

STADIO HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2016/371398/06)

Share code: SDO

ISIN: ZAE000248662

("STADIO" or "the Company")



CATEGORY 2 ACQUISITION ANNOUNCEMENT

1. INTRODUCTION

Shareholders are advised that on 27 September 2019, the Company, through its wholly-owned subsidiary STADIO Corporate Services Proprietary Limited, entered into a sale of immovable property agreement ("**Agreement**") with the property developer, M&T Holdings Proprietary Limited and its wholly-owned subsidiary JR 209 Investments Proprietary Limited ("**Seller**"), in terms of which the Company will purchase the immovable properties owned by the Seller known as Erf 3150 Highveld Extension 112, Registration Division Tshwane, Province of Gauteng, measuring 2,6989 hectares and Erf 3151 Highveld Extension 113, Registration Division Tshwane, Province of Gauteng, measuring 2,5703 hectares, currently held under Deeds of Title T56872/2014 and T56873/2014 ("**Properties**") and the unfinished mothballed improvements erected thereon ("**Improvements**") from the Seller for a purchase consideration of R110 000 000 ("**Purchase Consideration**") ("**Acquisition**").

2. RATIONALE FOR THE ACQUISITION

It is the intention of STADIO to consolidate the programmes offered by its various institutions under a single brand, STADIO Multiversity. This will allow STADIO to become a material player in the higher education space providing a multi-faculty offering for students.

STADIO believes the Properties and the Improvements thereon are suitable for, and the Acquisition will allow, the construction of a multi-faculty higher education campus, accommodating up to 4 000 students, and as such, it is expected that STADIO will open its first large-scale, multi-faculty campus in Centurion in January 2021.

3. PURCHASE CONSIDERATION

The Purchase Consideration (which is exclusive of VAT) shall be payable by the Purchaser to the Seller, in cash, against registration of the transfer of the Properties into the name of the Purchaser.

4. CONDITIONS PRECEDENT

The Acquisition is subject to the fulfilment of the following outstanding conditions precedent ("**Conditions Precedent**"):

- STADIO receiving confirmation and proof, to its satisfaction, that the Properties have been successfully rezoned to a "place of instruction" (subject to such conditions as may be acceptable to STADIO, in its sole discretion); and

- STADIO receiving confirmation and proof, to its satisfaction, that all the required and relevant regulatory approvals, consents and certificates, including the approval of the rezoning as noted above, have been received.

The Conditions Precedent must be fulfilled by not later than 31 October 2019, which date may be extended (i) by a period of up to 60 days, on written notice by STADIO to the Seller, or (ii) by the parties in writing.

5. EFFECTIVE DATE OF THE ACQUISITION

All risk in and all benefit attaching to the Properties, as well as possession and effective control of the Properties, will, against payment of the Purchase Consideration, pass to the Purchaser on the date of the registration of the transfer of the Properties into the name of the Purchaser ("**Transfer Date**").

The Transfer Date is anticipated to be on or before 30 November 2019.

6. FINANCIAL INFORMATION

The value of the net assets comprising the Properties and the Improvements, as determined by STADIO for purposes of the Acquisition, is R110 000 000.

The Properties are currently not income generating and accordingly no profits can be attributed thereto.

7. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT

The Agreement contains extensive representations and warranties by the Seller in favour of the Company which are standard for a transaction of this nature.

8. CLASSIFICATION OF THE ACQUISITION

The Acquisition constitutes a category 2 transaction in terms of the JSE Limited Listings Requirements.

1 October 2019

Sponsor and Transaction Adviser
PSG Capital



PSG CAPITAL