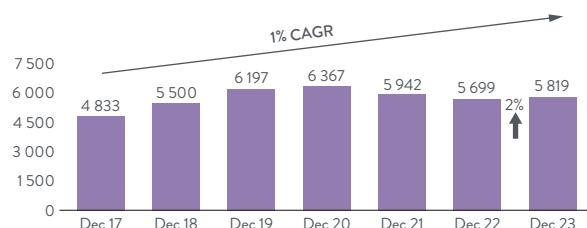
Strong demand in professional qualifications continues to drive strong growth in registrations for the period. The Group's distance learning student numbers are still impacted by the legacy business-to-business (B2B) Milpark Education business offerings. Excluding the impact of the B2B business, the distance learning student numbers grew by 17% to 30 419 as at 31 December 2023. Milpark Education is busy repositioning the business to become less reliant on the B2B business.

Contact learning student numbers showed some growth of 3% to 5 807 at 30 June 2023 (June 2022: 5 662) and growth of 2% to 5 819 at 31 December 2023 (December 2022: 5 699), which is positive considering a 4% decline in student numbers in both semester 1 and semester 2 in the prior year. Registrations of new contact learning students have increased by 15%. This follows the strategy of accrediting new programmes as well as expanding the offering of qualifications to new campuses. The overall growth is muted as a result of lower intakes in the prior year, resulting in a lower roll forward of returning students in 2023. The final Milpark Education contact learning students are transitioning out of the student number base for the period in accordance with Milpark Education's shift to focus only on the online distance learning mode of delivery.

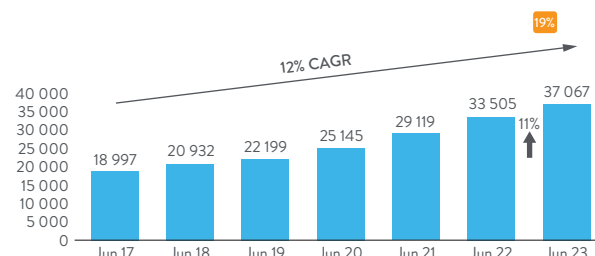
Total student numbers: Contact learning SEMESTER 1: 30 JUNE



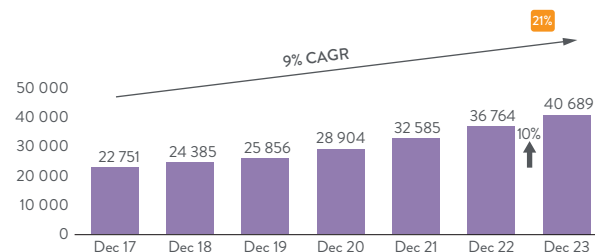
SEMESTER 2: 31 DECEMBER



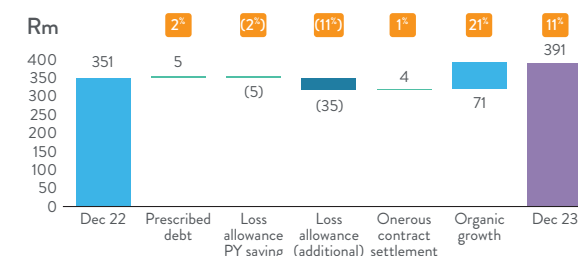
Total student numbers: Distance learning SEMESTER 1: 30 JUNE



SEMESTER 2: 31 DECEMBER



EBITDA MOVEMENT



The Group grew revenue by 16% to R1 414 million (2022: R1 214 million), with EBITDA growing by 11% to R391 million (2022: R351 million). EBITDA was impacted by an increased loss allowance for the period, with EBITDA margin declining to 28% (2022: 29%) for the year. Furthermore, EBITDA was impacted by increased costs incurred on computer and license fees for the year (following a strategic initiative to invest in processes across the Group to enhance operating efficiencies), additional fuel costs as a result of running generators on campuses to curb the impact of load-shedding, increased marketing costs and increased staff training costs in the period following lower historic spend on training in prior years due to COVID-19.

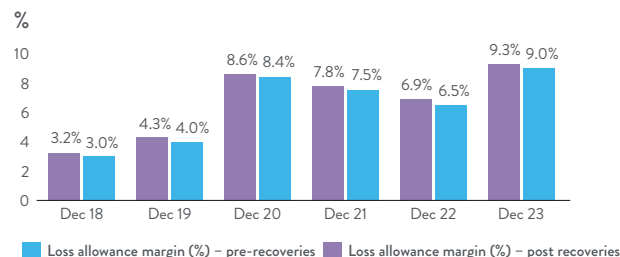
The increase in loss allowance follows an increase in the debtors' book and associated potential risks in collections, particularly for distance learning students. The payment trends of distance learning students are generally over a longer period of time than for contact learning students and given the growth in the distance learning across the Group this has impacted the overall value of the debtors' book. The loss allowance margin increased to 9% of revenue, up 1% from 30 June 2023 (2022: 7%). In the prior year, the Group was able to release unutilised loss allowance provisions due to better collections than expected during COVID-19. For the period ended 31 December 2023, bad debts recovered improved to R4.8 million (2022: R3.8 million).

Furthermore, EBITDA was impacted by the release of the onerous contract provision of R4 million relating to the settlement of the Milpark Education's rented premises in Gauteng (Gauteng lease). EBITDA was also impacted by the release of prescribed debt of R5 million relating to amounts owing from students older than three years at the period end.

Excluding the impact of the aforementioned movements organic growth in EBITDA increased by 21%.

CHIEF FINANCIAL OFFICER'S REPORT continued

LOSS ALLOWANCE AS % OF REVENUE



Total Debtors (RM)	DEC 22 Rm	DEC 23 Rm
Trade receivables	260	330
Loss allowance	(133)	(164)
Net trade receivables	127	167
Loss allowance coverage (%)	51	50

The increase in debtors' book for the year has been impacted by the economic environment with affordability impacting students, and students taking longer to pay. This was further impacted by changes to our internal processes and policies, included the implementation of a new ERP system which, due to initial teething issues, negatively impacted our ability to bill students timeously. Furthermore, we amended our approach to collecting debtors, in line with our purpose to widen access to higher education, which included:

- More students have been offered terms over which to pay. Historically a higher proportion of students elected to pay tuition fees upfront in cash (allowing students to pay over longer periods);
- Reduction in upfront deposits; and
- More students were allowed to re-register with arrear balances. Historically most students were required to be fully paid up to be able to re-register. The arrear balances now allowed are still maintained within strict limits.

Notwithstanding the change in approach to collecting debtors, the Group still maintains strict criteria of requiring payment prior to the release of results or academic transcripts, and believes the billing issues have been rectified.

During the year, the Group reassessed its approach to calculating its expected credit loss rate, and categorised its trade receivables categories into three broad categories which better reflect the underlying nature of our business.

Trade receivables in respect of the prior academic year contains the highest risk and we provided 95% of this balance. Overall, the loss allowance increased to 9% of Revenue, up from 7% in the prior year. The Group believes the loss allowance is adequate to provide for the associated credit risk of these trade receivable balances.

Total Debtors (RM)	DEC 22	DEC 23
Gross Debtors	260	330
Debtors related to prior academic year	(35)	(47)
Debtors related to current year	225	283

Debtors relating to prior year (RM)	DEC 22	DEC 23
Gross Debtors	35	47
Loss allowance	(33)	(45)
Net debtors	2	2
Loss allowance coverage (%)	(94%)	(95%)

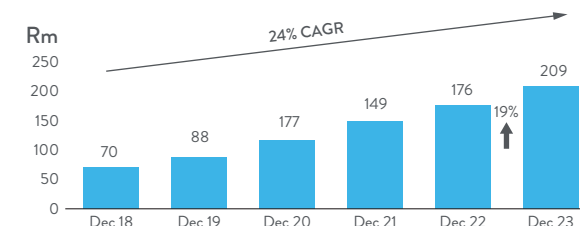
For the period ended 31 December 2023, the Group reported a profit after taxation of R236 million (2022: R186 million), earnings per share (EPS) of 24.5 cents per share (cps) (2022: 19.5 cps), and headline earnings per share (HEPS) of 24.5 cps (2022: 20.0 cps).

The growth in profit after taxation, EPS and HEPS for the year was primarily due to organic growth in the underlying institutions, as well as lower growth in depreciation for the period of 3%. Higher cash balances and increases in interest rates also resulted in a net interest income position of R4.0 million (2022: net interest expenses of R6.6 million).

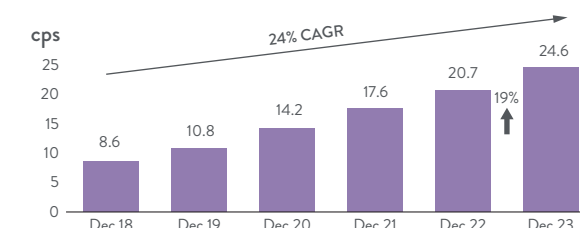
The Group utilises core headline earnings (Core HEPS) to measure and benchmark the underlying performance of the business. Core HEPS reflects HEPS adjusted for certain items that, in the Board's view, may distort the financial results from year-to-year, giving shareholders a more consistent reflection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

Accordingly, for the period ended 31 December 2023, Core HEPS grew by 19% to 24.6 cps (2022: 20.7 cps).

Core headline earnings

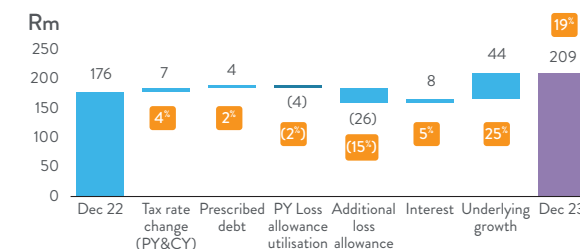


Core HEPS



The overall growth in Core HEPS is due to the underlying organic growth in EBITDA as set out above, but was also impacted by the change in tax rate from 28% to 27%.

CORE HEADLINE EARNINGS MOVEMENT



CHIEF FINANCIAL OFFICER'S REPORT continued

CASH FLOW GENERATION

Cash flow from operations (RM)	Dec 2019	Dec 2020	**Adjusted Dec 2021	**Adjusted Dec 2022	Dec 2023
Net cash flow from operations (before working capital)	202	263	323	361	404
Working capital changes	(12)	11	(9)	(20)	(44)
Net cash generated from operations	190	274	314	341	360
Cash generated from operations (as % of normalised EBITDA)*	97%	108%	101%	96%	93%
Free cash flow less recurring capex	133	206	218	241	217

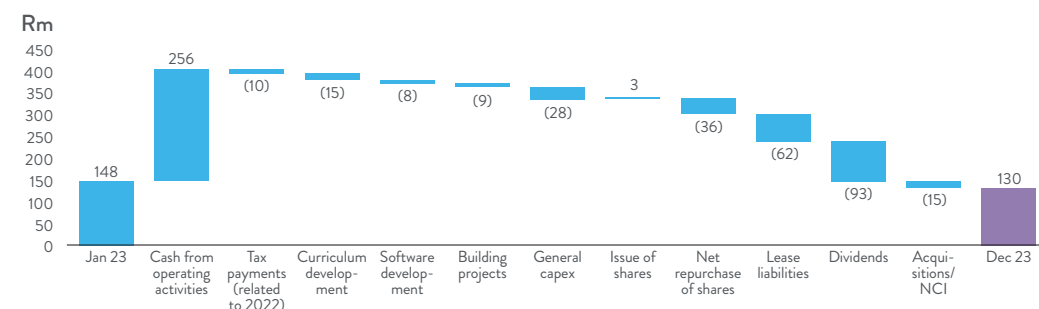
* EBITDA adjusted for fair value adjustment and onerous contract

** Adjusted for CA Connect in 2022 for R33 million (2021: R48 million) settlement in cash

The Group generated R360 million (2022: R308 million) cash from operations for the year. In the prior year, the working capital trade and payables movement included R33 million relating to the final cash-settled portion of the CA Connect early settlement agreement settled by STADIO Holdings.

CASH UTILISATION AND CAPITAL STRUCTURE

CASH UTILISATION



Set out above is a summary of cash utilisation across the Group for 2023. The Group was in a strong cash position with a cash balance of R130 million as at 31 December 2023 and no debt. The Group had access to a revolving credit facility of R100 million, with an option to increase the facility by a further R100 million. In January 2024, the Group utilised the R100 million facility to pay for the further interest acquired in Milpark Education for R117.5 million.

The Group complied with the facilities financial covenant requirements. At 31 December 2023, the Group reflected a gearing ratio of 6% (nil % excluding the IFRS 16 lease liability).

CAPITAL INVESTMENT

Capital invested (RM)	Dec 2016	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Dec 2023
Acquisitions	–	594	440	156	–	10	–	15
Infrastructure development and capital assets	73	272	26	168	98	181	87	44
Programme development	12	11	15	10	7	–	7	15
Total	85	877	481	334	105	191	94	74
Cumulative investment	85	962	1443	1777	1882	2 073	2 167	2 241

The Group invested R44 million (2022: R87 million) on infrastructure development and capital assets for the year. This included a R5 million investment into a solar project, R8 million on software development and R27 million across the Group on recurring capital expenditure. The Group also invested R15 million to acquire a further interest from a non-controlling shareholder in Milpark Education.

CAPITAL EXPENDITURE 2024: GROWTH PROJECTS

2024 Capital Expenditure (RM)	2024
Curriculum and intangibles development	46
Solar projects	5
Durbanville property	220
Milpark acquisitions	6

The Group is expected to commence with the construction of the new Durbanville campus in the second half of 2024, and estimates that phase 1 will cost R220 million. Further development of R46 million is earmarked on programme development and development of other intangible assets. This development will allow the business to expand its overall programme offerings. The Group will continue investing in its solar project, with a further R5 million planned to be spent in 2024. In January 2024, the Group acquired a further interest in Milpark Education from a non-controlling shareholder, for R6 million. The Group now holds an effective 83.9% shareholding in Milpark Education.

SHARE CAPITAL AND SHARE REPURCHASES

SHARE CAPITAL

	Number of ordinary shares (million)	Share capital R'000
Balance as at 1 January	850	1 628 517
Issue of shares in respect of employee share options	3	14 652
Shares repurchased and cancelled	(3)	(14 226)
Share issue costs	–	(162)
Balance at the end of the period	850	1 628 781

CHIEF FINANCIAL OFFICER'S REPORT continued

In April 2023, STADIO Holdings issued 3.2 million shares to the STADIO Group Share Incentive Trust ("SIT") for R14.7 million, to enable the SIT to fulfil its obligations under the STADIO Group Share Incentive Scheme ("Scheme"). To counter the dilutionary impact of this issue, STADIO Holdings repurchased 3.2 million shares in the market, for R14 million.

The Board further mandated STADIO Holdings to repurchase R15 million additional shares in the market, to counter the dilutionary impact of future share issues to the SIT. These shares were repurchased and subsequently cancelled between December 2023 and March 2024.

During the year, the SIT transferred 4.4 million shares to participants in settlement of its Scheme obligations. During the year, the SIT purchased 4.8 million shares in the market at an average purchase price of R4.59 per share. The total cash outflow from the Group, which advanced a cash loan to the SIT for the purchase of shares, was R22 million for the year ended 31 December 2023.

TREASURY SHARES

	Number of shares (million)	Treasury shares R'000
Treasury shares		
Balance as at 1 January	(0.2)	(145)
Issue of shares for settlement of employee share incentive scheme	(3.2)	(14 652)
Treasury shares repurchased	(4.8)	(22 073)
Treasury shares issued to employees	4.5	19 756
Balance at the end of the period	(3.7)	(17 114)

As at 31 December 2023, the SIT held 3 710 796 shares, which are treated as treasury shares (2022: 234 757).

Treasury shares are shares in the Company that are held by the SIT for purposes of settling its future obligations to transfer shares to participants in terms of the Scheme.

DIVIDEND

The Board is pleased to declare a final gross dividend of 10.0 cents (2022: 8.9 cents) per ordinary share from income reserves for the period ended 31 December 2023. This represents 41% of core HEPS.

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

GOING CONCERN

The Group has a strong balance sheet with no external funding (other than lease liabilities) and continues to generate strong profits and cash flows for the year ended 31 December 2023.

At 31 December 2023, the Company is in an accumulated loss position. The current assets exceed the current liabilities and the Company has access to additional cash resources within the Group to meet its cash obligations as they fall due in the next 12 months. Accordingly, the Board is satisfied that the Group and the Company are in a sound financial position and have adequate cash resources and access to borrowings to continue to operate as a going concern in the foreseeable future.



OUTLOOK

There continues to be a high demand for quality higher education in South Africa. We are encouraged by the positive growth in new students on our contact learning mode of delivery and excited about the growth opportunities evident in the distance learning mode of delivery. As we experienced good growth, we recognise that consumers remain under pressure given the tough economic climate and the impact this has on students' ability to afford higher education offerings.

Notwithstanding the economic climate within which we operate, there continues to be a high demand for our offerings as students invest in themselves to create more prosperous opportunities. The Group therefore continues to improve its offerings to deliver on its vision of widening access to quality higher education as well as becoming a first-choice higher education institution in South Africa.

THANKS AND APPRECIATION

I want to thank the finance staff across the STADIO Group for their continuous commitment and efforts over the year. I would also like to thank our other stakeholders, including shareholders and funders, for their continued support. Your support enables us to execute on our growth strategy, allowing more individuals to access quality higher education.

7 YEAR FINANCIAL OVERVIEW

	DECEMBER						
	2017	2018	2019	2020	2021	2022	2023
Student numbers	12 976	29 885	32 053	35 271	38 527	42 463	46 508
Revenue (Rm)	122	633	815	933	1 098	1 214	1 414
EBITDA (Rm)	0.5	129	180	46	309	351	391
EBITDA (Rm) – normalised	0.5	129	196	253	310	357	388
Headline (loss)/earnings (Rm)	(7)	63	70	(70)	144	170	208
Core Headline Earnings (Rm)	3	70	88	117	149	176	209
Headline earnings per share (cents)	(1)	8	9	(8)	17	20	24.5
Core HEPS (cents)	0.6	8.6	10.8	14.2	17.6	20.7	24.6
Dividend per share (cents)	–	–	–	–	4.7	8.9	10.0
Return on Equity (%)	0%	4%	6%	8%	9%	10%	12%

INFRASTRUCTURE CAPITAL



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

MEASURES: • Return on Investment • New Technologies • New student numbers • Campus



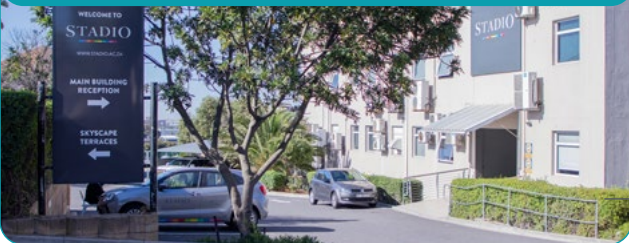
INPUTS

Our infrastructure capital enables us to provide an optimal environment conducive to learning and facilitates our commitment to deliver on our student value proposition.

We will commence the construction of our comprehensive campus in Durbanville during 2024, which will promote student growth and positively contribute to ROI over time.

We focus on investing in technologies and processes that will enhance our student offering, whilst keeping things simple and bringing about efficiencies. 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.

Exploring further use of AI within curriculum, to enhance relevance of offerings, as well as challenge students to think broader and differently. Furthermore, use of AI assists in enabling business efficiencies and providing a better student service and overall experience.



BUSINESS AND VALUE CREATION ACTIVITIES

New campuses	New refined technologies
Optimization and/or consolidation of current campuses	IT related training & staff development
Business processes and systems	Cybersecurity
Continuous assessment of technologies aligned to students and business needs	
Construction	Licenses

SUPPORTED BY

- Experienced, innovative staff
- Stringent security protocols
- Financial capital and stakeholders

DEPENDENCIES:

- Regulator – site accreditations
- Regulator – site extensions to offer programmes on new sites
- Regulator – municipal approvals of construction

OUTPUTS AND OUTCOMES

10 contact learning campuses across the Group, with a move away from smaller niche campuses, to fewer comprehensive campuses

Campuses double up as support centres for our distance learning students and some of them are used as assessment centres

Current capacity for 14 000 contact learning students, no space constraints for distance learning

Huge improvements in cybersecurity with STADIO Higher Education achieving a Risk Rating of Excellent and a Cyber Security Posture Rating of 94% (the average score for the Education industry is 78%)

New STADIO Holdings and Milpark Education website

Key dashboards to enable data driven decision making

ERP is now live across STADIO Higher Education, which will bring efficiencies in long-term, yet teething issues initially

R106 million invested in IT systems, software and improvements

Customer service portals and query desks

STADIO Centurion starting to work through the J-Curve with positive intake for 2024

OTHER CAPITALS IMPACTED



STRATEGIC OBJECTIVES



MATERIAL MATTERS



STAKEHOLDERS



INFRASTRUCTURE CAPITAL continued

CASE STUDIES

MANAGING CYBER SECURITY

Cyber Posture Rating



STADIO Higher Education received a Cyber Security Risk Rating of **Low** in the recent PWC audit and have concluded two infrastructure and security internal audits as part of our annual vulnerability assessments and penetration tests. The PSG Internal Audit outcome report, after all the remediations have been made, gave us an overall Risk Rating of **Excellent** and a Cyber Security Posture Rating of 94% (the average score for the Education industry is 78%). Additionally, various other infrastructure and security improvement measures have been implemented as part of the Cyber Security Posture plan.

OPERATIONAL EXCELLENCE

The Group is focused on leveraging technology to improve processes and bring about efficiencies, whilst enhancing the learning experience and general online learning environment, for our students. STADIO Higher Education’s Business Process & Innovation department continues to focus on the Board’s strategic imperative of Operational Excellence. This is achieved by following a continuous improvement lifecycle approach that focuses on 3 key areas, namely Business Processes, Business Systems, and Reporting & Analytics across all the departments in STADIO Higher Education. These focus areas not only bring about efficiencies, but also enable data driven decision making.

LEARNING EXPERIENCE

Milpark Education focuses on delivering a supreme, online education offering and offers students a community where they can connect and belong. A community where collaboration, inclusion, innovation and support creates a transformative educational experience that goes beyond learning, to enhance personal growth and development throughout the student’s journey.



ITS TIME TO BUILD DURBANVILLE

- Contact learning strategy is working
- Previously, risks were too high – now have proof of concept in Centurion and believe the time is right
- Bellville campus is reaching capacity and cannot accommodate the strategy of comprehensiveness in the long-term
- We need a STADIO “showroom” in the Western cape
- Will double up as distance learning support centre

THE TIME IS RIGHT

- To build in phases
- Will start construction in 2024, subject to final municipal approvals
- Phase 1 will cost R220 million
- To be funded 50% by cash resources and 50% long-term debt
- Will continue with current dividend payouts
- Bellville campus expected to relocate to the STADIO Durbanville campus from June 2025 and Head Office in phase 2
- Bellville campus is already a multi-school campus offering a range of programmes
 - Therefore, Durbanville campus will open with plenty of programmes available (unlike Centurion that opened with limited offerings)
 - expect to open with ~1000 students
- Durbanville expected to open for new students in January 2026

NATURAL CAPITAL



We require sustainable environmental conditions which are conducive to carrying out our operations, and rely on natural resources such as water, energy and land. We further, acknowledge the responsibility we have as educators, in raising awareness, knowledge, and understanding of the world’s environmental challenges, which can ultimately influence behaviour and values required to live sustainably and responsibly in our changing world.

MEASURES: • Energy consumption • Investment into alternative energy sources • Water consumption • Waste



INPUTS

- Invested R5 million on initial solar project in 2023 with an additional R5 million expected to be incurred in 2024 as solar installation and roll-out continues
- Curriculum is designed to incorporate sustainability and environmental issues into modules, with the aim to produce students who are socially and environmentally conscious of the role they play on society and our world
- ESG strategy in the early stages of development
Refer to page 15



BUSINESS AND VALUE CREATION ACTIVITIES

Solar investment and projects

Water saving initiatives

Recycling at campuses

Programme development

Community engagement

Empowering graduates

Environmental awareness campaigns

Awarding of “Stripes” – see page 52

SUPPORTED BY

- ESG strategy
- Academic plan and commitment to all-rounded graduates

OUTPUTS AND OUTCOMES

Socially conscious and environmentally aware graduates who understand their impact on the environment

Energy: R8 million spent on electricity during the year (2022: R11 million):

Energy usage down 28%
– impact of loadshedding resulted in R3.5 million on diesel costs and servicing of generators (2022: R2 million)

Installation of energy loggers at campuses

Water: encourage preservation of water at all our campuses, by staff and students water tanks on most campuses, with water project underway to assess water usages and needs for each campus

Paper: all campuses have reduced printing by using digital platforms for teaching and learning, as well as assessments. This reduces the number of study guides, class notes, tests, etc that need to be printed.

Introduction of digital libraries

Recycling: various recycling and other waste initiatives in place across offices and campuses

Carbon footprint: reducing travel as far as possible through reduced travel.

Encouraging virtual meetings (as an example, Board will only hold one face-to-face meeting during the year, saving on flights, fuel costs, printing costs)
– Flexible work and online teaching limits staff and students fuel consumption

OTHER CAPITALS IMPACTED



STRATEGIC OBJECTIVES



MATERIAL MATTERS



STAKEHOLDERS



NATURAL CAPITAL continued

CASE STUDIES

DESIGNING A SUSTAINABLE FASHION FUTURE FOR SOUTHERN AFRICA

This online course introduces students to some of the most pressing discussions for the fashion industry in Southern Africa, as it looks to move towards sustainable design practices that benefit both people and the planet. Students develop a holistic view of where the fashion industry is headed by exploring new synergies for the fashion industry from emerging technologies, innovative fibres and textiles, new business models, and design strategies that are changing fashion's landscape. Additionally, this course looks at what a sustainable fashion future for Southern Africa could look like, highlighting the socio-economic benefits of a fairer fashion system for the region.

Students gain a fresh perspective on the fashion industry today, providing them with knowledge of current sustainability theory, innovation in the field and business models that are waiting to be unleashed to drive a sustainable fashion future for Southern Africa.



OUR IMPACT: HIGH

Responsibility as an educator to create awareness and influence behaviour towards living responsibly and sustainable

The Group is committed to produce graduates who are socially-conscious and environmentally aware



OUR IMPACT: LOW

Own carbon footprint

SUSTAINABILITY AWARDS

A team of MBA students from Milpark Business School has shown that the next generation of business leaders can succeed while also furthering United Nations' (UN) Sustainable Development Goals (SDGs) after being named runner up in the prestigious PGS Sustainability Awards Africa.

In early 2023, MBA students from Milpark Business School were announced runners up at the 2022 Sustainability Awards. The competition challenged university teams from around the world to submit presentations that in some way showed how they advanced environmental protections, contributed to social and economic development, and promoted good governance and responsible management.

Hosted by the Principles for Responsible Management Education (PRME) Global Students, a global platform that seeks to uphold the principles for responsible management education, the PGS Sustainability Award Africa acknowledges impactful student-led initiatives that in some way advance the UN SDGs. First place went to a student team from Al Akhawayn University in Morocco.

The Milpark student team, which called itself "The Five Tigers", included Beverly Mmamedupi Nkwana, Siyasanga Dyosiba, Malixole Tsengiwe, Bongani Godlwana and team leader Gail Jaber. Their submission centred around the work the team did for their Social Responsibility and Environmental Management (SREM) module, part of their MBA studies. This culminated in a project on crowdfunding organisation, Feenix, an innovative education group that has raised R162 million and helped over 3 305 students with higher education studies. "We had endless nights of team meetings, while also focusing on other modules and, for some of us, full-time jobs too," says Jaber, "But it was all worth it in the end, and we are really pleased to have come in second place."

As it turns out, the SREM module was excellent preparation for the Sustainability Awards. During the SREM module, student teams were challenged to compete against one another to pitch to potential investors for funding that went toward a charity of their choice. The exercise

demanding they be immersed in an NGO or charity – its needs and challenges – and learn how to present an attractive investment opportunity to funders. At the end of the MBA SREM module, Milpark Education awarded funding to the charity the winning project championed.

The driving force behind SREM has been to offer in-depth exposure to social responsibility and environmental management from four perspectives: corporate, government, individual and NGO. It ties in with Milpark Education's philosophy of community outreach, engagement, and social responsibility as drivers of social, environmental, and economic sustainability.

Because the Feenix project pitch had been of outstanding quality, senior lecturer Nazmira Sayed encouraged the team to enter the global student competition. She says, "As a business school, we are very much focused on teaching students that business is not only about making a profit but also about giving back, interacting with communities in need." Sayed added, "We place a very high premium on sustainability and responsiveness of sustainability in our programme offering. The purpose of the model is for students to assimilate the SDGs and use them for the good of South Africa and the rest of the world."

Jaber says the SREM module has taken her on a crucial personal and professional journey. "I have learnt so much, building confidence and gaining skills that I can use in my current workspace." The experience also grounded her in an ethic for doing better business: "Especially in today's world with the buzz around corporate social responsibility, there is definitely a need to move beyond merely intending to do good, and to actually achieving that."

OUR GOVERNANCE

- 67 Our Board of directors
- 69 Governance structure and activities
- 74 Transformation, social and ethics committee report
- 76 Remuneration and nominations committee report



A robust governance
structure supporting the
Group's growth strategy

05

OUR BOARD OF DIRECTORS

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



1 DR VINCENT T MAPHAI ⁷²
CHAIRPERSON *Independent Non-executive Director*
B BA, BA (Hons), MPhil, DPhil, Advanced Management Programme (Harvard) and several certificates and diplomas
R

Appointed: July 2020

- More than 25 years' experience in the academic profession
- Corporate governance and vast knowledge on serving on Boards in the listed environment
- Business leadership and strategy
- Corporate Affairs and Transformation
- Commitment to education and the country

2 MR CHRIS VORSTER ⁵⁶
CHIEF EXECUTIVE OFFICER *Executive Director*
B BA (Social Science), BA Hons (HR Development), MA (Management and Development)
E
I Appointed: 2020

- Appointed as CEO of STADIO Holdings on 1 April 2020
- Previously founder and CEO of Southern Business School, which was founded in 1996
- Business leader, entrepreneur, and strategy
- Distance learning expert

3 MR ISHAK KULA ⁴⁰
CHIEF FINANCIAL OFFICER *Executive Director*
B CA(SA)
E
I Appointed: 1 January 2024

- Chartered accountant
- More than 15 years of financial experience with broad business acumen and strong leadership qualities
- Business assurance and risk management

4 PROF DIVYA SINGH ⁵⁹
CHIEF ACADEMIC OFFICER *Executive Director*
B BA (Law); LL B (Cum Laude); LL M; LL D; Masters in Tertiary Education Management (with Honours)
E
T Appointed: 2017

- Admitted advocate of the High Court of South Africa
- 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.

OUR BOARD OF DIRECTORS continued

5 MS MATHUKANA MOKOKA ⁵⁰
INDEPENDENT NON-EXECUTIVE DIRECTOR
CA(SA)
Appointed: 2019

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

6 DR TOM BROWN ⁵⁷
INDEPENDENT NON-EXECUTIVE DIRECTOR
BSc, HED, BEd, MEd, PhD
Appointed: 2020

- Higher Education Knowledge
- Mobile and distance learning
- Business mergers

7 DR BUSISIWE VILAKAZI ⁴⁰
INDEPENDENT NON-EXECUTIVE DIRECTOR
BSc in Electrical Engineering, MSc in Engineering, DPhil (PhD) in Engineering Science
Appointed: 2020

- Engineer
- Information and technology
- Innovation and emerging technology

8 DR CHRIS VAN DER MERWE ⁶¹
NON-EXECUTIVE DIRECTOR
BPrim (Ed), BEd, M.Ed (Cum Laude), DEd
Appointed: 2020 (former STADIO Holdings CEO)

- Basic and Higher Education Knowledge
- Business Leadership and Strategy
- Entrepreneurial and property expertise

9 MR NICO DE WAAL ⁴⁸
NON-EXECUTIVE DIRECTOR
BEng (Mech), MBA
Appointed: 2017

- Business Leadership and Strategy
- Investment growth

10 MR ANDRIES MELLET ⁴⁰
ALTERNATE NON-EXECUTIVE DIRECTOR
TO NICO DE WAAL
CA(SA), B Compt Hons
Appointed: 2017

- Financial accounting
- Business Strategy
- Investment growth

11 MR JOHAN HUMAN ⁵⁹
CHIEF OPERATING OFFICER
Prescribed Officer
BCom, BEd (Honours), Higher Ed Diploma (Postgrad), MEd (Didactics)
Appointed: 2020

- Higher Education Knowledge
- Business Leadership and Strategy
- HR, IT and marketing management
- Property

12 MS SAMARA TOTARAM ⁴⁵
FORMER CHIEF FINANCIAL OFFICER
Former Executive Director
CA(SA), CFA
Appointed: 2017, Resigned 31 December 2023

- Completed her chartered accounting articles with Deloitte & Touche (in South Africa and New York).
- Previously worked at the Royal Bank of Scotland in London, was a Director of PSG Capital and was the managing director of Thembeke Capital Limited, and managing director of Curro's Meridian venture.



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

GOVERNANCE STRUCTURE AND ACTIVITIES

The Board understands the enormous role that the Group must play in society as a whole in providing quality affordable higher education to more individuals and creating value for our stakeholders.

The Group is fully committed to good corporate governance and believes good governance contributes to enhanced accountability as well as ethical and effective leadership. The Group stands firmly grounded on our values of service, quality, integrity, and people-focus. The Board respects and understands the need for simplicity, and will always espouse the virtues of clarity, credibility, transparency, and sheer honesty. These are the values lived by the leadership and filtered down throughout the Group, and which we seek to instil in our students.

BOARD RESPONSIBILITIES AND ACTIVITIES

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 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
- mandated Board sub-committees (Board committees) to oversee certain areas of its responsibilities

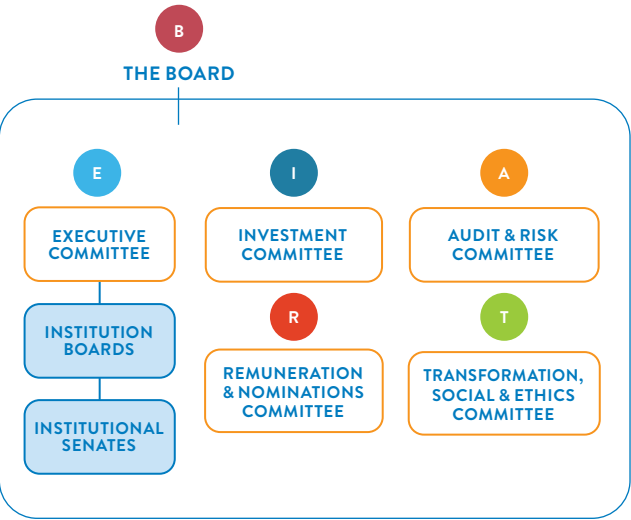
This enables the Board to discharge its duties and responsibilities properly and to fulfil its decision- making process effectively. The Board also ensures there is a clear balance of power and authority at Board level, where no one Director has unfettered powers of decision-making. Refer to pages 71 and 72 for specific Board focus areas and decisions made during the year.

The CEO has responsibility for the operational activities of the Group and is supported by the Executive committee. The CEO is the conduit between the Board, and the underlying institutions, ensuring the Group strategy is implemented across the operations. In addition, the CEO has overall responsibility for ensuring the integrity of the Group's website and ensures the information is accurate and the relevant security measures are in place. In 2024, a new STADIO Holdings website was launched.

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. A matrix of how the Group has complied with King IV is available on our website www.stadio.co.za.

OUR GOVERNANCE STRUCTURE



BOARD COMMITTEES

The Board mandates certain Board committees to assist the Board in the discharge of its duties and responsibilities in certain areas. Each Board committee has formal written terms of reference that were reviewed during the year and approved by the Board. The chairperson of each Board committee reports back to the Board at each Board meeting, highlighting particular areas of interest or concern, whilst bringing certain decisions to the Board for final approval. The detailed audit and risk report is included in the audited annual financial statements for the year ended 31 December 2023. These annual financial statements, including the audit and risk report, can be found on our website by clicking here.

The Transformation, social and ethics committee (TSEC) report is found on page 74 and 75 and the remuneration and nominations committee (REMNO) report is on pages 76–86.

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 (EXCO)

The Group's Exco comprises the following members:

- Chris Vorster (CEO – chairperson)
- Samara Totaram (CFO) – resigned effective 31 December 2023
- Ishak Kula (CFO) – appointed effective 1 January 2024
- Divya Singh (CAO)
- Johan Human (COO)

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

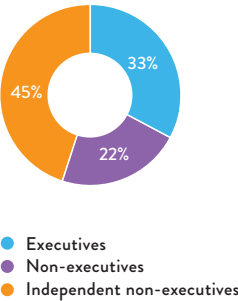
INVESTMENT COMMITTEE (INVESTCO)

- Chris Vorster (CEO – chairperson)
- Samara Totaram (CFO) – resigned effective 31 December 2023
- Ishak Kula (CFO) – appointed effective 1 January 2024
- Nico de Waal (Non-executive Director)
- Dries Mellet

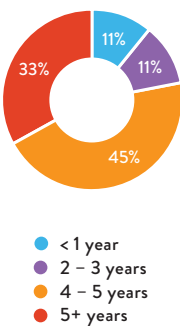
The Investco meets regularly, as required, and is primarily responsible for the allocation and investing of the Group's resources, including capital. The Investco advises the Board on material investment decisions and played a key role in the decision to go ahead with the construction of the Durbanville comprehensive campus, the acquisition of additional shareholding in Milpark Education and the share repurchase plan, in which STADIO Holdings repurchased shares which were subsequently cancelled, and the Share Incentive Trust purchased shares to settle future obligations under the Long-term Share Incentive Scheme.

GOVERNANCE STRUCTURE AND ACTIVITIES continued

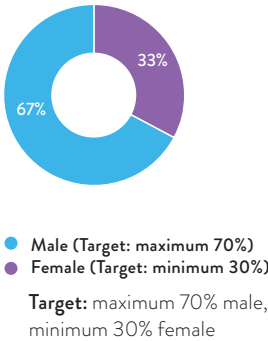
BOARD BALANCE



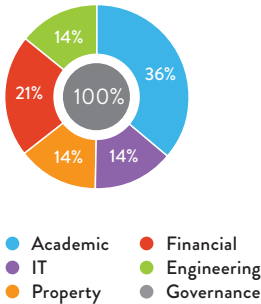
BOARD TENURE



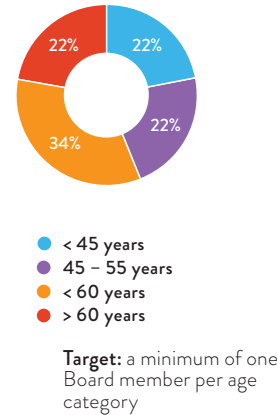
GENDER DIVERSITY



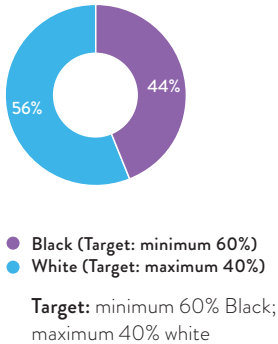
SKILLS DIVERSITY



AGE DIVERSITY



RACIAL DIVERSITY



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.

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

In addition to sitting on each of the institutional Boards, Divya Singh holds monthly community of practice meetings with academic leadership of STADIO Higher Education, AFDA and Milpark Education where matters of academic innovation, leading practice and governance are debated. Update and progress meetings on leadership, management and governance are also held at the CEO's level. Divya reports quarterly to the Board on academic matters across the Group. Refer to pages 44–48 for insights from our Chief Academic Officer.

BOARD COMPOSITION

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

Ms Samara Totaram, the Group Chief Financial Officer and an Executive Director, resigned effective 31 December 2023 and Mr Ishak Kula was appointed as the Group Chief Financial Officer and Executive director effective 1 January 2024.

In 2023, 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. With the appointment of Mr Ishak Kula, this % reduced to 44%. The Board will look to address this shortfall in considering future changes to the Board.

ANNUAL ROTATION

In accordance with King IV™ and the Company's Memorandum of Incorporation, one-third of all Non-executive Directors must retire by rotation annually and are eligible for re-election at the AGM. Accordingly, in 2023, Tom Brown and Busisiwe Vilakazi retired by rotation, and were re-elected, at the AGM held on 22 June 2023. In 2024, Chris van der Merwe and Nico de Waal will retire by rotation and stand for re-election at the AGM to be held on 19 June 2024.

BOARD EVALUATION

The Board performed an internal Board evaluation during the year, as well as a more detailed evaluation on a sub-committee level, identifying areas to address in the upcoming year. Overall there were no areas of concern raised in the Board evaluation and the Board is operating effectively.

GOVERNANCE STRUCTURE AND ACTIVITIES continued

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

Some key Board activities during the year included:

FOCUS AREAS	WHAT THE BOARD DID
Group strategy	• Monitored the implementation of the Group's strategy against the agreed key focus areas for the 2023 year • Agreed on key qualifications for future development and geographic expansion of existing qualifications • Monitored the Group's progress regarding agreed strategic initiatives, including the progress of regulatory approvals and new programme development across key Schools • Provided constructive input to management regarding the Group's strategy and approved the Group's strategy and key focus areas for the 2024 year • Approved the acquisition of additional shares in Milpark Education • Approved the construction of the new Durbanville comprehensive campus in 2024
Risk management and corporate governance	• Reviewed information to ensure that the Group complied with applicable laws, codes and standards • Determined the Group's risk appetite and risk tolerance levels • Approved the Group's risk register and ensure appropriate controls were in place to mitigate these risks • Considered and approved the Group's material matters and ensured the business model was appropriate to manage these key matters • Received reports on the Group's internal control weaknesses and implemented remedial actions where necessary • Considered and confirmed the independence of the Non-executive Directors having regard to factors that might impact their independence • Considered and confirmed the independence of the external auditors and approved their appointment based on recommendation by the audit and risk committee • Approved the internal audit plan for the next three years • Reviewed and approved various policies across the Group, and terms of reference across the committees, as required
Leadership and effectiveness	• Ensured the Board set the tone for effective and ethical leadership • Acted as the focal point, and custodian, of good corporate governance • Reviewed the composition of the underlying Board committees • Performed a self-assessment evaluation identifying the Board's strengths and areas of improvement • Approved the succession plan for key identified positions in the Group with a plan to identify and develop talent as required • Approved the succession plan and criteria for the Non-executive Directors • Confirmed the appointment of the new chief financial officer
Remuneration	• Considered and approved the following recommendations from the remuneration and nominations committee – Executive directors' total guaranteed salary, short-term incentives, as well as long-term incentive awards – The financial key performance targets as well as the key individual performance indicators for the executive directors – Considered and recommended the Non-executive Directors' fees (for approval by the shareholders at the AGM)

GOVERNANCE STRUCTURE AND ACTIVITIES continued

FOCUS AREAS	WHAT THE BOARD DID
Corporate Citizenship	- Promoted and confirmed the Group's commitment to good corporate citizenship including: - Widening access to higher education - Provision of high-quality academic programmes with a focus on bettering student throughput rates and ensuring academic programmes are aligned with the ever-changing world of work - Its commitment to the environment and the disclosures recommended by the task force on climate-related financial disclosures (TCFD) - Its commitment to transformation and B-BBEE - Its commitment to improving its Employment Equity across the Group - Its commitment to a solid ESG strategy - The promotion of equality and the prevention of unfair discrimination - Monitoring of the Group's overall achievement of its approved Employment Equity targets as well as the new proposed Employment Equity sector targets - Approved the solar implementation plan across the campuses - Continued support of the STADIO Khulisa Student Share scheme
Financial results and going concern	- Scrutinised the Group's financial performance and results throughout the year - Provided input and approved the Group's 2024 budget - Considered, reviewed and approved the Group's Integrated Report as well as the consolidated and separate annual financial statements for the six months ended 30 June 2023 and year ended 31 December 2023 - Scrutinised the Group's cash position and future growth prospects before approving the Group's annual dividend declaration in March 2024 - Resolved the Group is a going concern for the foreseeable future
Academic governance	- Received regular updates on Regulatory developments regarding qualifications and sites awaiting registration by the Department of Higher Education and Training (DHET) - Agreed on key qualifications for future development, and/or geographic expansion of existing qualifications - Agreed on rationalisation of certain qualifications in the future to streamline the Group's offering - Approved the Compliance Risk Management Plan and monitored progress against this plan - Monitored the feedback received from the mock institutional audit and progress against the institutional improvement plans - Maintained a monitoring role to ensure the academic plans were linked to the strategic plan - Reviewed academic reports detailing performance against the approved academic plan as well as key matters discussed by Senate
Information technology	- Received regular updates in respect of Information Technology initiatives and system changes within the Group - Increased input into, and focus on, Information Technology governance with regular reports from the IT governance and risk committee, especially in light of cybersecurity risks

GOVERNANCE STRUCTURE AND ACTIVITIES continued

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

30 April 2024

SHAREHOLDING OF DIRECTORS

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

	Direct '000	Indirect '000	Total '000
2023			
Ordinary shares			
Chris Vorster	–	17 043	17 043
Samara Totaram	1 391	–	1 391
Divya Singh	1 387	180	1 567
Chris van der Merwe	–	6 448	6 448
Nico de Waal	154	1 783	1 937
Dries Mellet	4	2 032	2 036
Vincent Maphai	440	20	460
Mathukana Mokoka	174	30	204
Tom Brown	100	–	100
Busisiwe Vilakazi	1	–	1
	3 651	27 536	31 187
2022			
Ordinary shares			
Chris Vorster	–	15 669	15 669
Samara Totaram	1 172	–	1 172
Divya Singh	1 049	21	1 070
Chris van der Merwe	–	8 500	8 500
Nico de Waal [^]	154	1 783	1 937
Dries Mellet	4	2 032	2 036
Vincent Maphai	385	–	385
Mathukana Mokoka	174	–	174
Tom Brown	100	–	100
Busisiwe Vilakazi	1	–	1
	3 039	28 005	31 044

[^] The shares disclosed for Nico de Waal in the prior year were restated from an indirect holding of 1 987 to 1 783 to correctly reflect the number of shares held by the director. There were no share dealings by the director during the year.

Since the year ended 31 December 2023, there have been no movements in the above shareholding of the directors, other than those in relation to the share options that vested on 3 April 2024, resulting in the following additional shares being issued:

Chris Vorster – 844 061 shares, Chris van der Merwe – 80 674 shares, Samara Totaram – 342 714 shares, Divya Singh – 268 212 shares, and Johan Human – 775 993 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

2023 again reiterated the deep-seated socio-economic inequalities in South Africa, further highlighting the need for quality higher education. Our institutions are committed to upskilling individuals and empowering our students to redress this gap, whilst also giving them hope for the future.

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

TSEC held two meetings during 2023 which were attended by all members. 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 insights, clarity, and information on pertinent matters.

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 2023. No queries or concerns were raised by our shareholders.

Roles and Responsibilities

The Board has mandated TSEC to assist both the Board and Management in:

- achieving its purpose of empowering the nation by widening access to higher education;
- providing oversight of transformation, social and ethical matters related to the Group and the reporting thereon, as required;
- setting the strategic direction in terms of transformation, social and ethical matters;

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

Some key 2023 activities:

- Monitored the Group's performance against the approved Employment Equity targets and the new proposed sectoral targets for the Education sector.
- Monitored and provided input into the Group's Transformation strategy, B-BBEE status, and procurement processes.
- Reviewed the Gender Pay gap analysis and overall pay gap analysis as part of striving for remuneration equity in the Group and an equitable society.
- Considered the Group's community engagement activities and the institutional plans and made input into the value measurement assessment.
- Drove the ESG agenda and formulation of a sustainability ESG matrix, addressing topics within the ESG categories during each TSEC meeting, and progress made.
- Recommended the approval of the solar energy projects to the Board and monitored the implementation of the solar energy solutions installation.
- Reviewed the committee's Terms of Reference, the Group's Code of Ethics and other important policies.
- Reviewed the Board's Broader Diversity Policy and recommended this to the Board for approval.
- Reviewed the Group's policies around verification of employee and director qualifications during the recruitment process.

Refer to pages 38–65 for the value created to our stakeholders during 2023.

ENVIRONMENTAL

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

TSEC assists the Board in integrating sustainability into the daily business activities across the Group.

In 2023, the Group made good progress in the implementation of solar energy across the campuses. Energy loggers have been put in place at all campuses to monitor the energy usage and ensure that the most appropriate solution is implemented based on the specific campus needs. STADIO Waterfall was the first campus to finish its solar installation with an installation plan for the remaining campuses in 2024.

Furthermore, management is assessing the water usage and water needs of all campuses to limit the implications on staff and students of any water outages, whilst also conserving water as a key social imperative.

TSEC continued to consider the impacts of **climate related** risk in relation to the Group's activities and continues to believe that climate related risks will not have a direct impact on the Group. However, while not a direct risk to the Group, TSEC is cognisant of the role that the Group must play in mitigating the national and global risks of climate change.

SOCIAL

Community engagement

Community engagement is one of the three pillars of scholarship and is an important aspect in achieving university status when the regulations allow.

Community engagement across the Group is focused on the communities within which the Group's activities are predominantly conducted. It is therefore, typically focused on our students' involvement in 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.

TSEC endorsed the Group's approach to focusing on **social impact**, and community engagement activities where sustainable relationships can be created, and the projects can make a lasting contribution to the community. TSEC noted the importance of measuring the value created through the community engagements and supported management's measurement tool, noting that value is not always clear cut and is an outcome of many factors – individual projects have different foci.

Refer to page 51.

TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE REPORT continued

4 914 graduates have received shares through the STADIO Khulisa Student Share Scheme to date, with access to a free short course on the basic features of listed shares and what it means to be a shareholder. The Khulisa share scheme was launched in October 2021, and the first cohort of Khulisa shareholders received their share payout in 2023.

Staff and Student Wellness

The Group made good progress in its staff and student wellness strategies during the year, and in general, it is believed that staff and student wellness has improved year on year. No wellness or culture surveys were conducted given that we are in the bedding down phase of our approved values.

The Group continued with its partnership with SADAG (South African Depression and Anxiety Group), Zwonaka (a social welfare NPO based in Hammanskraal), as well as its student support centres on campus. Furthermore, the Group rolled out its staff wellness series, looking at mental wellness, and work-life balance, amongst other things, and continued to enhance its people development plan.

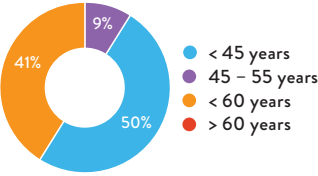
Transformation

Each institution has its own Employment Equity (EE) plan and targets, as well as its own Employment Equity Committees. TSEC and the Board approved overall EE targets for the Group and hold management to account against the agreed Employment Equity targets.

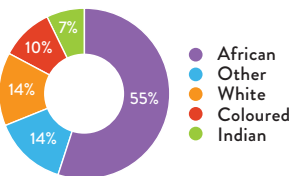
The Group believes that a diverse workforce is important to ensure that the Group remains relevant and in touch with all its stakeholders, allowing different views, approaches, and ideas to be contributed to the overall business.

During the year, TSEC reviewed the gender pay gap for the first time. The Group's gender pay gap was 13.4%, which is better than the average national and international averages. The Group remains committed to equal work for equal pay.

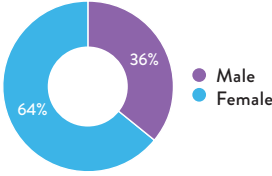
Employment Equity



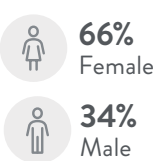
Students by race



Students by gender



Gender diversity



During 2023, the staff demographics for the Group were as follows:

The Group continued working on implementing specific projects in line with its **B-BBEE Strategy**. In 2023, the Group received a Level 8 B-BBEE score (Level 7 discounted), with Milpark Education retaining a Level 2 B-BBEE rating, in its own capacity.



Sustainable Development Goals (SDGs)

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

The Group's vision is to “empower the nation by widening access to higher education”. This speaks directly to “Quality Education” as identified by the SDGs.

Looking at the student demographics across the Group, it is pleasing to see that the Group's commitment of being inclusive and widening access to quality higher education to all individuals who qualify, is working.

GOVERNANCE

Ethics

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

The Board signs the director declaration annually, noting their adherence with the Group's code of conduct, including upholding the ethical and integrity standards of the Group.

There were no activities identified across the Group during 2023 that fell foul to the Ethics Pledge or the Group's code of conduct.

During the year, the Group rolled out the Whistle Blowers line with applicable training for staff on the use of the Whistle blowers line. During the year, the Group received one report through the Whistle Blowers line, with no material findings.

Performance review

During the year, the Board conducted a self-evaluation of all sub-Committee performance. No material findings arose, and TSEC is satisfied that it has fulfilled its mandate as prescribed by the Regulations to the Companies Act.

The Group continues to work on its Transformation and ESG strategies, always balancing its role as an educator and a catalyst to assist in addressing many of our nation's socio-economic concerns, with its investment into specific transformation and ESG projects.



Dr Busisiwe Vilakazi
Chairperson

30 April 2024

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT

Our staff and human capital is critical to our success and the Remuneration and nominations committee (REMNO) recognises the importance of attracting, developing and retaining high quality individuals who can contribute to creating value for our stakeholders.

The Group is a purpose-led business that is committed to fulfilling a huge need in our country, of widening access to quality education to more deserving individuals. Despite a tough economic environment, the Group continued to deliver on its key strategic objectives and vision, and once more, produced solid results for the year ended 31 December 2023.

On behalf of the Board, REMNO is pleased to present the REMNO report for the year ended 31 December 2023. Our REMNO report and disclosures are aligned to the principles and recommended practices of King IVTM for remuneration and have considered the proposed amendments in the Companies Amendment Bill. 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 2023.

REMNO believes that it has fulfilled its roles and responsibilities in terms of its mandate and that the objectives stated in the Remuneration Policy have been achieved for the period under review as illustrated in the Implementation Report on pages 82 to 86.

The Group held two REMNO meetings during 2023, which were attended by all REMNO members. All REMNO members are non-executive Directors, with the majority being independent non-executive Directors, as follows:

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

The Group CEO is a permanent invitee to REMNO meetings and other members of the Board may attend REMNO as invitees, should they wish.

REMNO assists the Board in addressing both Remuneration and Nomination matters, as follows:

Remuneration matters include:

- overseeing the overall remuneration framework of the Group;
- ensuring remuneration practices and structures support the strategy and performance goals of the Group, whilst safeguarding stakeholder interest, and promoting a high- performance culture;
- administering the Group's Share Scheme as delegated to the Committee by the Share Incentive Trust and the Board;
- recommending key financial performance targets 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 the disclosure of Directors' Remuneration is accurate, complete and transparent; and
- ensuring effective succession planning for executive Directors.

Nomination matters include:

- succession planning for non-executive Directors;
- carrying out its duties in terms of non-executive Directors' fees and advising the Board on what to recommend to the Shareholders for consideration;
- 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.

During the year, the Board accepted the resignation of Ms Samara Totaram, as CFO and Executive Director, acknowledging Samara's contributions to the Group since the Group's inception. REMNO supported the appointment of the new CFO, Mr Ishak Kula, and believes Ishak has the necessary skills and experience to contribute to the Group's growth strategy and vision. REMNO continues to monitor industry norms in assessing the executive Directors' and non-executive Directors' remuneration, considering best practices to ensure that such total remuneration is fair and reasonable to both the Directors and the Group.

The Group's Remuneration Policy and the Implementation Report will be tabled at the AGM on 19 June 2024, where shareholders are requested to cast a non-binding advisory vote on both. At the AGM held on 22 June 2023, the Remuneration Policy received 92.0% endorsement by shareholders (2022: 96.8%), with the Implementation Report receiving 92.8% endorsement by shareholders (2022: 99.3%).

Overall, REMNO believes that the remuneration of executive Directors during 2023 (as set out in Part 3 of this report) is aligned with the Group's overall performance and takes into account the strong leadership and efforts of the Group's management team during another challenging year.

We want to thank our shareholders, and all stakeholders, for their continued support – together we can make a big difference to the lives of many individuals, which in turn will positively impact our great country



Mathukana Mokoka
Remuneration Committee
Chairperson
30 April 2024



Vincent T Maphai
Nominations Committee
Chairperson
30 April 2024

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT continued

PART 1: REMUNERATION BACKGROUND STATEMENT

REMNO understands that good human capital drives success and sustainability of a company, and therefore continues to support a remuneration policy that promotes a high-performing culture that incentivises the Group's Executive Committee, senior leadership, and key individuals to strategically position the business to achieve its strategic objectives, whilst considering the economic challenges within our country. As a higher education provider, our human capital is critical to the overall success of our students, and the Group, and it is important that the Group's Remuneration Policy attracts, retains, motivates and develops our staff.

OVERALL REMUNERATION PHILOSOPHY

The Group's overarching philosophy regarding remuneration is to:

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

We believe that our staff are aligned to our overall vision and mission. If our staff feel valued, they will, in return, strive to go beyond their day jobs for the advancement of the Group, and fulfilment of the Group's overall purpose.

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



PEOPLE STRATEGY

REMUNERATION	PERFORMANCE FEEDBACK	PERSONAL AND CAREER DEVELOPMENT	WORK ENVIRONMENT	INSPIRATIONAL VISION AND LEADERSHIP
• Fair • Market related • Performance related • Internally equitable	• How am I doing? • Constructive • Developmental • Linked to my performance	• I know where I am going • I have a personal development plan • Training and development opportunities	• Stimulating • Flexible • Work-life balance is enhanced • Supporting policies in place	• Inspiring vision – a clear “WHY” • Supporting values • Authentic leadership • Competent management • Real teamwork
ATTRACT	MOTIVATE	DEVELOP AND RETAIN	ENJOY	ENTHUSE AND INSPIRE

2023 KEY FOCUS AREAS:

REMNO focused and discussed the following key matters in 2023, in accordance with its Terms of Reference, and, where relevant, made recommendations to the Board for approval:

- Ensure the annual salary increases of the Executive Committee members are fair and competitive, taking into account industry and sector norms;
- Reviewed and approved the performance evaluations of the executive Directors for the 2022 financial year against agreed financial and individual targets and performance;
- Set the financial targets used in the short-term incentive (STI) toolkit, for awarding bonuses to executive Directors in 2023, ensuring these stretch targets are aligned to creating value for the shareholders, whilst meeting shareholders' expectations;
- Reviewed and approved the 2023 long-term share incentive (LTI) awards and participants, ensuring the LTI scheme is “not a lazy scheme” that rolls forward annually, but instead is dynamic and incentivises identified key individuals to achieve the Group's long-term strategic goals;
- Recommended the non-executive Directors fees payable, to shareholders for approval at the AGM, taking into account the general salary increases across the Group and industry norms;
- Supported the executive Directors' succession and development plan;
- Reviewed and approved the non-executive Directors' succession plan and identified skills required on the Board to enable the Board to operate optimally and provide sufficient strategic input to drive the Group forward;
- Discussed and agreed an appropriate exit package for Samara Totaram, considering her contributions to the Group;
- Supported the appointment of the new CFO, Ishak Kula, having considered his expertise, commercial experience and cultural fit;

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT continued

- Approved the first payout to staff through the STADIO Phantom Staff Share Scheme which was implemented in 2023;
- Monitored the Group's progress against its succession and development plan for key management across the Group;
- Reviewed and discussed the gender pay gap and total pay gap, whilst continuing to monitor changes proposed to section 30A of the Companies Amendment Bill that directly influences remuneration matters and reporting.

KEY FOCUS AREAS GOING FORWARD

For 2024, REMNO will continue to monitor and approve remuneration-related matters in accordance with its terms of reference and committee duties, ensuring the remuneration policy is aligned with King IVTM. REMNO strives to implement best practice in determining the Remuneration Policy of the Group, whilst balancing the economic environment and overall average increase in tuition fees across the Group. REMNO take a holistic approach in considering total remuneration, whilst benchmarking remuneration for key staff to ensure staff are fairly remunerated. In addition, REMNO will consider:

- STADIO Higher Education's progress against the remuneration harmonisation plan, following the migration of the former underlying institutions into a single registered higher education provider;
- Progress against the people development and succession planning for key management and executive Directors;
- Any further changes proposed to section 30A in the revised draft of the Companies Amendment Bill; and
- The Group, and individual institution's, progress against the specific Employment Equity targets set for the higher education industry, as well as consequent amendments to the respective EE Plans.

VOTING AT THE 2023 AGM AND FEEDBACK FROM SHAREHOLDERS

At STADIO Holdings' AGM held virtually on 22 June 2023, shareholders endorsed the Remuneration Policy and the Implementation Report of the Company by way of separate non-binding advisory votes of 92.0% (2022: 96.9%) and 92.8% (2022: 99.3%) respectively. The JSE Listing Requirements require the Company to engage with shareholders in the event that more than 25% of shareholders vote against either the Remuneration Policy or the Implementation Report. As the non-binding votes were passed by the requisite majorities, no further engagement with shareholders was required. Notwithstanding the above, the views of our shareholders are important to the Company and REMNO are open to engage with shareholders. During 2023, no new remuneration matters were flagged for discussion with our shareholders.

PART 2: REMUNERATION POLICY

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

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

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



1. **TGP** – a total guaranteed cost to company package including benefits – paid monthly;
2. **STI** – a discretionary variable short-term cash-settled incentive bonus, linked to overall Group performance and individual employee performance – paid annually; and
3. **LTI** – a variable long-term incentive scheme to motivate individuals to produce results that create, enhance and sustain stakeholder value and Group performance over the long-term – awarded annually and vests over five years.



REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT continued

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

LEVEL	FOCUS	STRATEGIC VIEW	REMUNERATION		
			TGP	STI	LTI
Tier 1: Holdings Executive Committee (CEO, CFO, CAO, COO)	Strategy formulation and execution	Long-term	Base salary + benefits	Up to a maximum of 125% of TGP on achieving certain targets	Share options
Tier 2: Executive Heads and Subsidiary CEOs and Executive Directors	Primarily strategy execution	Medium- to long-term	Base salary + benefits	Up to a maximum of 50% of TGP on achieving certain targets	Share options where applicable
Tier 3: Identified key individuals	Elements of strategy execution and operational input	Medium- to long-term	Base salary + benefits	- Up to a maximum of 25% of TGP dependent on performance and employment grading - Where no LTI awarded, partake in the phantom staff share scheme if employed for greater than 1 year	Share options where applicable
Other Tiers: General Employees	Primarily operational	Short-term	Base salary + benefits	- Up to a maximum of 25% of TGP dependent on performance and employment grading - Partake in the phantom staff share scheme (if employed for greater than 1 year)	Not currently applicable

TOTAL GUARANTEED PACKAGE (TGP)

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

In determining individual TGP increases (within the above agreed TGP remuneration structure); the individual's performance, level of skill, experience, and overall individual's job grading, is also considered.

During the year, REMNO considered the total pay gap and gender pay gap for the first time. Acknowledging that there are many nuances in calculating these figures, REMNO is committed to equal pay for equal work and will formalise a process to calculate and monitor this going forward.

SHORT-TERM INCENTIVE (STI)

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

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

REMNO supports fair, market-related pay and agrees that STIs should only be paid when the business performs well, and should reflect exceptional performance. REMNO further acknowledges that the STI structure needs to motivate value creation behaviour (i.e. motivates an individual to go beyond their day job, and not become a tick-box exercise). Accordingly, as the STADIO Group moves into its growth phase, REMNO reassessed the business targets in the STI tool for 2024, introducing Return on equity as a target, and amending the weightings of revenue growth and EBITDA margin as shown on page 80.

The overall STI entitlement is as follows:

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

REMUNERATION AND NOMINATIONS COMMITTEE’S REPORT continued

Individual KPAs are based on the individual’s portfolio of responsibilities (and include academic performance). The individual KPAs in 2023 were derived from the key strategic focus areas, as detailed on page 77. The 2024 individual KPAs are derived from the 2024 key focus areas.

Business performance against which the Executive Committee will be assessed in 2024 are shown below. The details of the 2023 STI are set out in Part 3 of this report.

Relative weight of Key Performance Measures

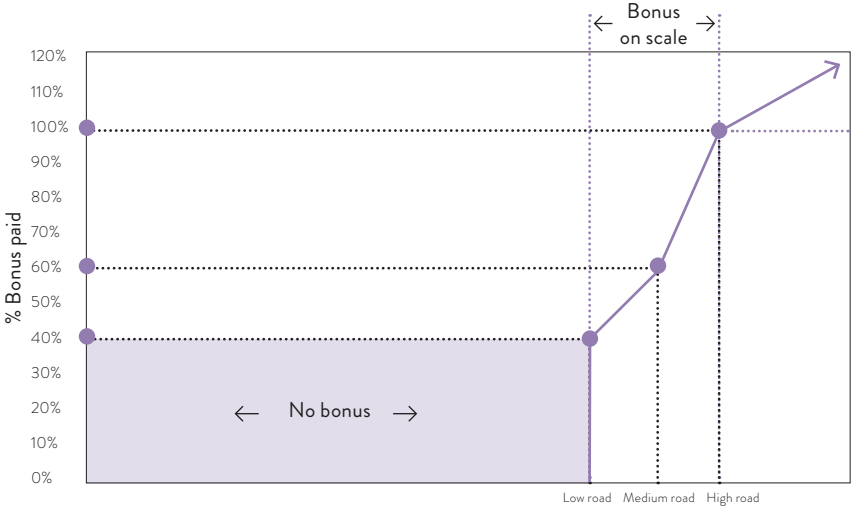
Business results	Weighting	Targets			Motivation of balanced scorecard
		Low road	Median road	High road	
Organic revenue growth	10%	14%	16%	18%	• Revenue growth is directly linked to growth in student numbers, and is important for overall growth of the Group
EBITDA margin	15%	27.6%	28.1%	28.6%	• Drives responsible cost management and operational efficiencies within operations
Core HEPS growth	25%	16%	18%	20%	• Reflects the underlying performance of the Group and directly impacts shareholders’ return
Return on equity	25%	11.7%	12.2%	12.7%	• Aligns the business to shareholders’ expectation and creating value for our shareholders
Business performance	75%				

The STI is calculated as follows:

Annual TGP x combined performance score.

Combined performance score = business performance (calculated as weighting x business results performance score) + individual performance.

REMNO has assessed the targets for 2024, as well as the increased targets for the next few years and is comfortable that the STI targets remain stretch targets that will meet shareholders’ expectations, whilst motivating the right behaviour to achieve the Group’s longer term targets. 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. In exceptional cases, the CEO may motivate for an increase or decrease in the overall STI to be paid, and REMNO has discretion on all payments.



¹ Illustrative example: The above illustrates the bonus entitlement and allocation for the Executive Committee, noting the CEO is entitled to achieve 125%. No bonus is paid if the low road target.

STADIO STAFF PHANTOM SHARE SCHEME

The STADIO Staff Phantom Share Scheme (Phantom Share Scheme) was rolled out for implementation in 2023 and will continue into 2024. The Phantom Share Scheme aims to align all staff to the overall growth strategy of the Group, whilst rewarding our staff for their dedication and hard work in growing the Group.

Salient features of the Phantom Share Scheme:

- 21.3 million phantom shares, being 2.5% of the overall issued share capital at the point of approval, have been ringfenced for beneficiaries of the Phantom Share Scheme.
- All staff who have been employed for more than a year and who are not active participants in the LTI are beneficiaries of the Phantom Share Scheme*.
- The phantom shares will attract dividends that are aligned with the overall Group dividend declared, i.e. in 2024, the Group declared a dividend of 10.0 cents per share to shareholders of STADIO Holdings. The phantom shares will also receive 10.0 cents per phantom share.
- Payouts are linked to the declaration of STADIO Holdings ordinary dividends and not special dividends.
- The total amount payable will be shared equally amongst the beneficiaries of the Phantom Share Scheme, fostering a stronger sense of community and solidarity.
- The Phantom Share Scheme will be in place for five years and subject to review thereafter. 2023 was its first year.

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

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT continued

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

LONG-TERM INCENTIVE PLAN (LTI)

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

At 31 December 2023, the number of share options that had already been awarded, but remain unvested amounted to 28 025 651 shares (2022: 35 431 789). At 31 December 2023, the share incentive scheme had 18 participants (2022: 17), being qualifying individuals across the Group. During the year, REMNO requested management to relook at the active participants in the scheme to ensure key individuals identified as part of the overall Group's succession plan, also receive share options. The award of share options to these identified individuals will occur over a number of years, with share option awards not a guarantee for every year. In 2024, the number of participants entitled to receive new share option awards increased to 14 (2023: 11 participants). 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.

Furthermore, the Board aims to preserve shareholder value, as far as possible. To counter the impact of any future LTI-related dilution, the Group entered into a share repurchase programme, and will continue to balance share repurchases, with future LTI-related share issues. The Group also purchased shares through the Share Incentive Trust during the year, which were, and will be, used to settle its obligations under the LTI.

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

MECHANICS OF THE SHARE INCENTIVE SCHEME AWARD

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

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

	2024	2023
CEO	5	5
Executive Committee	4	4
Tier 2	2 – 3	2
Tier 3	0.5 – 1	1

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

VESTING

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

NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration of non-executive Directors is reviewed annually by 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 previous years, it was agreed to align the non-executive Director fees to market-related fees on a phased approach, looking to address any shortfall in fees over the medium-term. In 2024, a further benchmarking exercise was performed and, considering an average salary increase of 6% across the Group. It is recommended that the non-executive Director fees are increased by between 4% and 15% as shown in the table below. Changes to the fee structure are effective 1 January, subject to approval by shareholders at the Group's AGM. The annual fees payable to non-executive Directors are fixed and not subject to the attendance of meetings. In the event of non-attendance on a regular basis, same may be reviewed. These fees are paid bi-annually in June (following approval at the AGM) and December. REMNO believes the fee increases proposed are fair considering the Directors' responsibilities and ensures the Group attracts and retains a robust board with the appropriate skills and knowledge required to fulfil their duties.

The below non-executive Director's fees for the financial year ending 31 December 2024, excluding value-added tax, are recommended by the Board to shareholders for approval at the AGM.

	BOARD		ARC		REMNO		TSEC	
	2024 Proposed Rands	2023 Actual Rands	2024 Proposed Rands	2023 Actual Rands	2024 Proposed Rands	2023 Actual Rands	2024 Proposed Rands	2023 Actual Rands
Annual fixed fee:								
Chairperson	545 796	505 367	149 839	130 295	105 386	101 333	107 413	101 333
Members	291 838	270 221	77 688	67 555	70 257	67 555	71 608	67 555
Increase	8%		15%		4%		6%	

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

VOTING ON REMUNERATION

As required by King IVTM, the Group's Remuneration Policy and Implementation Report as detailed in this Remuneration Report, need to be tabled for separate non-binding advisory votes by shareholders at the upcoming AGM to be held virtually on 19 June 2024. 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 REMNO will ensure that the following measures are taken in good faith and with best reasonable efforts:

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT continued

- 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

Each institution applies their own salary percentage increase based on their current salary structures. For 2024, the average TGP of all employees across the Group was increased by between 5.5% and 6.5% (2023: 5% and 7%), with certain structural adjustments to some individuals to better align their salaries to market rate, as needed. This increase was dependent on the institution with whom one was employed, considering the tuition fee increases, the current economic conditions, size of the Company and stage of the Company's life cycle.

Without detracting from the importance placed on each staff member, it is recognised that the Executive Committee are critical to the success of the Group, and it is imperative that these individuals are appropriately incentivised and retained. Accordingly, REMNO benchmarked the Executive Committee salaries, as well as the subsidiary CEOs, against the median salary of Executives in similar positions at other JSE small cap listed entities. Therefore, staying true to the Group's Remuneration philosophy of ensuring remuneration is market-related and competitive, in 2023, increases of between 6.5% and 12% were approved. In 2024, the Executive Committee members' salaries remained below the median and therefore, approved increases of between 6% and 6.5%, being aligned to the average increase of the Group. REMNO believes these increases are fair and recommended the salary increases to the Board for approval.

GENDER PAY GAP

In 2023, the Group assessed its gender pay gap at 13.4%, noting this was better than the average Global and South African gender pay gap. The Group and REMNO remain committed to equitable pay and remunerating equal pay, for equal work.

STI

For the year ended 31 December 2023, the Group's primary business performance targets were:

TARGETS	NOTES
Organic growth in revenue of 20%	Excludes impact of acquisitions, comparing the Group on a like-for-like basis year on year. No adjustments during the year.
Adjusted Earnings before interest, tax, depreciation and amortisation (EBITDA) margin of 29%*	*Adjusted EBITDA is calculated by adjusting EBITDA to exclude onerous lease settlement and tax penalties in 2023, as well as excluding items which do not form part of the underlying performance of the business. In 2023, adjusted EBITDA specifically excludes the early settlement of the Milpark Education lease (reversal of onerous contract costs of R4 million) and tax penalties of R1 million. In 2022, adjusted EBITDA specifically excludes the onerous contract costs of R5.5 million.
Growth in Core HEPS of 20%	Excludes impact of acquisitions and other items that do not form part of the underlying business, comparing the Group on a like-for-like basis, year on year. In 2023, the partial reversal of the onerous lease due to the early settlement of the Melville lease, as well as one-off tax penalties, was excluded from core headline earnings. In 2022, the dilution in the shareholding of Milpark Education from 87.2% to 68.5% was adjusted for to allow a like-for-like comparison.
Individual performance against agreed KPIs aligned to the Group's primary strategic focus areas for 2023	REMNO assesses the individuals performance during the year.

ACHIEVEMENT OF TARGETS

TARGETS	ACHIEVED	Bonus allocation			
		CEO	CFO	CAO	COO
Growth in organic revenue	+ 16%	14%	11.2%	11.2%	11.2%
Adjusted EBITDA margin of 29%	27%	23%	18.4%	18.4%	18.4%
Growth in Core HEPS of 20%*	+ 19%	24.8%	19.8%	19.8%	19.8%

The individual performance targets of the Executive Committee were aligned to achievement of the 2023 strategic focus areas, within an individual's area of influence. These areas, in many instances, overlap across portfolios. 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 2023 Strategic Focus Areas have been discussed across the Integrated Report and are summarised on the following pages.

2023 STRATEGIC FOCUS AREA	PERFORMANCE AGAINST 2023 FOCUS AREAS
1. On track for university status	Institutional mock-audits were performed, and institutional improvement plans were put in place, where necessary, which will further contribute to increasing the high-quality offering at our institutions. STADIO Higher Education, our comprehensive institution, is well placed to become a university when the regulations allow, noting the Institutional Type document is not yet finalised and subject to change.
2. Execute agreed technologies to enable efficiencies	Multiple new processes and technological efficiencies identified and rolled out, enabling data-based decision-making and improved student experience and operational efficiencies. CANVAS implementation and roll out continued across STADIO Higher Education, as well as started at Milpark Education. The CRM payment gateway went live at STADIO Higher Education with Milpark Education's new website and CRM going live. Registration processes streamlined with quicker turnaround times. ERP was rolled out across STADIO Higher Education. Although there were teething issues, being on one financial system will assist in bringing about better controls and efficiencies in time. We continue to refine ERP and improve its integration with other systems.
3. Improved student experience	Student experience is multi-faceted and covers numerous aspects. The Group assessed all student "touchpoints" and considered how to improve the student experience at these points. Some highlights include: • Sport introduced at STADIO Higher Education • Streamlined registration processes • Milpark Education student experience work group established • Inter-campus film competitions at AFDA create lots of energy and excitement • Inter-campus debates (inaugural debate on Africanisation)
4. Student retention	• Student at-risk dashboard created • Improved student experience is directly linked to student retention
5. Optimisation of staff, campus, and structure (including debt collection)	• Loss allowance increased to 9% during the year, exasperated by the lagging economy, but also impacted by the introduction of new systems which impacted timeous billing. Management have appointed a debtors risk manager and have clear plans in place to mitigate any risk going forward and improve debtors collections. • Higher education takes patience and the efficiencies are starting to show with optimisation plans in place for all campuses and plans to consolidate the smaller campuses in place, and subject to regulatory approval, to be rolled out in the short-to medium-term.
6. Continued expansion and refinement of the PQM	Successfully expanded the programme and qualifications mix across the various schools in the Group with key-in demand programmes being accredited.

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

In 2023, the individual performance of the Executives were agreed based on their performance against KPAs aligned to the above focus areas. In addition, the CEO proposed a discretionary downward adjustment for the Executive Committee as he believes managements internal objectives to improve EBITDA margin and efficiencies were not met. In addition, in recognition of her contributions to the Group during the year, REMNO agreed that Ms Samara Totaram would be eligible to receive her STI for the year ended 31 December 2023. Ms Samara Totaram resigned effective 31 December 2023, and continued to consult for the Group through the year end process until March 2024.

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT continued

The Executive Committee's Bonus for 2023 payable in 2024 is therefore as follows:

	2023 Bonus R'000s	2022 Bonus R'000s
Mr Chris Vorster	3 500	3 544
Ms Samara Totaram	1 800	1 895
Dr Divya Singh	2 000	1 894
Mr Johan Human	1 800	1 774
	9 100	9 107

The following table sets out the remuneration actually paid to the Executive Committee for the years ended 31 December 2023 and 2022:

	Basic salary R	Pension contributions R	Bonuses R	Gains on exercise of options R	Other* R	Total R
2023						
Mr Chris Vorster	4 485	255	3 544	11 386	35	19 705
Ms Samara Totaram	3 155	471	1 895	4 225	–	9 746
Dr Divya Singh	2 913	309	1 894	2 712	96	7 924
Mr Johan Human	2 787	158	1 774	2 160	–	6 879
Total	13 340	1 193	9 107	20 483	131	44 254
2022						
Chris Vorster	4 028	198	3 671	–	8 459	16 356
Samara Totaram	2 765	407	1 998	151	3 012	8 333
Divya Singh	2 662	261	2 217	124	2 127	7 391
Johan Human	2 503	123	2 123	–	2 134	6 883
Total	11 958	989	10 009	275	15 732	38 963

* Other remuneration received by directors include research awards and long service awards.

During the year 3.8 million (2022: 5.7 million) shares options were awarded to the Executive Committee. No share options lapsed in the current or prior year in respect of share options held by the Executive Committee.

STAFF PHANTOM SHARE SCHEME

The Staff Phantom Share Scheme was rolled out for the first time in 2023 and was well received by our staff.

21.3 million phantom shares were ring-fenced for the Staff Phantom Share Scheme and on declaration of the Group dividend in March 2023, these shares were entitled to a phantom dividend of 8.9 cents per share. A total payout of R1.9 million was made in 2023, in respect of the Staff Phantom Share Scheme. 567 permanent staff members from across the Group (excluding Milpark Education) were eligible for the award, resulting in a total payout of R3 338 per staff member. This payout is expected to grow as the Group grows and the dividend payout grows.



REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT continued

LTI (SHARE OPTIONS) Details of share options outstanding to Executive Committee members and directors at the year-end are as follows:

Director	Opening balance of share options at 1 January 2023 R'000s	Number of share options awarded during the year R'000s	Number of share options forfeited during the year R'000s	Number of share options vested during the year R'000s	Strike price per share option awarded	Share option granted dated	Closing balance of share options at 31 December 2023 R'000s
Mr Chris Vorster	5 989	–	–	(1 996)	1.23	03-Apr-20	3 993
	3 225	–	–	(1 075)	1.21	01-Jul-20	2 150
	1 221	–	–	–	2.62	03-Apr-21	–
	1 452	–	–	–	3.64	03-Apr-22	1 221
	–	–	–	–	3.64	01-Jul-22	1 452
	–	885	–	–	4.58	03-Apr-23	885
	11 887	885	–	(3 071)	–	–	9 701
Ms Samara Totaram	580	–	–	(290)	3.63	03-Apr-19	290
	1 653	–	(551)	(551)	1.23	03-Apr-20	551
	890	–	(297)	(297)	1.21	01-Jul-20	296
	928	–	(464)	(232)	2.62	03-Apr-21	232
	976	–	(732)	–	3.64	03-Apr-22	244
	–	912	(912)	–	4.58	03-Apr-23	–
	5 027	912	(2 956)	(1 370)	–	–	1 613
Dr Divya Singh	932	–	–	(466)	3.63	03-Apr-19	466
	951	–	–	(317)	1.23	03-Apr-20	634
	512	–	–	(171)	1.21	01-Jul-20	341
	845	–	–	(211)	2.62	03-Apr-21	633
	1 105	–	–	–	3.64	03-Apr-22	1 105
	–	967	–	–	4.58	03-Apr-23	967
	4 345	967	–	(1 165)	–	–	4 146
Mr Johan Human	852	–	–	(284)	1.23	03-Apr-20	568
	459	–	–	(153)	1.21	01-Jul-20	306
	1 064	–	–	(266)	2.62	03-Apr-21	798
	904	–	–	–	3.64	03-Apr-22	904
	–	1 037	–	–	4.58	03-Apr-23	1 037
	3 279	1 037	–	(703)	–	–	3 613
Dr Chris van der Merwe ¹	1 290	–	–	(645)	3.63	03-Apr-19	645
Total	25 828	3 801	(2 956)	(6 954)	–	–	19 718

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

² Ms Samara Totaram resigned effective 31 December 2023. All share options that vest to Ms Samara Totaram in 2024 will continue to vest. All other outstanding share options have been forfeited.

REMUNERATION AND NOMINATIONS COMMITTEE'S REPORT continued

NON-EXECUTIVE DIRECTORS

The annual fees and remuneration paid to the non-executive Directors during 2023 and 2022 are as follows:

	Dec-23			Dec-22			Total
	Directors' fees R	Gains on exercise of options R	Total R	Directors' fees R	Gains on exercise of options R	Gains on exercise of options R	
Non-Executive							
Dr Vincent Maphai	607	–	607	530	–	–	530
Dr Chris van der Merwe	338	657	995	300	1 571	500	2 371
Mr Nico de Waal	338	–	338	300	–	–	300
Ms Mathukana Mokoko	502	–	502	444	–	–	444
Dr Busisiwe Vilikazi	439	–	439	390	–	–	390
Dr Tom Brown	405	–	405	360	–	–	360
Total	2 629	657	3 286	2 324	1 571	500	4 395

Mr Nico de Waal's director's remuneration is paid to PSG Corporate Services Proprietary Limited of which he is a salaried employee. Dr Chris van der Merwe's other fees relate to restraint of trade fees which ended in April 2022. Non-executive director's fees are paid according to the director's time of service and not per board meeting.

STATEMENT BY THE BOARD REGARDING COMPLIANCE WITH THE REMUNERATION POLICY

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



GENERAL INFORMATION

- 88 Shareholder analysis
- 89 Corporate information
- 90 Glossary of terms

Our shareholder spread
and breadth, our corporate
information and a glossary of
terms and abbreviations used
within the Integrated Report

06

SHAREHOLDER ANALYSIS

as at 31 December 2023

Range of shareholding 2023	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	19 018	88.16	21 181	2.50
10 001 – 100 000	2 109	9.78	61 468	7.26
100 001 – 1 000 000	357	1.65	97 950	11.57
More than 1 000 000	88	0.41	666 207	78.67
	21 572	100.0	846 806	100.0

Range of shareholding 2022 ¹	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	22 262	88.94	24 960	2.94
10 001 – 100 000	2 290	9.15	65 707	7.73
100 001 – 1 000 000	393	1.57	109 804	12.91
More than 1 000 000	85	0.34	649 821	76.42
	25 030	100.0	850 292	100.0

SHAREHOLDER SPREAD

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

Public and non-public shareholding 2023	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
PSG Alpha Investments ²	1	0.0	145 867.8	17.2
Brimstone Investment Corporation Limited**	1	0.0	43 565.1	5.1
BBBEE Private Placement*	1	0.0	33 780.4	4.0
STADIO Khulisa Student Share Scheme	1	0.0	790.3	0.1
Directors (including prescribed officers and subsidiary directors)	12	0.1	32 935.7	3.89
Non-public shareholding	16	0.1	256 939.2	30.3
Public shareholding	21 556	99.9	589 866.9	69.7
Total of all shareholders	21 572	100.0	846 806	100.0

Public and non-public shareholding 2022¹

	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
PSG Alpha Investments ²	1	0.00	145 867.8	17.2
Brimstone Investment Corporation Limited**	1	0.00	43 565.1	5.1
BBBEE Private Placement*	1	0.00	33 780.0	4.0
STADIO Khulisa Student Share Scheme	1	0.00	647.0	0.1
Directors (including prescribed officers and subsidiary directors)	12	0.05	32 289.7	3.8
Non-public shareholding	16	0.1	256 150	30.1
Public shareholding	25 014	99.9	566 350	66.6
Total of all shareholders	25 030	100.0	850 292	100.0

¹ In addition to the shares held by PSG Alpha Investments Proprietary Limited, the PSG Group has a 3.3% shareholding through another entity.

² The 2022 shareholder analysis was represented to exclude the STADIO Incentive Trust from the analysis as these shares are considered treasury shares of the Group.

* 483 individuals restricted until 2024

MAJOR SHAREHOLDERS

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

	Shares held 2023		Shares held 2022	
	Number '000	%	Number '000	%
PSG Alpha Investments	145 868	17.2	145 868	17.2
Coronation	140 588	16.6	136 620	16.1
Brimstone Investment Corporation Limited	43 565	5.1	43 565	5.1

SHARE INFORMATION

	2023	2022
Closing price at period end (cents)	5.22	491
JSE market high (cents)	510	500
JSE market price low (cents)	380	299
Total number of transactions on JSE	21 255	41 103
Total number of shares traded	103 951 340	186 147 126
Total value of shares traded (R)	486 894 567	711 890 108
Average price per share (cents)	468	382
Shares in issue	846 806 147	850 291 969
Percentage volume traded to shares in issue	12	22

CORPORATE INFORMATION

The Group	STADIO Holdings Limited and its subsidiaries	External Auditors	PricewaterhouseCoopers Incorporated (PwC)
Company registration number	2016/371398/06	Internal Auditors	BDO
Country of incorporation and domicile	South Africa	Company secretary	Stadio Corporate Services Proprietary Limited
Nature of business and principal activities	STADIO Holdings facilitates the widening of access to quality and relevant higher education programmes in southern Africa through its three registered private higher education institutions	Corporate advisor and Independent sponsor	PSG Capital Proprietary Limited 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, South Africa, 7600 (PO Box 7403, Stellenbosch, South Africa, 7599) and at Suite 1105, 11th Floor Sandton Eye Building, 126 West Street, Sandton, South Africa, 2196 (PO Box 650957, Benmore, South Africa, 2010)
Directors	Executive Mr Chris Vorster Mr Ishak Kula (appointed 1 January 2024) Ms Samara Totaram (resigned effective 31 December 2023) Dr Divya Singh Non-Executive Dr Chris van der Merwe Mr Nico de Waal* * Mr Dries Mellet (alternate to Nico de Waal) Independent Non-Executive Dr Vincent Maphai Ms Mathukana Mokoka Dr Busisiwe Vilakazi Dr Tom Brown	Annual financial statements	Consolidated and Separate Financial Statements for the year ended 31 December 2023
		Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Companies Act
		Preparer	The financial statements were internally compiled under the supervision of: Mr Ishak Kula CA(SA)
		Website	www.stadio.co.za
Registered office and business address	Office 101, The Village Square, c/o Queen and Oxford Streets, Durbanville, South Africa, 7550		
Postal address	PO Box 2161 Durbanville, South Africa, 7551		
Bankers	Standard Bank of South Africa Limited First National Bank Limited Nedbank Limited Absa Bank Limited Bank Windhoek Limited Standard Bank Namibia Limited		

GLOSSARY OF TERMS

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.
AFDA	The South African School of Motion Picture Medium and Live Performance Proprietary Limited, a private registered higher education institution, of which 100% of the issued share capital is held by SIH
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
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
BAC	British Accreditation Council
B-BBEE	Broad-Based Black Economic Empowerment
BCom	Bachelor of Commerce
BEEd	Bachelor of Education
Board	Board of Directors of STADIO Holdings
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	Online learning management system
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 Education 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
DHET	The South African Department of Higher Education and Training
DL	Distance learning
Drop-out	A student decides to discontinue his or her studies prior to completing the programme on which the student was registered
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
Embury	STADIO Proprietary Limited (formerly Embury Institute for Higher Education Proprietary Limited), a private company incorporated under the laws of South Africa, and registered as a private higher education institution, of which 100% of the issued share capital is held by SIH
EPS	Earnings per Share
ERP	Enterprise resource planning is an integrated management of main business processes mediated by software and technology, namely Unit4 Business World
HC	Higher Certificate
HEPS	Headline Earnings per Share
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IIRC	International IR Framework
JSE	Johannesburg Stock Exchange
King IV™	King IV Report on Corporate Governance™ for South Africa, 2016
Lisof	Lisof Proprietary Limited was a private company incorporated under the laws of South Africa. Lisof's underlying business was amalgamated during the Business Transfer and Lisof was deregistered during the year
Listing date	STADIO listed on the main board of the JSE on 3 October 2017
Milpark Education	Milpark Education Proprietary Limited, a private company incorporated under the laws of South Africa, and registered as a separate private higher education institution, of which 83.9% of the issued share capital is held either directly or indirectly by SIH and 16.1% of issued share capital is held by the former CA Connect shareholders
MOI or memorandum of incorporation	The memorandum of incorporation of STADIO Holdings, as approved by Shareholders on 4 June 2018

NDP	National Development Plan
NQA	Namibia Qualifications Authority
NQF	The South African National Qualifications Framework
OECD	Organisation for Economic Co-operation and Development
PQM	Programme and qualification mix
Prestige Academy	Prestige Academy Proprietary Limited, was a private company incorporated under the laws of South Africa. Prestige Academy's underlying business was amalgamated during the Business Transfer, and Prestige Academy was deregistered during the year
PwC	PricewaterhouseCoopers Inc.
REMNO	Remuneration and Nominations Committee, a sub-committee of the Board
SADAG	The South African Depression and Anxiety Group
SAICA	The South African Institute of Chartered Accountants
SAQA	South African Qualifications Authority
SBS	Southern Business School Proprietary Limited, was a private company incorporated under the laws of South Africa. SBS's underlying business was amalgamated during the Business Transfer, and SBS was deregistered during the year
SCS	Stadio Corporate Services Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH
SIH	Stadio Investment Holdings Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by STADIO
SIMS	Student information system is a student management system to manage student data
STADIO	STADIO Proprietary Limited, a single registered higher education institution
STADIO Group or the Group	STADIO Holdings Limited (the Company) and its underlying subsidiaries
STADIO Namibia	STADIO Namibia Proprietary Limited is a private company incorporated under the laws of Namibia, of which 100% of the issued share capital is held by STADIO
Success rate	Number of students who graduate/successfully complete their course
Synchronous learning	Learning that requires students to attend scheduled lectures, whether on-campus or through live online classes
TCFD	Task Force on Climate-related Financial Disclosures
Throughput rate	The percentage of students from the same cohort who successfully complete their studies
TSEC	Transformation, Social and Ethics Committee, sub-committee of the Board