STADIO

HOLDINGS

2018 INTEGRATED REPORT

TOWARDS

STADIO MULTIVERSITY

HIGHLIGHTS

STADIO'S EVOLUTION

2017 YEAR OF ESTABLISHMENT

- UNBUNDLED from CURRO
- LISTED on the JSE
- ACQUIRED QUALITY BRANDS

2018 COMMUNICATION OF STRATEGIC INTENT – PROGRESSION TO 56 000 STUDENTS BY 2026

- OPENED 3 NEW CAMPUSES
- ACQUIRED further QUALITY BRANDS

	2018 R'000	2017 R'000
Profitability		
Revenue	**632 928**	122 250
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**128 812**	469
Profit/(loss) attributable to ordinary shareholders	**63 270**	(7 037)
Earnings/(loss) per share (cents)	**7.8**	(1.2)
Headline earnings/(loss) per share (cents)	**7.8**	(1.2)
Core headline earnings per share (cents)*	**8.6**	0.6
Statement of financial position		
Total assets	**1 904 246**	1 698 252
Equity attributable to ordinary shareholders	**1 649 916**	1 385 317
Net asset value per share (cents)	**201.8**	176.3
Cash flow		
Cash generated from (utilised in) operations	**77 257**	(47 737)
Cash invested in property, plant and equipment	**(41 637)**	(222 185)
Cash invested in curriculum development	**(13 360)**	(11 277)
Net cash flow from acquisition of subsidiaries	**(243 750)**	(158 548)
Net (repayments)/proceeds from loans	**(155 530)**	119 042
Cash and cash equivalents at the end of the year	**259 508**	646 090

* *The core 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*

“TO EMPOWER THE NATION BY **WIDENING ACCESS** TO HIGHER EDUCATION.”

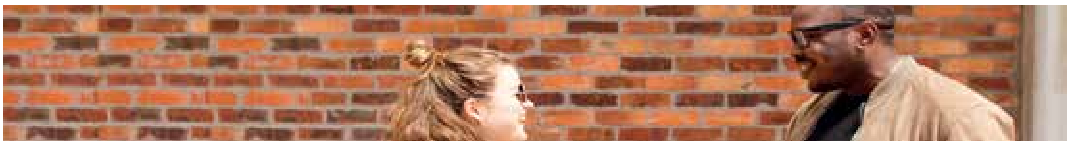
2019 PREPARING FOR AGGRESSIVE EXPANSION

- IDENTIFIED SUITABLE LAND in Durbanville for future STADIO MULTIVERSITY CAMPUS
- NEW PROGRAMME DEVELOPMENT
- Progress to become ONE STADIO MULTIVERSITY
- Implement BEST PRACTICE IT PLATFORM UNIT4
- Analysis of FURTHER SITE EXPANSION OPPORTUNITIES
- NEW PROGRAMME DEVELOPMENT

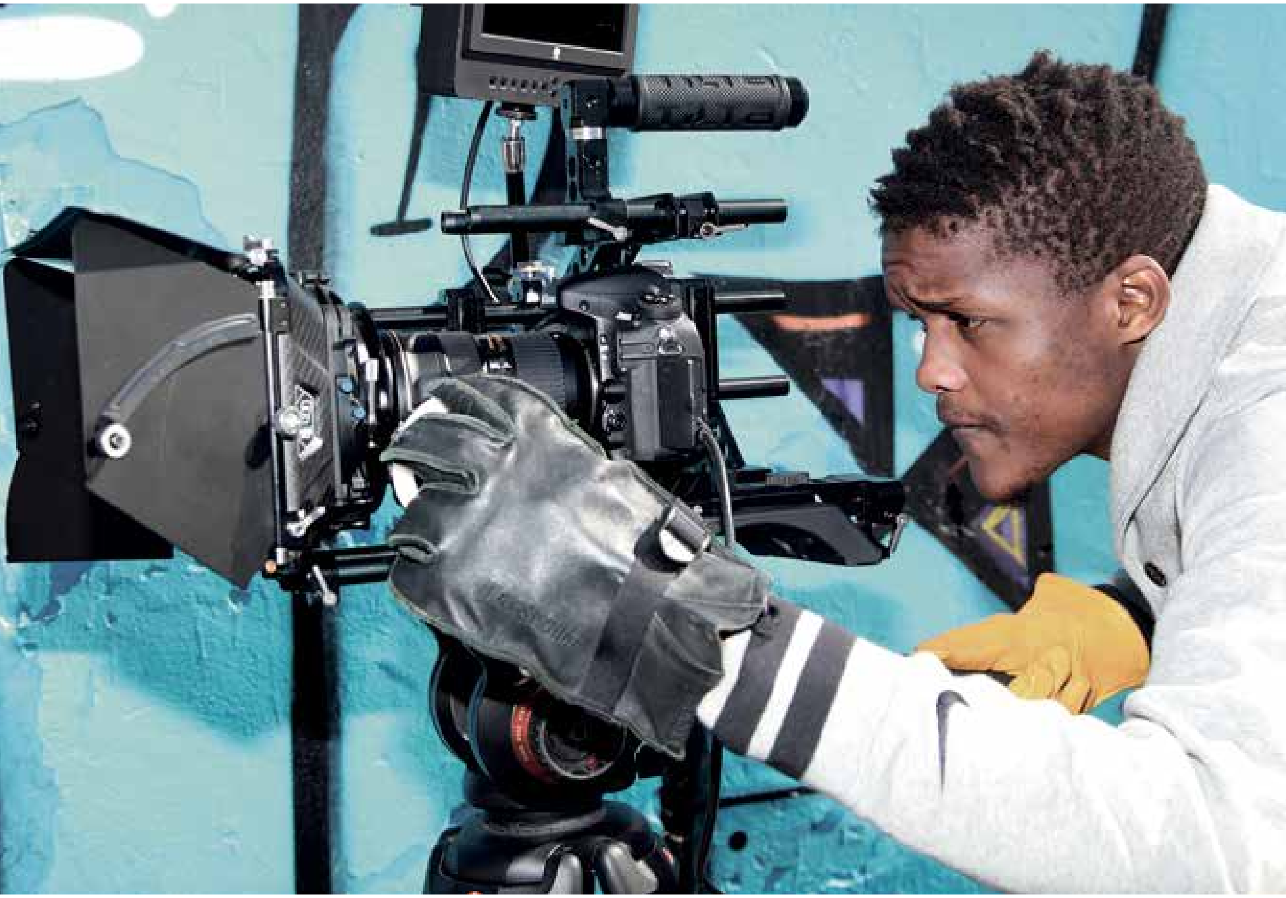
AT 31 DECEMBER 2018, THE GROUP HAD

- 29 885 ENROLLED STUDENTS
- 81 ACCREDITED PROGRAMMES
- 6 REGISTERED HIGHER EDUCATION INSTITUTIONS
- 64 FORMAL PROGRAMMES IN THE PROCESS OF DEVELOPMENT AND ACCREDITATION
- 14 CAMPUSES PLUS 3 SUPPORT OFFICES
- 78% ANNUAL MODULE SUCCCESS RATE

CONTENTS



ABOUT THIS REPORT



Stadio Holdings Limited (STADIO, the Group, or the Company) is proud to present its Integrated Report for the year ended 31 December 2018 (2018 Integrated Report).

Integrated thinking is intrinsic to how we manage our business, to our internal strategy development and to our reporting practices. The 2018 Integrated Report is the key report that provides a holistic view of the Group's business, strategy, performance and the creation of value for all stakeholders. This report includes information about matters that substantively affect the Group's ability to create value over the short-, medium- and long-term, and includes, amongst others:

- Creating value: looking at how we create value for our stakeholders and the risks and opportunities which the Group faces in creating this value;
- Summary Financial Statements: providing a more detailed understanding of the financial aspects of our business;
- Governance report: providing details of the governance structures in place; and
- Notice of Annual General Meeting (AGM): providing the relevant information necessary for shareholders to vote on the resolutions to be tabled at the AGM.

A glossary of terms used throughout this 2018 Integrated Report can be found on pages 101 to 103.

ANNUAL FINANCIAL STATEMENTS

The Group's Annual Financial Statements for the year ended 31 December 2018 were approved by the Board on 1 March 2019, and together with the Independent Auditor's Report, are available on the Group's corporate website https://stadio.co.za/financial-reports/.

REPORTING FRAMEWORKS AND COMPARABILITY

In compiling this report, we have been guided by the principles and requirements contained in the International Financial Reporting Standards (IFRS), the International Integrated Reporting Council (IIRC) Framework, the King IV Report on Corporate Governance™ 2016 (King IV™), the Listings Requirements of the JSE Limited (JSE) and the requirements of the Companies Act of South Africa (the Companies Act).

FORWARD-LOOKING STATEMENTS

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

APPROVAL AND ASSURANCE OF OUR REPORTS

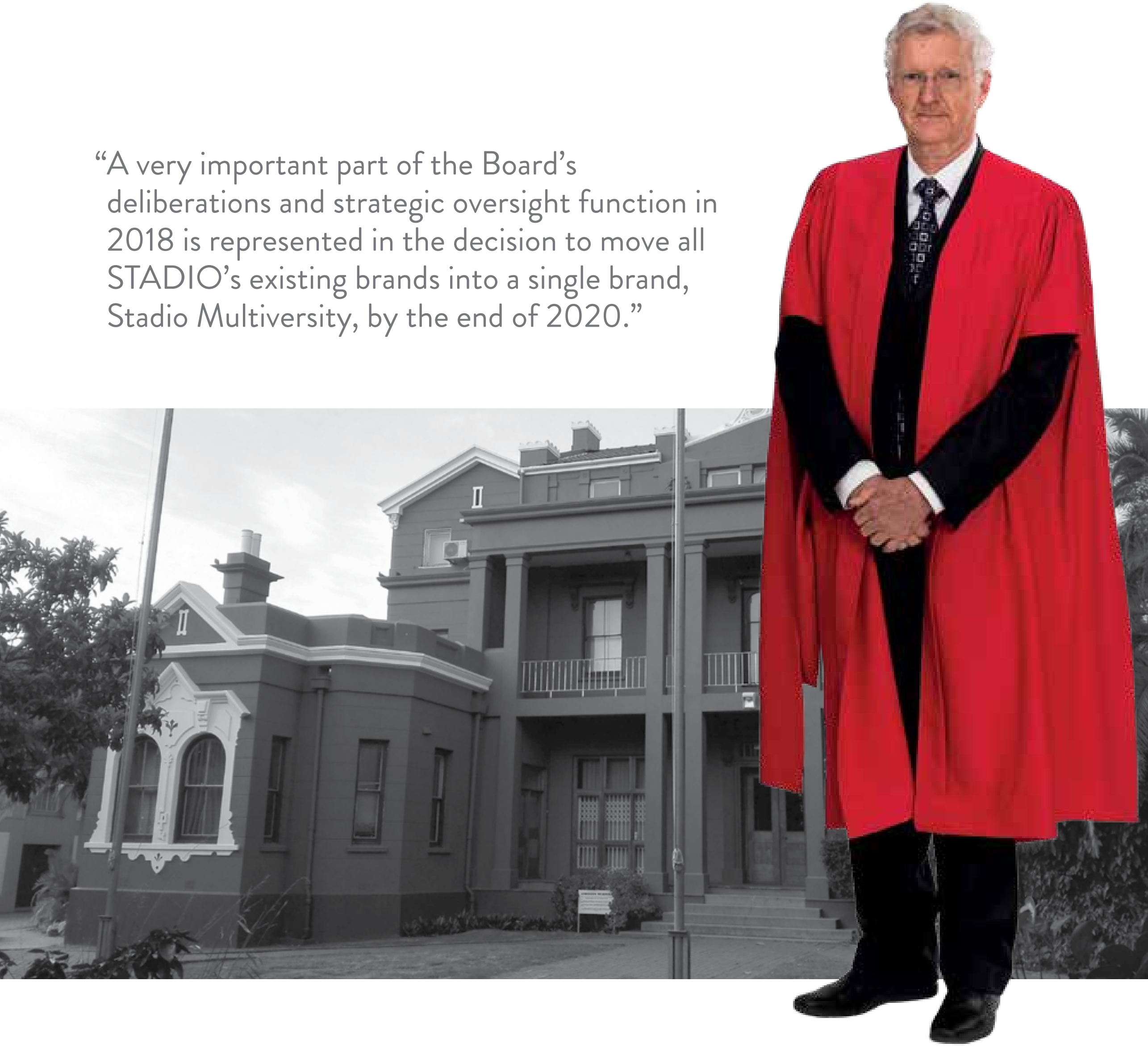
The Group's Audit and Risk Committee reviewed the 2018 Integrated Report and recommended it to the Board for approval. The Board acknowledges its responsibility for ensuring the integrity of the 2018 Integrated Report. The Board has applied its mind to the 2018 Integrated Report and considered the operating context, strategy, and value creation model in this process. It believes that the 2018 Integrated Report addresses all material matters that have, or could have, a material effect on the Group's ability to create value, and it presents a fair and balanced account of the Group's performance. Elements of the information included in our 2018 Integrated Report were verified by a combination of internal and external assurance specialists. The 2018 Integrated Report was approved by the Board on 23 April 2019.

Prof RH Stumpf
Chairperson
23 April 2019

Dr CR van der Merwe
Chief Executive Officer
23 April 2019

CHAIRPERSON'S REPORT

"A very important part of the Board's deliberations and strategic oversight function in 2018 is represented in the decision to move all STADIO's existing brands into a single brand, Stadio Multiversity, by the end of 2020."



It is a real pleasure and a privilege for me to present to you the Chairperson's Report for 2018-the second such report in STADIO's very short history thus far.

This year, as was the case with 2017, was one of great challenge as well as opportunity for the Group. Primarily 2018 was marked by the strengthened consolidation of already acquired higher education brands, expansion through the acquisition of further high-quality brands in the field of higher education, and their integration into the Group, and the development of an initial strategy and plan towards integrating all our brands into a single unified Stadio Multiversity.

As part of its commitment to deliver real shareholder value through widening access to higher education, and in so doing contribute towards the delivery of human capacity needed for sustained socio-economic transformation and growth, our student numbers increased from close to 13 000 at the end of 2017 to nearly 30 000 by the end of 2018. In line with STADIO's vision and mission, approximately 80% of these students studied through the mode of distance learning. As a result, the Board is of the view that STADIO is well on track to reach its goal of at least 56 000 students by 2026 and in servicing them through appropriate forms of delivery of teaching and learning.

In 2018, governance structures at STADIO were further strengthened through the establishment and acceptance of acknowledged good practice measures regarding the conduct of meetings supported through requisite terms of reference, charters and work-plans. The Board, as well as the various committees, such as the Audit and Risk Committee, Remuneration and Nominations Committee, and the Transformation, Social and Ethics Committee, met regularly and performed their various functions with diligence in accordance with the regulatory provisions of the JSE as well as good corporate practice as outlined in King IV™. In particular, the Group welcomed Mr Douglas Ramaphosa to the Board who brings with him a wealth of corporate governance experience coupled to a strong commitment to social transformation and education in our country.

As part of its activities the Board also engaged in the regular overview of progress and achievement measured against the strategic goals and objectives set for 2018. This culminated in a strategic planning session towards the end of 2018 at which a final evaluation regarding 2018 strategic goals and objectives was performed.

In 2018 the main strategic key performance areas were:

- Widening access to higher education;
- Embedding values of responsible citizenship in all its programmes and activities;
- Strengthening academic quality and STADIO's academic standing;
- Harnessing scale advantages through using distinctive systems;
- Delivering on promises regarding organic growth; and
- Ensuring overall delivery against the Pre-Listing Statement.

While room for improvement always exists, the Board is satisfied that the various strategic objectives in each of these key performance areas were achieved satisfactorily. Based on this evaluation and building on the strategy for 2018 the Board also considered and identified the basic features and characteristics of its strategy for 2019 as part of a continuing process to build STADIO into one of South Africa's leading providers of high quality and relevant higher education.

A very important part of the Board's deliberations and strategic oversight function in 2018, is embodied in the decision to move all STADIO's existing brands into a single brand, Stadio Multiversity, by the end of 2020. This represents a very important and fundamental step towards the realisation of STADIO's future role and place in South Africa's higher education system.

A multiversity is characterised by, amongst others, covering a large number of knowledge and study areas through academic structures that enjoy a high degree of decision-making authority within the framework of a single overall institutional entity. In addition, a multiversity seeks to maximise access to study opportunities for students by means of geographically spread delivery sites and a variety of teaching and learning delivery modes. Existing brands will be incorporated into faculties and at present approximately six to seven such faculties are foreseen.

The Board is of the view that this institutional format best captures the future development trajectory foreseen for the Group and is committed to registering Stadio Multiversity as a university with the Department of Higher Education and Training (DHET) as soon as the regulations governing such registration are promulgated. Much progress was already made in 2018 in preparation for such a step.

The Board is satisfied that the Group's financial performance in 2018, despite the difficult economic conditions prevailing in our country, was sound and in some ways even remarkable when compared with the targets set in the Pre-Listing Statement (PLS). Overall Revenue increased from R122 million in 2017 to R633 million in 2018 while Core Headline Earnings for the year amounted to R70 million compared to R3 million in 2017. The Board believes this performance underpins the confidence the investor public has in the Group's strategy and performance, its business model and its ability to leverage personal and educational value for students within the field of higher education.

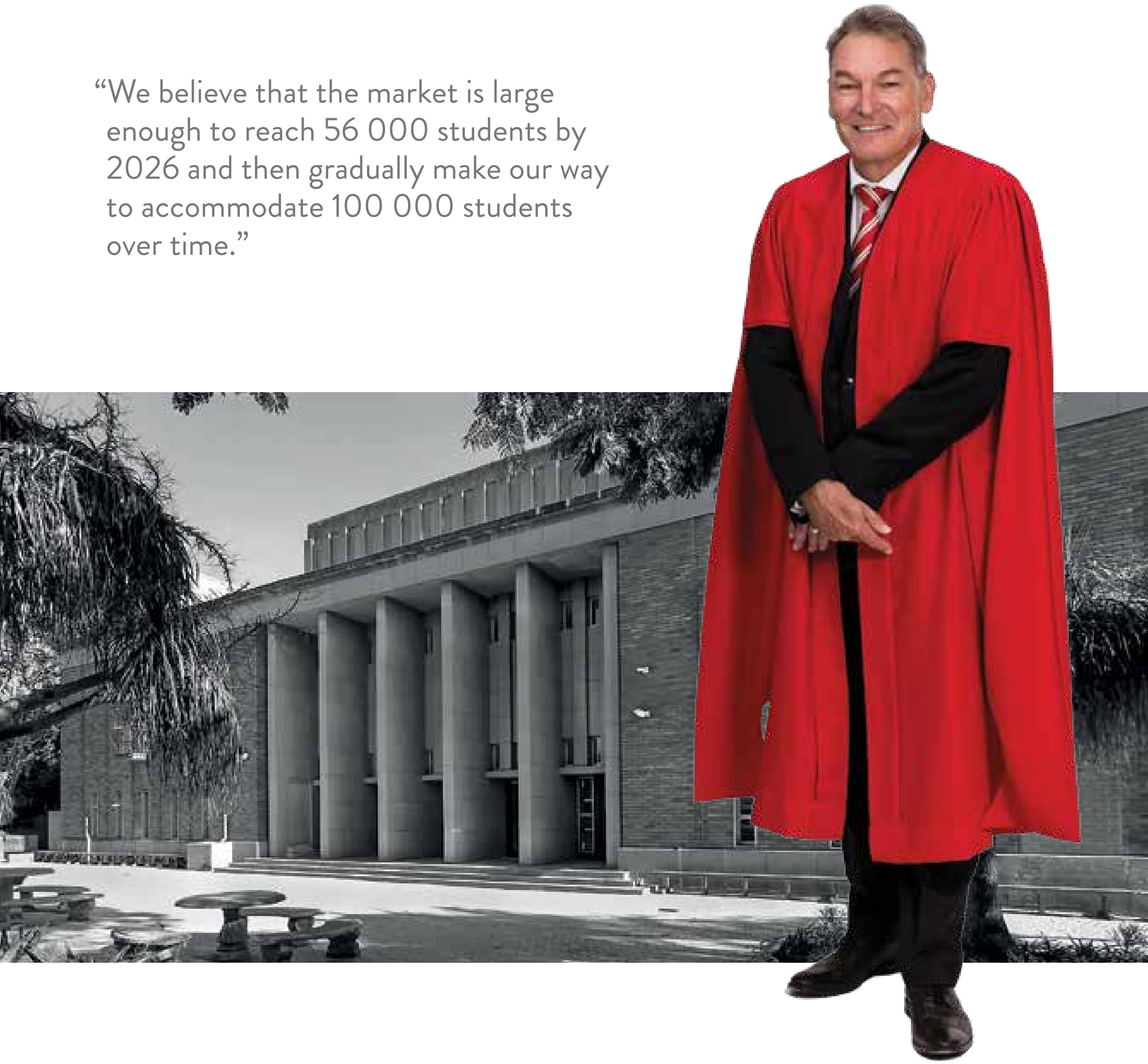
This performance and these achievements would not have been possible without the Group's extremely capable senior management team. Indeed, STADIO is fortunate to have been able to put together a respected and high-level senior management team, under the leadership of the CEO, Dr Chris van der Merwe. He and his senior management have played a pivotal role in ensuring that the many challenges involved in further expansion whilst simultaneously pursuing consolidation and future development into a multiversity, together with delivering real shareholder value, are dealt with successfully.

Finally, I wish to express my sincere appreciation to my fellow Board members for their dedication in bringing STADIO from where it was at the beginning of 2018 to where it is now. It has been a privilege working together with them, and the senior management, in building what will undoubtedly become a truly great business in the field of South African higher education; one that is set to make a lasting contribution to the development of our country through its investment in the education and training of our young people.

Prof Rolf Stumpf
Chairperson
23 April 2019

CEO'S REPORT

"We believe that the market is large enough to reach 56 000 students by 2026 and then gradually make our way to accommodate 100 000 students over time."



Despite the challenging economic environment in South Africa, STADIO can reflect on a very successful and satisfying 2018. During 2017 we issued a Pre-Listing Statement (PLS) in which we communicated our overarching goal: To widen access for qualifying students who wish to enter higher education. Strategically, we acquired six brands in order to accumulate qualifications and a student population as a platform from which we could start working towards the development of Stadio Multiversity. Our aim is to migrate all our existing qualifications to one Institute for Private Higher Education offering various courses in six different faculties. STADIO attempts doing this by working closely with the Council For Higher Education (CHE) as well as DHET. As there is a shortage of medical doctors and a dire need for the training and continuous professional development of nurses and other medical staff, STADIO will apply best efforts to help facilitate the development of a Faculty of Medicine and Health Sciences as an extension to its six faculties.

I re-iterate the fact that in our current form, STADIO should be seen as an investment holding company which supports its brands with capital and expertise so that they can develop and enhance their offerings to students. Qualifications and courses are owned and offered by the Group's various brands, namely: Embury, AFDA, SBS, LISOF, Milpark and Prestige Academy.

With about 400 000 grade 12 students all qualifying to enter higher education but only around 170 000 of them enrolling at South Africa's 26 public universities, STADIO believes that it can play a significant and meaningful role for these students to get access to studying a fitting, and relevant, course. We believe that the market is large enough to reach 56 000 students by 2026 and then gradually make our way to accommodate 100 000 students over time.

The year 2018 was indeed fruitful in terms of delivering on our strategy with the following summary results:

- Student numbers increased from 12 976 to 29 885
- Revenue increased from R122 million to R633 million
- EBITDA increased from R0.5 million to R129 million resulting in our Headline Earnings increasing from (1.2cps) to 7.8cps
- Core Headline Earnings per share (CHEPS) increased from 0.6cps to 8.6cps

We now have 81 accredited qualifications and 64 qualifications are in the process of development and/or accreditation. We also achieved international accreditation for Milpark's contact and online MBA programme from the UK based Association of MBAs (AMBA), being the only accredited online MBA in Africa, and the only African MBA with International accreditation for both contact and distance learning.

We believe that the Group is well positioned to deliver on its organic and acquisitive growth objectives as set out in its PLS.

In conclusion I wish to thank a dedicated and robust Board of Directors for their guidance and support. Any successful Board would expect the Executive Directors to execute the Group's approved strategy diligently. In this regard I thank Samara Totaram (Chief Financial Officer), and Divya Singh (Chief Academic Officer), for their dedication and hard work. These two individuals are huge assets for this fast growing Group and we really appreciate their efforts. I also want to thank our CEOs for leading their institutions in such a dynamic way.

Dr Chris van der Merwe
Chief Executive Officer
23 April 2019

GROUP OVERVIEW

STADIO GROUP STRUCTURE

STADIO HOLDINGS LIMITED

STADIO INVESTMENT HOLDINGS PROPRIETARY LIMITED

- 100% EMBURY Institute for Higher Education
- 87.2%* MILPARK EDUCATION
  - ca•connect
- 100% LISOF Leaders in Fashion Education
- 74% SBS Southern Business School
  - 74% SBS Southern Business School NAMIBIA
  - 100% SBS Southern Business School NAMIBIA
- 100% AFDA film • television • performance • business innovation & technology – the school for the creative economy
- 100% PRESTIGE ACADEMY Private Higher Education

* *Effective interest*

STADIO AT A GLANCE

STADIO is an investment holding company that focuses on the acquisition of, investment in, growth and development of higher education institutions (HEI) to assist in meeting the demand for quality and relevant higher education programmes in southern Africa. It is the Group's vision to be a leading Multiversity, offering qualifications aligned with the needs of societies, students and the world of work.

OUR PURPOSE

TO EMPOWER THE NATION BY WIDENING ACCESS TO HIGHER EDUCATION.

OUR VISION

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

TRACING OUR ORIGINS

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

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

TOWARDS A STADIO MULTIVERSITY

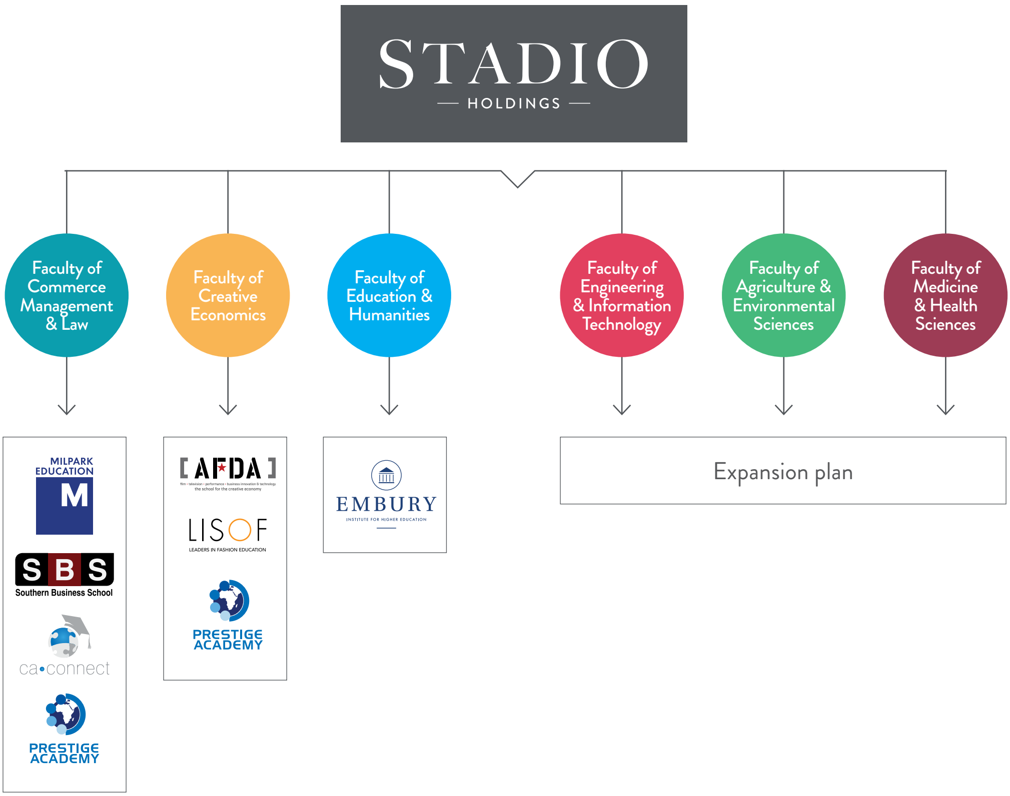
A Multiversity is defined as a large, diverse institution of higher learning created to educate for life and for a profession, and to grant degrees (including higher certificates and diplomas).

A Multiversity implies a DIVERSITY of knowledge with diverse specialist institutions catering for the diverse and relevant needs of the South African market-place. The concept of a Multiversity further respects the uniqueness of every student.

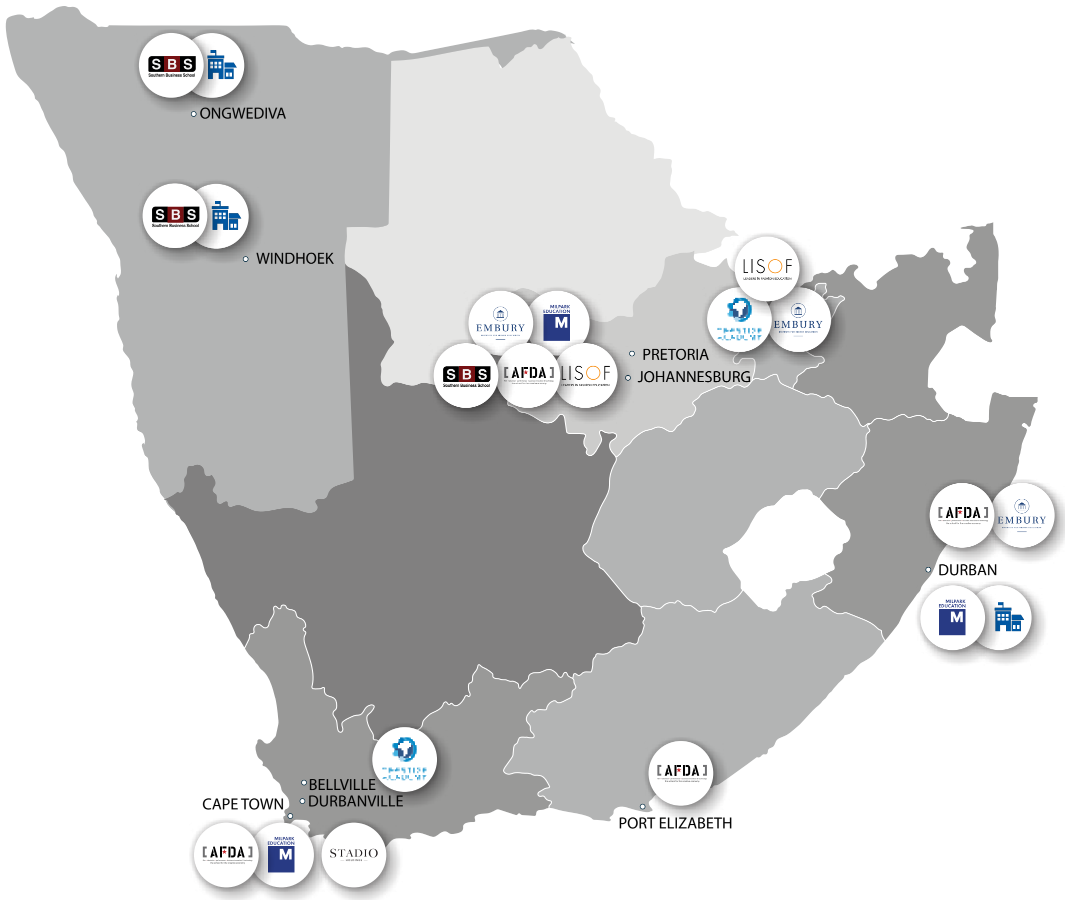
In creating a Multiversity, the Group currently owns six registered HEIs that are aimed at providing programmes, both undergraduate and postgraduate, that provide graduates with a real chance of creating employment opportunities (entrepreneurship) or finding employment.

In time the Group will look to consolidate the programmes offered by its various HEIs under a single brand, Stadio Multiversity, that will allow all stakeholders to benefit from the marketing, operational and regulatory advantages of doing so.

Set out below is the information of the underlying HEIs illustrating the faculties that the Group intends to accommodate.



OUR GEOGRAPHICAL FOOTPRINT



LEGEND

CURRENT CAMPUSES

CORPORATE HEAD OFFICE

SUPPORT OFFICES

AT 31 DECEMBER 2018*

STUDENTS
29 885

ACCREDITED PROGRAMMES
81

PIPELINE PROGRAMMES
64

CAMPUSES
14

SUPPORT OFFICES
3

GRADUATES
6 392

AT 31 DECEMBER 2017**

STUDENTS
12 976

ACCREDITED PROGRAMMES
28

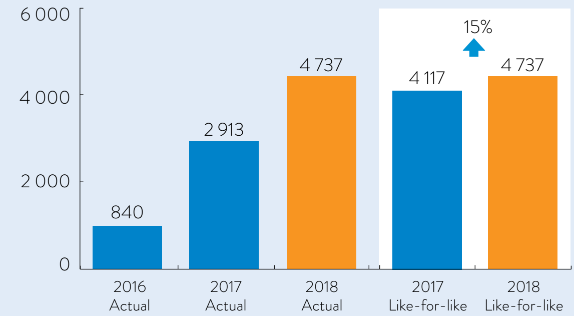
PIPELINE PROGRAMMES
20

CAMPUSES
9

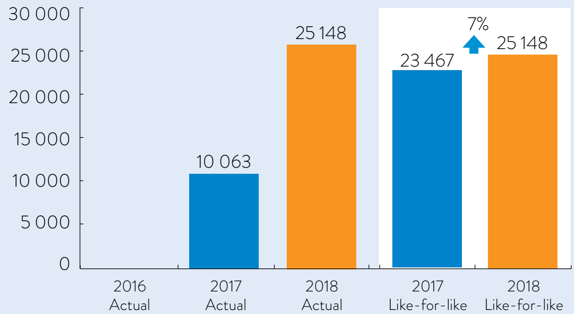
SUPPORT OFFICES
1

GRADUATES
3 031

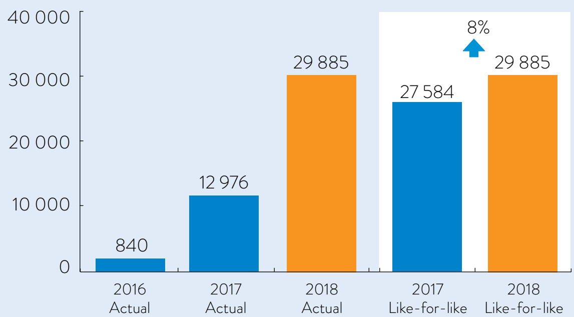
CONTACT LEARNING STUDENTS



DISTANCE LEARNING STUDENTS



TOTAL STUDENTS



Notes:
* *includes Embury, SBS, AFDA, LISOF, Milpark and Prestige Academy*
** *includes Embury, SBS and AFDA*

CREATING VALUE

OUR STRATEGIC CONTEXT

Education is indisputably fundamental to the development of the necessary skills and intellectual capital that will ultimately promote economic growth and development. Access to education plays a pivotal role in promoting equality, democracy and ultimately social justice.

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

An expanding post-school education system has become a norm of modernisation and the demand for post-school education continues to grow.

GLOBAL TRENDS

Globally, the number of students enrolled specifically at HEIs more than doubled between 2000 to 2016, from:

99.9 million STUDENTS TO **215.9 million** STUDENTS

THE LOCAL LANDSCAPE

As with global trends, the demand for higher education in South Africa has increased, with the number of total students enrolled in HEIs more than doubling from approximately 557 000 students in 2000 to approximately 1 222 030 students in 2017.

557 000 STUDENTS IN 2000 to **1.2 million** STUDENTS IN 2017

SOUTH AFRICA'S HIGHER EDUCATION MARKET: CONSTRAINTS & OPPORTUNITIES

South Africa's higher education market is made up of 26 public HEIs (with a total of 1 036 984 students in 2017) and 125 private HEIs (with a total of 185 046 students in 2017), which collectively had a total of 1.2 million students in 2017.

CHALLENGES FACED BY PUBLIC HEIs:

- Limited budget available to institutions from the national fiscus
- First-year enrolment demand exceeds public university capacity
- Limited infrastructure
- High drop-out rates, low graduation rates and the long time taken to graduate
- Limited articulation possibilities
- Increase in operational costs of pubic HEIs placing further pressure on government to increase funding to these institutions

Noting the challenges faced by public HEIs and the acknowledgement of the critical importance of higher education in growth and development, the private sector is an ideal partner to support and assist the state to address and mitigate its risks through post-school education and training.

Private HEI students account for only 15% of the total higher education market in South Africa, whereas the global average is closer to 35%. By 2030, the DHET would like to see one million students in private higher education, as an element of national growth and development*.

The current unemployment rate in South Africa remains critically high at around 27%. Research indicates that in South Africa, the number of unemployed people that are graduates is at, or about 1.7%. Therefore, we believe we can play a meaningful role in the higher education sector by

WIDENING ACCESS FOR QUALIFYING LEARNERS TO HIGHER EDUCATION

** Information sharing workshop on the regulatory framework for private HEIs, 7 September 2017*

BUSINESS MODEL

OUR INPUTS

1

FINANCIAL CAPITAL

We require shareholder equity and internally generated cash flow to implement our growth strategy. We are in the process of assessing various debt-funding solutions

PRODUCTIVE AND INTELLECTUAL CAPITAL

We require a range of quality, relevant curriculum and programme offerings to achieve our vision

SOCIAL AND RELATIONSHIP CAPITAL

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

NATURAL CAPITAL

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

HUMAN CAPITAL

We use the skills and expertise of our educators and academic staff and their ability to engage with students to facilitate the development of well-rounded graduates

MANUFACTURED CAPITAL

We require campus infrastructure to provide an environment conducive to learning in order to facilitate our contact learning students as well as provide support to our distance learning students

HOW WE ALLOCATE CAPITAL

2

We allocate and utilise our resources in a way that best positions us to achieve our strategic objectives and unlock value for our various stakeholder groups. Our Board of Directors is entrusted with determining our strategic objectives and carefully crafting a vision for the future that is beneficial for all STADIO's stakeholders

STRATEGIC OBJECTIVES

- Widen access for qualifying learners to higher education
- Establish STADIO as a credible and respected Multiversity
- Deliver acceptable growth targets and shareholder returns

OUR APPROACH TO RISK MANAGEMENT

Effective risk management is an integral part of the Group's daily operations and is key in supporting the strategic direction of the Group

We achieve effective risk management through a mindful application of King IV's™ principles and practices, ensuring that our governance of risk is aligned with our strategic objectives

3 HOW WE CREATE VALUE AND SEIZE OUR OPPORTUNITIES

As an investment holding company, we create value through the acquisition of, investment in, growth and development of higher education institutions in southern Africa

OUR OPERATING ENVIRONMENT

- 60% of qualifying school learners cannot be accommodated by South Africa's public higher education sector
- Only 15% of South Africa's total higher education population is enrolled in private HEIs
- Overall demand for and supply of higher education in South Africa has doubled between 2000 and 2017
- With the country's unemployment rate critically high at around 27%, the graduate unemployment rate is about 1.7%, implying that a degree or post-school qualification dramatically increases employability

OUR ACTIVITIES/OUTPUTS

- We use our financial and intellectual capital to acquire recognised HEIs with appropriate programmes that are scaleable
- We develop and provide programmes that are relevant and responsive towards the needs of companies, industries and society, with a focus on a flexible curriculum approach (within the parameters set by our regulators)
- We develop new campuses and courses with the help of our diversely skilled human capital, durable relationships with our investee institutions and manufactured capital
- We grow existing niche brands that are competitively positioned to take advantage of the opportunities in the market
- We assist our existing brands with capital and business expertise so that they are well-positioned to benefit from opportunities in the market
- We invest in suitable IT infrastructure to accommodate large scale student numbers

WE DELIVER WELL-ROUNDED ADULTS PREPARED FOR THE WORLD OF WORK

CREATING A MULTIVERSITY

4 OUR OUTCOMES

FINANCIAL CAPITAL

- R840 million capital raised during 2017
- R440 million invested in acquisition of subsidiaries (2017: R159 million)
- R13 million invested in curriculum development (2017: R11 million)
- R100 million cash generated from operations (2017: R37 million cash utilised)

PRODUCTIVE AND INTELLECTUAL CAPITAL

- 81 accredited programmes (2017: 73*)
- 64 programmes in process of development and/or accreditation (2017: 35*)
- 6 392 graduates in 2018 (2017: 6 530*)
- 77.7% average module success rate (2017: 61%*)
- 62 research outputs (2017: 3*)

SOCIAL AND RELATIONSHIP CAPITAL

- around 1%–3% of revenue spent on bursaries, scholarships, discounts (2017: 1%–3%*)
- committed to various CSR initiatives
- 31 international partnerships (2017: 11*)

NATURAL CAPITAL

- three new eco-friendly campuses
- promoting sustainable projects that benefit the environment and alleviate poverty

HUMAN CAPITAL

- 803 employees (2017: 762*)
- 766 academically qualified employees (2017: 622*)
- 293 educators (2017: 269*)
- 64% female (2017: 64%*) and 36% male (2017: 36%*) employees
- 52% Black (2017: 49%*), 45% white (2017: 49%*) and 3% Other (2017: 2%*) employees

MANUFACTURED CAPITAL

- R42 million invested in expansion of facilities (2017: R222 million)

* *on a like-for-like basis, including Embury, SBS, AFDA, LISOF, Milpark and Prestige Academy*

STRATEGIC OBJECTIVES AND PERFORMANCE INDICATORS

STRATEGIC OBJECTIVES

1. Widen access for qualifying learners to higher education
2. Establish STADIO as a credible and respected Multiversity
3. Deliver acceptable growth targets and shareholder returns

IMMEDIATE MATERIAL ACTIVITIES AND ACTIONS

We believe the achievement of our strategic objectives is dependent on the specific activities and actions we take within our day-to-day operations. The Group therefore focuses on the following in order to meet and pursue its objectives:

- Expanding its programme and qualification mix in various fields of higher education including a dedicated focus on programmes that will contribute to mitigating the national skills shortages, identified by the Department of Labour
- Accrediting further undergraduate and postgraduate qualifications across the Faculties for both contact and distance learning
- Navigating the regulatory process of registering Stadio Multiversity as a HEI and migrating all current qualifications and brands into one Stadio Multiversity
- Realising cost efficiencies and synergies across the Group
- Promoting physical growth and infrastructure development through:
  - Geographic expansion to new locations
  - Expanding into greenfield opportunities across the country
  - Optimisation of all its faculties nationwide
- Investing in suitable IT infrastructure to accommodate large scale student numbers with the implementation of Business World, Student Management and Prevero

GROUP PERFORMANCE INDICATORS

1. Growth in Revenue
2. Growth in EBITDA and EBITDA margin
3. Growth in CHEPS
4. Improvement in academic performance from year-to-year
5. Performance against strategic objectives

VALUE CREATED FOR STAKEHOLDERS

OUR STAKEHOLDER OUTCOMES

Our quest to empower the nation by widening access to higher education cannot be fully achieved without stable, mutually beneficial and productive relationships with stakeholders that have a direct, or indirect, role and impact on our ability to achieve our strategic objectives. It is therefore critical to include our stakeholders in our value-creation process.

In the tables below, we briefly outline the stakeholder groups who have a substantive impact on our ability to create value, their importance to us in achieving our strategic objectives and identifying how we address these relationships through our resources.

STUDENTS

WIDEN ACCESS FOR QUALIFYING LEARNERS TO HIGHER EDUCATION

IMPORTANCE	HOW WE CREATE VALUE
• Students are central to our business, and are our biggest stakeholder • Our revenue is derived from students and therefore creating value for students is of utmost importance • With the unemployment rate in South Africa around 27%, the importance of producing graduates who are highly employable is imperative • STADIO is cognisant that sustainable financial support for students is necessary to enable access to HEIs	• Acquiring quality brands allowing us to expand our portfolio of HEIs and provide a diverse mix of offerings and qualifications • Investing capital in expanding our campuses to increase capacity • Focusing on module success rate (i.e. access with success) • Investing in programme development to ensure our programmes are relevant and relate to the world of work and the needs of society, i.e. programmes that will provide students with a real chance of finding or creating employment post-qualification, but which will equally ensure that STADIO graduates have a fundamental understanding of responsible citizenship and global awareness • Transforming our IT systems by introducing Business World, Student Experience, and Prevero to enrol and manage the data of large student numbers efficiently • Continuing to focus on enhancing the use of distance learning, which is more affordable and will increase the breadth of access • Awarding bursaries during the year and continuing to consider several models of financial support to find the optimal funding solution for students • Ensuring we have qualified and competent educators • Sustaining our focus on internationalisation and global partnerships • Focusing on student experience • Promoting regular student/lecturer engagement

GRADUATES (2018)

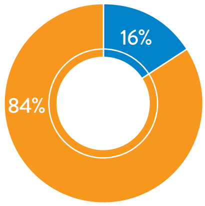
TOTAL

6 392

STUDENT NUMBERS (2018)

Mode	Student numbers	Capacity
Contact	4 737	11 000
Distance	25 148	–*
TOTAL	29 885	11 000*

** Not constrained by physical infrastructure – distance learning opportunities are scaleable with limited investment in infrastructure*



HOW WE MEASURE STAKEHOLDER VALUE	VALUE CREATED AND CAPITALS UTILISED

HOW WE MEASURE STAKEHOLDER VALUE

- Number of students
- Percentage module success rates
- Student retention and dropout rates
- Number and range of accredited and pipeline programmes
- Student capacity
- Achievement of IT milestones

VALUE CREATED AND CAPITALS UTILISED

FINANCIAL CAPITAL

During 2018, the Group invested:

- R440 million towards acquisitions
- R13 million on new programme development
- Entered into agreement to purchase land in Durbanville for proposed future comprehensive campus

Further information is available in the CFO's Report on pages 47 to 52.

PRODUCTIVE AND INTELLECTUAL CAPITAL

- The Group has 81 accredited programmes
- A further 64 formal programmes are in the process of development or accreditation
- 31 active international partnerships and collaboration agreements in place
- 6 392 graduates in 2018
- Average module success rate of 77.7%

Further information is available in the CAO's Report on pages 43 to 46.

SOCIAL AND RELATIONSHIP CAPITAL

- Total of R7.6 million was spent on bursaries and scholarships, of which R5.3 million was awarded to females, with R3.4 million awarded to Black females

HUMAN CAPITAL

- Contact learning students increased by 15% on a like-for-like basis from 4 117 students in 2017 to 4 737 students in 2018
- Distance learning students increased by 7% on a like-for-like basis from 23 467 students in 2017 to 25 148 students in 2018
- Total actual students increased from 12 976 students in 2017 to 29 885 students in 2018 and by 8% on a like-for-like basis from 27 534 students in 2017

MANUFACTURED CAPITAL

- Our HEIs have a collective capacity for 11 000 contact students in South Africa and Namibia
- R42 million on capital expansion of facilities

VALUE CREATED FOR STAKEHOLDERS (CONTINUED)

EMPLOYEE NUMBERS (2018)

TOTAL
803

ACADEMICALLY QUALIFIED
766*

* *Includes* 293 educators

EMPLOYEES

ESTABLISH STADIO AS A CREDIBLE AND RESPECTED MULTIVERSITY

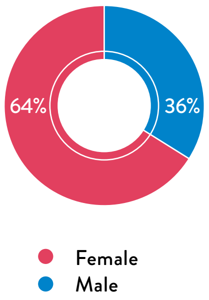
IMPORTANCE

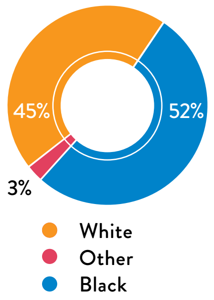
- The knowledge, skills and experience of our employees allows us to provide a high-quality offering to our students and other stakeholders, specifically allowing our educators to engage their students in all fields of learning
- The Group's educators are the primary interface between the HEIs and the students. Therefore, the educators' competence is a key factor in ensuring successful learning and the students' successful graduation
- The highly qualified and highly skilled leadership team, with expertise in education, academics, finance and business, provides the Group with a strong competitive advantage
- The Group is committed to promoting transformation and gender diversity

HOW WE CREATE VALUE

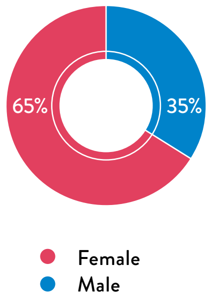
- Providing appropriate remuneration and incentives to ensure the Group attracts the best staff, including a share incentive scheme to retain and incentivise key employees and management
- Supporting continued training and development to enable more knowledgeable and skilled employees across all facets of the Group
- Opening up additional employment opportunities and trajectories as the Group grows
- Supporting diversity, both gender and race, through equal work for equal pay
- Interacting and communicating regularly with employees around the Group via the underlying management teams
- Conducting leadership roadshows
- Continuing the Group's drive to be truly transformative in terms of employee (and student) demographics

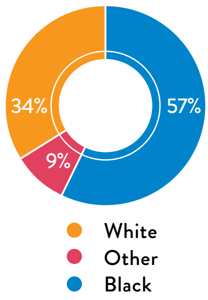
DEMOGRAPHIC OF EMPLOYEES





DEMOGRAPHIC OF STUDENTS





HOW WE MEASURE STAKEHOLDER VALUE

- Performance evaluations
- Training and development spend
- Analysing staff numbers, demographics and pay
- B-BBEE score

VALUE CREATED AND CAPITALS UTILISED

FINANCIAL CAPITAL

During 2018, the Group spent:

- R288 million on salaries and wages (2017: R78 million);
- R10 million on defined contribution plans (2017: R4 million); and
- R4 million on share-based payments expense (2017: R1 million)

PRODUCTIVE AND INTELLECTUAL CAPITAL

- 62 research outputs (2017: 32)
- 2018 Academic Conference focused on 'Quality and the RITE (relevance, innovation, transformation, excellent) Curricula'
- 31 active international partnerships and collaboration agreements (2017: 11*)
- Three institutional research projects:
  - Jobs of the Future
  - Social Consciousness, Responsible Citizenship and 21st Century Skills
  - Applying neuroscience to improve study material

HUMAN CAPITAL

During the year, the Group spent:

- R3.1 million on staff development through training and workshops (2017: R0.8 million); and
- R0.5 million on research papers (2017: R1.6 million)

During the year, the Group had:

- 93 employees with doctorates (2017: 63*)
- 143 employees with masters qualifications (2017: 122*)
- 293 educators (2017: 269*)

* *on a like-for-like basis, including Embury, SBS, AFDA, LISOF, Milpark and Prestige Academy*

REGULATORY BODIES

ESTABLISH STADIO AS A CREDIBLE AND RESPECTED MULTIVERSITY

IMPORTANCE	HOW WE CREATE VALUE
• The accreditation of new high-quality academic qualifications that are relevant and aligned with the world of work are dependent on meeting the quality standards as required by the CHE and DHET • To register as Stadio Multiveristy and migrate all programmes across the various brands to Stadio Multiversity, the Group needs to engage with the CHE and DHET as well as obtain their approval • The Group is committed to applying good corporate governance and the requirements of the Companies Act and King IV™ • The Group is listed on the JSE	• Regularly engaging with the CHE and DHET to discuss developments in education and promoting discussions on ways in which the private sector can assist government • Assuring academic governance and quality across the brands in the Group through oversight administered by the Group's Academic and Student Affairs Committee (ASACOM) • Investing in governance structures to ensure that the Group maintains best practice corporate governance • Focusing on being a good corporate citizen • Providing good ethical leadership – management and all underlying subsidiaries have adopted the Ethics pledge (see page 64) • Providing assurance through the Independent Auditor's unmodified report • Heeding advice from the Group's Sponsor, PSG Capital • Contributing to the country's tax base

HOW WE MEASURE STAKEHOLDER VALUE

- Number of programmes accredited and time to accredit new programmes
- Auditor's report
- Non-compliance reports
- Compliance audits

VALUE CREATED AND CAPITALS UTILISED

FINANCIAL CAPITAL

In 2018, the Group spent:

- R3.9 million on fees with external auditors (2017: R1.5 million)
- R1.4 million on listing compliance fees (2017: R4.2 million, including initial listings fees)

PRODUCTIVE AND INTELLECTUAL CAPITAL

- The Group has 81 accredited programmes
- A further 64 formal programmes are in the process of development or accreditation
- Achieved accreditation for Milpark's contact and online MBA programme from UK-based Association of MBAs (AMBA)

Further information is available in the CAO's Report on pages 43 to 46.

HUMAN CAPITAL

- Quality Assurance and Academic Governance Committee established
- Douglas Ramaphosa was appointed to the Board in March 2018
- Highly skilled and experienced Board supported by robust sub-committees
- R735 000 spent on Non-Executive Directors' fees in 2018 (2017: R265 000, noting the Group only listed on the JSE in October 2017)

Further information is available in the Governance section on pages 63 to 86

MANUFACTURED CAPITAL

- The Group is in the process of registering Stadio Multiversity as a HEI with the aim of obtaining approval for registration during 2020

INVESTOR COMMUNITY

DELIVER ACCEPTABLE GROWTH TARGETS AND SHAREHOLDER RETURNS

IMPORTANCE

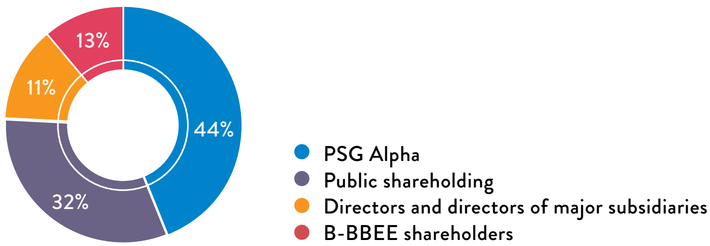
- The Group is focused on delivering acceptable growth targets and shareholder returns
- We have a diverse shareholder base with 16 919 shareholders
- Share price
  The STADIO share price reached a high of 860 cents in 2018 (2017: 950 cents) and a low of 321 cents (2017: 520 cents)

HOW WE CREATE VALUE

- Delivering on the promises made in the PLS by exceeding forecasts in the PLS
- Delivering on the Group's strategic objectives
- Setting key performance and growth objectives
- Ensuring that the CEO and CFO engage with the investor community and shareholders on a regular basis to create awareness of the Group's activities and prospects
- Producing and presenting annual and interim reports
- Releasing relevant and informative Stock Exchange News Service (SENS)

SHAREHOLDER STRUCTURE

at 31 December 2018 (%)



HOW WE MEASURE STAKEHOLDER VALUE

- Performance against PLS and targets
- Performance against strategic objectives
- Performance against KPIs and growth objectives
- Market capitalisation
- Return on equity
- Analysis of share register sales and purchases

VALUE CREATED AND CAPITALS UTILISED

FINANCIAL CAPITAL

- During 2017, the Group listed on the JSE and raised R840 million capital
- The Group has an ungeared balance sheet and does not expect to raise capital from shareholders in the short-term
- CHEPS increased to 8.6 cps from 0.6 cps
- HEPS increased to 7.8 cps from a loss per share of 1.2 cps. This exceeded the PLS forecast of 5.1 cps.

Further information is available in the CFO's Report on pages 47 to 52

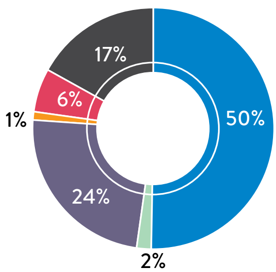
HUMAN CAPITAL

- Student numbers increased from 12 976 in 2017 to 29 885 in 2018
- The Group has 16 919 shareholders holding 818 million ordinary shares (2017: 20 590 shareholders holding 786 million ordinary shares)
- The Group's leadership team is highly skilled, knowledgeable and experienced

Further information is available in the Shareholders' Analysis on pages 88 to 89

OUR VALUE-ADDED STATEMENT

Value distribution for the year ended 31 December 2018



- Distributed to employees (R228.9 million)
- Distributed to social responsibility (R8.3 million)
- Distributed to government (R109.7 million)
- Value reinvested (R25.6 million)
- Value retained (R77.3 million)
- Distributed to providers of capital (R3.7 million)

VALUE CREATED FOR STAKEHOLDERS (CONTINUED)

OUR WORLD

WIDEN ACCESS FOR QUALIFYING LEARNERS TO HIGHER EDUCATION

IMPORTANCE	HOW WE CREATE VALUE
• STADIO is committed to: – ensuring graduates are employable and entrepreneurial; – providing programmes that are relevant to the world of work; and – supporting the aim of the NDP to achieve the goal of 1.6 million students by 2030 • Noting the challenges by public HEIs and the acknowledgement of the critical importance of higher education in growth and development, STADIO sees the private sector as an ideal partner to support and assist the state to address and mitigate its risks through post-school education and training • STADIO has developed a compulsory 'Signature module' on responsible citizenship	• Providing high quality qualifications and programmes that are aligned to the world of work • Engaging with industry and forming partnerships with business leaders • Continuing to seek sustainable financial support options for students • Engaging regularly with businesses to ascertain the needs of businesses to ensure STADIO graduates are highly employable • Focusing on being a good citizen

HOW WE MEASURE STAKEHOLDER VALUE	VALUE CREATED AND CAPITALS UTILISED

- Module success rate
- Programmes accredited
- Number of graduates

FINANCIAL CAPITAL

– Total of R8.3 million was spent on bursaries, scholarships, donations and CSR initiatives during 2018 (2017: R1.6 million)

PRODUCTIVE AND INTELLECTUAL CAPITAL

– The Signature Module on responsible citizenship (including the values of pride in Africa, poverty alleviation, sustainability, entrepreneurship, ethical behaviours and conflict resolution)

– Workshops held on entrepreneurial training

SOCIAL AND RELATIONSHIP CAPITAL

Various initiatives across the HEIs, including:

– Donations to various mental handicap associations and to Thembisa Self-help Association of the Disabled

– Entered into project where staff and students will create ECOBRICKS and build a classroom for a previously disadvantaged school

– Youth sport promotion projects – involving a number of student-led initiatives to promote physical education, sport and active lifestyles at schools

– Rinoldo Road Homework Project –where a group of students provide weekly support for children with homework and reading

NATURAL CAPITAL

– Recycling encouraged across the HEIs and all Group companies

– Elimination of plastic straws at some of the campus canteens

– Disposable polystyrene food containers eliminated and replaced by recyclable paper containers

– Plastics collected for recycling by the Owl Rescue Centre and used to build plastic nesting boxes for owls as well bat houses and bee hotels

HUMAN CAPITAL

– Focus on ethical leadership

MANUFACTURED CAPITAL

– Investment in the expansion and development of our HEIs across the Group to widen access and provide a learning-conducive environment

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

RISK MANAGEMENT

STADIO recognises the integration of strategy, risk, performance and sustainability and is committed to applying the principles of King IV™ to instil good corporate governance practices across the Group. This will ensure that effective business risk management is an integral part of the Group's daily operations and is key to supporting the strategic direction of the Group.

Risk is defined as the probability that an event will have a negative (or in some instances, positive) impact on the Group's ability to meet its strategic objectives. Refer to page 18 for the Group's strategic objectives.

The Audit and Risk Committee has 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.

RISKS AND OPPORTUNITIES (CONTINUED)

Risk identified	Risk description	Link to strategic plan
Regulatory (External and internal risk)	• Delays in the accreditation process for new qualifications • Possible non-compliance with all relevant and applicable laws and regulations (including DHET, CHE, JSE Listing requirements, and the like)	Widen access for qualifying learners to higher education
Technology/Systems implementation (Internal risk)	Successful implementation of new IT systems	Widen access for qualifying learners to higher education
Human Resources (Internal risk)	Insufficient resources impacting quality, service delivery, and institutional sustainability	Establish Stadio Multiversity as a credible and respected Multiversity
Sales and Marketing (External and internal risk)	Lack of general public awareness and/or misunderstanding regarding the status of private higher education	Widen access for qualifying learners to higher education
Financial (External and internal risk)	Failure to achieve projected student numbers	Deliver acceptable growth targets and shareholder returns

Controls in place to mitigate risk identified	Inherent risk exposure	Residual risk exposure
• Maintaining ongoing interaction with regulatory bodies • Ensuring quality and compliance standards are addressed across the Group through an approved Curriculum Development Framework and policy • Instituting appropriate internal mechanisms such as the centralised Quality Assurance Committee to review all submissions for integrity and correctness • Contracting in additional skills through external experts to peer review submissions, ensuring integrity and correctness of submissions • Ensuring quality and compliance standards are addressed across the Group through developed Group policies and standardised best practices	Major (external) Major (internal)	Moderate (external) Minor (internal)
• Prioritising systems development and integration as a strategic imperative, led by the Group CEO • Investing significantly in IT at organisational level • Appointing internal capabilities to focus on development and co-ordination of holistic IT systems integration and governance	Major	Moderate
• Offering market-related remuneration combined with good working conditions across the Group in order to attract and retain the best academic and professional support staff • Developing a strong, positive Group culture that is accepted by the majority (if not all) employees • Developing staff through committed management and staff progression plans	Major	Moderate
• Conducting ongoing market research to identify and address public perceptions • Allocating focused resources to both general brand awareness and targeted marketing activities • Leveraging the existing solid brand and reputation of subsidiary institutions in the workplace and through the alumni • Highlighting research outputs produced by the Group, community engagement and social responsibility projects, as well as institutional partnerships and collaborations, through focused marketing	Major	Moderate
• Identifying financial support opportunities for students • Ensuring informed and targeted marketing by subsidiary institutions • Pricing products reasonably and responsibly	Major	Moderate

RISKS AND OPPORTUNITIES (CONTINUED)

Risk identified	Risk description	Link to strategic plan
Operational (External and internal risk)	Organisational disruptions, IT implementation and failure to implement effective change management	Establish Stadio Multiversity as a credible and respected Multiversity
Academic (Internal risk)	Failure to deliver high quality programmes	Establish Stadio Multiversity as a credible and respected Multiversity
Competition (External risk)	Increasing number of registered private higher education providers (with the growing potential for international role-players to enter the market)	Deliver acceptable growth targets and shareholder returns
Political (External risk)	Slow pace of political support for private higher education	Widen access for qualifying learners to higher education
Reputation (External and internal risk)	Institutions do not meet the expected standards of service delivery and quality	Establish Stadio Multiversity as a credible and respected Multiversity

Controls in place to mitigate risk identified	Inherent risk exposure	Residual risk exposure
• Creating working parties to focus on the convergence of all Group companies • Increasing communication and focused workshops • Appointing project managers to drive projects to successful completion	Major	Major
• Continuously monitoring student graduation and throughput rate • Facilitating the success of students through responsible learner support activities with formal and ongoing monitoring of plans • Continuously monitoring curricula by organisational CEOs, academic heads, and the ASACOM, (with reporting to the Board) • Establishing international student exchange programmes, as well as collaborating with a number of other international partners • Submitting quality new programmes to the CHE • Transforming curricula, including implementing the 'holistic student experience' comprising (i) discipline/technical learning; (ii) applied learning and skills for the workplace; and (iii) raising social and community consciousness and responsible citizenship	Moderate	Minor
• Ensuring niche and quality qualifications/programmes are offered • Implementing internationalisation opportunities for staff and students through appropriate exchange programmes • Committing to responsible and reasonable pricing and promoting affordability of offerings • Focusing on high-quality international partnerships and collaborations to promote global 'competitiveness' • Enacting an effective marketing and sales programme	Moderate	Moderate
• Participating in all scheduled discussions to identify and support new policy initiatives • Sharing new ideas and engaging with relevant role-players regarding support for, and achievement of, the targets set out in the NDP	Moderate	Moderate
• Adhering to a strong regulatory compliance framework assuring: – Organisational commitment to student-centredness and ethical conduct of all role-players – Quality management at subsidiary Boards – Organisational monitoring of 'minimum standards of quality' for STADIO institutions through centralised quality and learner support committees – Continuous monitoring of curricula by CEOs, academic heads, as well as the ASACOM	Major	Minor

BUSINESS REVIEW

OUR INVESTMENTS

1. EMBURY INSTITUTE FOR HIGHER EDUCATION PROPRIETARY LIMITED (EMBURY) (100%)

"The investment in new distance learning programmes and geographical expansion played a huge role in the business success of Embury during the past year."
– *Johan Human, CEO of Embury*

Embury is a registered higher education institution in South Africa that specialises in teacher education, specifically for pre-school and primary school teachers (Foundation and Intermediate Phases). Embury currently offers eight accredited undergraduate teacher-education qualifications through both contact and distance learning modes of delivery, with an additional nine qualifications in the process of development or awaiting accreditation.

The growth in student numbers from 2017 to 2018 was aided by the successful opening of two new campuses in Gauteng in January 2018, i.e. the Montana Campus in Pretoria and the Waterfall Campus in Midrand, and the expansion of its existing campus in Musgrave, KwaZulu-Natal.

In addition to students registered for full qualifications, Embury annually provides professional development short courses to a large number of practising teachers and Early Childhood Development (ECD) practitioners.

FLAGSHIP QUALIFICATIONS INCLUDE:
Bachelor of Education in Intermediate Phase Teaching
Bachelor of Education in Foundation Phase Teaching
Advanced Diploma in Physical Education and School`Sports
Diploma in Grade R Teaching
Higher Certificate in Pre-school Education

For more information visit www.embury.ac.za

2. THE SOUTH AFRICAN SCHOOL OF MOTION PICTURE MEDIUM AND LIVE PERFORMANCE PROPRIETARY LIMITED (AFDA) (100%)

"AFDA intends to broaden the scope of its offering in the connected creative ecology, by increasing its choice of study offerings, including creative writing, fine arts, interior and graphic design, advertising, virtual reality, 3D printing, music, sound and application development to produce innovative and profitable business concepts, popular culture, media and entertainment, for both local and global markets."

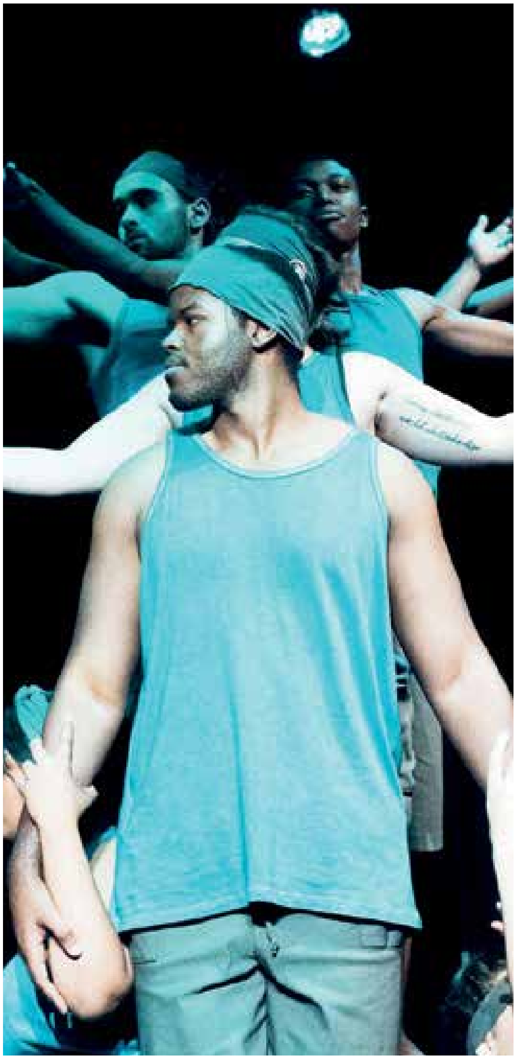
– Bata Passchier, previous CEO of AFDA

AFDA is a registered higher education institution in South Africa that offers nine fully accredited degree and certificate programmes ranging from higher certificates to masters' degrees, primarily focused on the film, television and live performance industry whilst broadening its offers to meet the demands of the new creative economy. There are another five qualifications in the process of development or awaiting accreditation. AFDA's outcomes-based current and future programmes are focused on the creative economy, with areas of specialisation specifically relating to entertainment arts, entrepreneurship and technology.

AFDA was founded in 1994 by Garth Holmes, Bata Passchier and Deon Opperman. Since then it has grown from just six students into a premier institution of its kind in the world with campuses in Johannesburg, Cape Town, Durban and Port Elizabeth. AFDA will further look to expand its offerings in locations such as Pretoria and Soweto over time.

FLAGSHIP QUALIFICATIONS INCLUDE:
Master of Fine Arts
Bachelor of Arts in Motion Picture Medium (Film/Television)
Bachelor of Arts in Live Performance (Acting/Musical Performance)
Bachelor of Commerce in Business Innovation and Entrepreneurship
Bachelor of Arts in Live Performance (Honours)
Bachelor of Arts in Motion Picture Medium (Honours)
Higher Certificate in Radio and Podcasting
Higher Certificate in Film, Television and Entertainment Production

For more information visit www.afda.co.za



3. SOUTHERN BUSINESS SCHOOL PROPRIETARY LIMITED (SOUTHERN BUSINESS SCHOOL) (74%)

Southern Business School is a registered private higher education institution offering higher education via distance learning. This prestigious institution offers 11 accredited and registered qualifications ranging from higher certificates to masters' degrees addressing management and leadership in the fields of business and commerce, law and policing. Additional formal qualifications are in the process of being developed or awaiting accreditation.

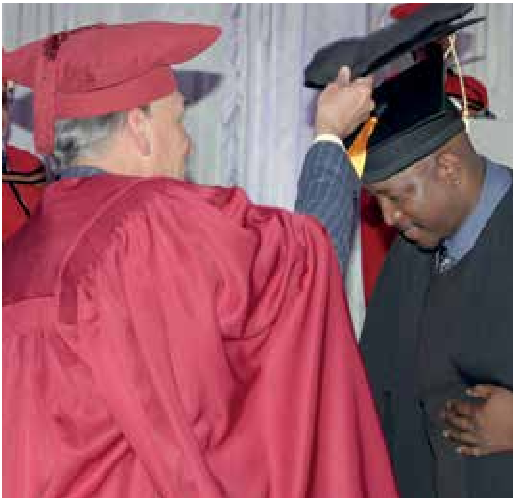
Mr Chris Vorster, CEO of Southern Business School said, "Our business values of **quality, affordability, recognition and excellent customer** service have been the building blocks of Southern Business School for the past 22 years. We realise that the effective use of technology in delivering higher education is of the utmost importance for the future. We are currently working on a range of technological interventions that will benefit our Institution and our students. Southern Business School reflected stellar growth in students registered for formal distance learning qualifications in 2018. However, it is never only about student numbers, but about making a visible difference in the development of our students by living up to our slogan of *Creating Leaders*, and thereby ultimately contributing to the development of our country."

Our focus for the 2018 academic year was to enhance student support. We introduced an electronic marking system, which proves to be effective and successful as students have access to their results immediately after it has been electronically assessed. Live streaming sessions were also introduced with great success.

Southern Business School has two centres, namely the Centre for Management and Leadership Development and the Centre for Safety in Society, offering short courses and development programmes to the public and private sectors.

FLAGSHIP QUALIFICATIONS INCLUDE:
Bachelor of Business Administration – with various fields of specialisation
Bachelor of Business Administration (Honours)
Master of Management
Bachelor of Commerce in Law
Bachelor of Policing Practice
Bachelor of Policing Practice (Honours)
Master of Policing Practice
Higher Certificate in Management – with 17 streams of specialisation
Diploma in Management – with 13 streams of specialisation
Advanced Diploma in Management
Higher Certificate of Paralegal Studies

For more information visit www.sbs.ac.za



OUR INVESTMENTS (CONTINUED)

LISOF
LEADERS IN FASHION EDUCATION

4. LISOF PROPRIETARY LIMITED (LISOF) (100%)

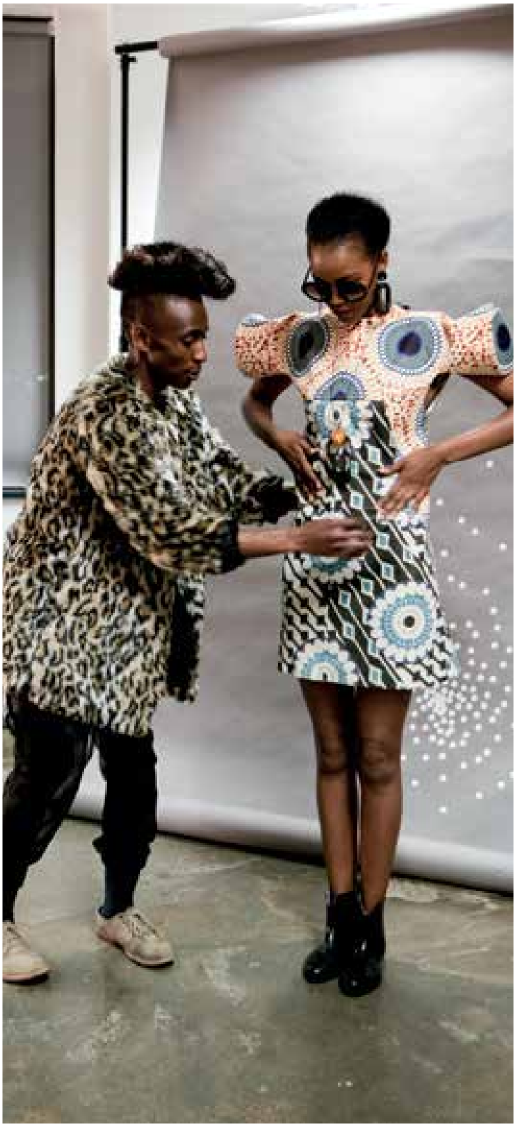
"Being part of STADIO has had an incredible impact on our business. The collaborations and academic interventions between the various institutions has led to significant improvements to our throughput rate. Our staff are encouraged and excited to be among like-mindedness and being part of the bigger family has had a positive impact on everyone."
– Shana Rosenthal, CEO of LISOF

LISOF is a registered higher education institution in South Africa with six accredited programmes primarily focused on the fashion industry, and an additional four qualifications in the process of development or awaiting accreditation. LISOF currently has a presence in Johannesburg and Pretoria and is looking to expand its offering in Durban. LISOF was acquired by STADIO on 1 January 2018.

LISOF was established more than 20 years ago and is regarded as one of the most progressive fashion design schools and retail education institutions in Africa. LISOF attained this by developing a curriculum that is unique in its variety and depth, by employing and consulting leaders at the cutting edge of fashion, retail and education and by developing individuality, innovation and creativity. Its programmes are unrivalled in their scope and practical application and students can choose from a diverse selection of disciplines.

FLAGSHIP QUALIFICATIONS INCLUDE:
Bachelor of Arts Honours in Fashion
Bachelor of Arts in Fashion – with electives in Design, Media and Buying
Bachelor of Commerce in Fashion
Diploma in Fashion (Design/Commercial) – with electives in Design and Media
Higher Certificate in Fashion – with electives in Design and Media
Higher Certificate in Fashion Retail

For more information visit www.lisof.co.za



MILPARK EDUCATION

5. MILPARK EDUCATION PROPRIETARY LIMITED (MILPARK) (87.2%)

"This has been an exciting and rewarding year for Milpark. Not only has our Master of Business Administration (MBA) achieved international recognition as the only AMBA accredited online MBA in Africa, but our Postgraduate Diploma in Accounting (PGDA/CTA) has received accreditation from the South African Institute of Chartered Accountants (SAICA), the CHE and SAQA, as the only online CTA in Africa. Early indications are that the market shares our excitement."
– Julian van der Westhuizen, CEO of Milpark

Milpark is a registered higher education institution in South Africa currently offering 27 accredited higher education programmes, with a further eight programmes in the process of development or awaiting accreditation. Milpark was established in 1997, being one of the first private providers of higher management education in South Africa.

During 2018, Milpark achieved international accreditation for its contact and online MBA programme from the UK-based Association of MBAs (AMBA), being the only online accredited MBA in Africa and the only African MBA with international accreditation for both contact and distance learning.

STADIO acquired Milpark on 19 March 2018 and consequently, on 12 April 2018, following agreement with Embury and STADIO, Milpark acquired the business of CA Connect which focuses on education services relating to a PGDA.

The majority of Milpark's programmes are offered through distance learning. However, Milpark has two teaching campuses situated in Cape Town and Johannesburg, and a support office in Durban.

FLAGSHIP QUALIFICATIONS INCLUDE:
Doctorate in Business Administration (DBA)
Master of Business Administration (MBA)
Postgraduate Diploma in Accounting (PGDA/CTA)
Bachelor of Commerce – with a selection of Majors
Bachelor of Business Administration – with a selection of Majors
Banking Qualifications
Financial Planning Qualifications
Short-term Insurance Qualifications
Human Resource Management Qualifications

For more information visit www.milpark.ac.za

6. PRESTIGE ACADEMY PROPRIETARY LIMITED (PRESTIGE ACADEMY) (100%)

"Prestige Academy has a clear vision of where it is going and its sphere of influence. This company endeavours to be known as a leader in private higher education and an institution of excellence in education throughout South Africa, across the African continent and beyond. Quality and innovation are two of our core business values, which transpire in the continuous expansion of the scope of qualifications offered, and the fact that quality teaching for quality learning is non-negotiable. When employers are hunting our graduates, it speaks for itself."
– *Sandra Mostert, CEO of Prestige Academy*

Prestige Academy is a registered higher education institution in South Africa currently offering 21 accredited higher education programmes, with a further 13 programmes in the process of development, or awaiting accreditation. Prestige Academy focuses on outcomes-based programmes specifically designed to address career paths, and qualifications combine classroom-based theoretical knowledge with practical application.

Prestige Academy was established in 1994 as an exclusive IT training college and has gone through a transformation process over time. Prestige Academy was acquired by STADIO on 1 November 2018 and had 529 students in 2018 across its main campus in Bellville and the satellite campus in Centurion. It takes pride in offering qualifications that are tailored to market needs, with a strong focus on curriculum relevance that enable its graduates to play a constructive role in the economic activities of the country.

FLAGSHIP QUALIFICATIONS INCLUDE:
Bachelor of Arts in Visual Arts in Visual Communication Design
Bachelor of Applied Arts in 3D Animation
Bachelor of Commerce in Digital Marketing
Bachelor of Commerce in Business Marketing
Bachelor of Commerce in Business Management
Bachelor of Commerce in Event Management
Bachelor of Information Technology in Web Design and Development
Diploma in Information Technology Network Integration Specialisation

For more information visit www.prestigeacademy.co.za

CAO'S REPORT

“A total of 6 392 students completed their studies in 2018 and will receive their qualifications during the 2019 graduation ceremonies.”

The six brands in the Group are all individually registered private HEIs and are, accordingly, academically autonomous and responsible for the quality of their respective academic projects. However, STADIO maintains an overarching monitoring and oversight role for consistent academic standards and progress across the Group. This function is performed through the Academic and Student Affairs Committee (ASACOM), a robust sub-committee structure comprising participation from the six institutions in the Group, as well as the Board-approved annual Academic Plan. In 2018, the Academic Plan represented seven Academic Goals namely, Stakeholder Relationships (16%), Teaching and Learning (45%), Research (12.5%), Student Support (7%), Regulatory Activity (11%), Internationalisation (5%), and Academic Governance (3.5%). The achievement summary is set out in the table below:

			Achievement status		
Goals	Performance objectives	Targets	**Green:** Concluded/ good outcome	**Orange:** On track/ average outcome	**Red:** Not achieved
7	18	56	87.5%	9%	3.5%

2018 saw a maturing of the academic project across the Group. The three key drivers of the academic project were (i) to instil a shared understanding of the Board-approved academic mission and vision (the "Academic Promise" document), (ii) to agree collectively the quality imperatives and norms for teaching and learning, and (iii) to develop a common framework to enhance quality teaching across the different institutions in the Group. During 2018, the ASACOM approved the Quality Teaching and Curriculum Framework for Stadio Multiversity which is underpinned by the RITE (**R**elevant, **I**nnovative, **T**ransformative, and **E**xcellence) drivers.

The Academic Conference hosted at the end of the year entrenched these drivers with the hypothesis that ***Excellence and Relevance*** (E^R) coupled with *Innovation and Transformation* (I^T) will produce sustainable *Quality* (Q^∞). The Conference included both internal and external speakers; a student panel discussion; specialists in the fields of: higher education quality, didactic transformation, applied teaching and learning; teaching; digitalisation and blockchain; and student support and academic empowerment sharing leading practices, future opportunities; and the challenges in integrating the Group's identified drivers into the teaching engagement.

A highlight of the Academic Conference was the introduction of the STADIO Excellence in Teaching Awards which acknowledged staff members who shone in teaching and module design, assessment, and student success. The fourth Awards category was the Chairperson of the Board's Award for Scholarship in Teaching and Learning.

In 2018, the average module success rate (calculated on the number of students sitting the examinations who passed) across the Group was 77.7%. The average module throughput rate (calculated on the number of students registering for a module who passed) was 61.6%. Students drop-out and/or stop-out for many reasons. However, in 2019 with the emphasis on student success and support, STADIO hopes to derive an even better understanding of why students register but do not complete the year and to concomitantly identify and begin to develop responsive supporting systems.

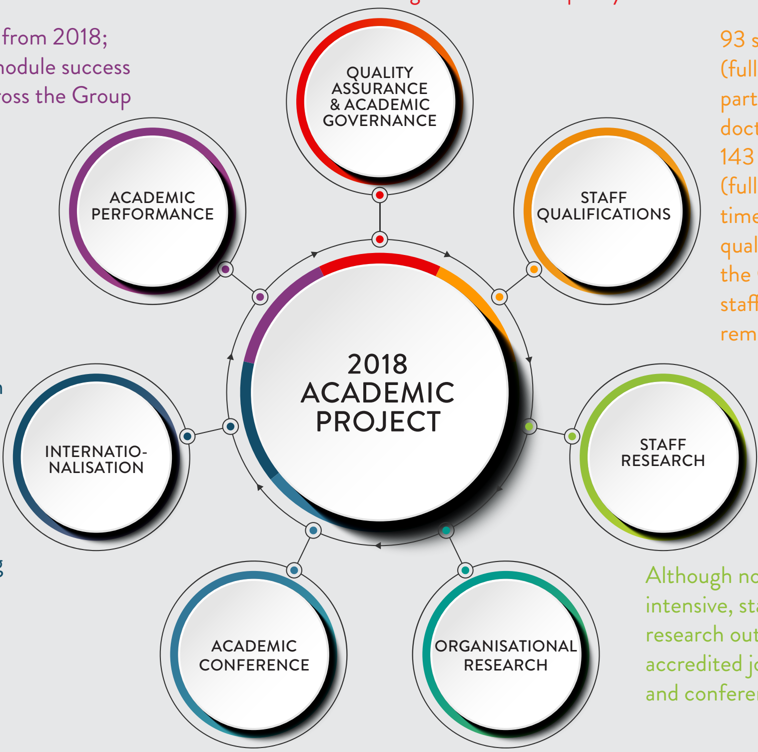
A total of 6 392 students completed their studies in 2018 and will receive their qualifications during the 2019 graduation ceremonies. In 2019, the concentration on entrenching quality teaching will be maintained, but a second priority, namely implementing a consistent, integrated student success and support framework across the Group, will be added.

2018 ACADEMIC PROJECT INDEX

Institutions are autonomous and have internal quality assurance mechanisms and structures but there is an overarching committee to assure academic governance and quality across the brands in the Group

6 392 graduates from 2018; and an average module success rate of 77.7% across the Group

93 staff members (full-time and part-time) with doctorates and 143 staff members (full-time and part-time) with masters' qualifications across the Group. Ongoing staff development remains a priority



31 active international partnerships and collaboration agreements across the Group including student and staff exchanges, academic sharing and research

Although not research intensive, staff produced 62 research outputs including accredited journal articles and conference papers

2018 Conference focused on quality and the RITE – relevance, innovation, transformation, excellent – curricula. The theme for the 2019 Academic Conference is student support and an excellent learning experience

Three institutional research projects:
(i) Jobs of the Future;
(ii) Social Consciousness, Responsible Citizenship, and 21st Century Skills; and
(iii) Applying neuroscience to improve study material

There were 31 active international partnerships and collaboration agreements across the Group involving academic student and staff exchanges, and research in 2018. During 2019, the Group will continue to focus on internationalisation (especially in anticipation of the DHET Internationalisation Policy, as well as learning from the results of the *Public Perceptions Survey on Public and Private Higher Education* conducted by STADIO in 2017 in which students were unequivocal that one of the top five reasons why public institutions are chosen over private institutions is their international collaborations and recognition). However, the stress will be on increasing the number of Continental partnerships and on collaborations with BRICS countries. Notwithstanding the important role of internationalisation in the 2019 academic plan, a bigger share of the resources will be directed at developing and implementing a strategy for better, more co-ordinate industry liaison and co-operations in order to enhance the employability potential and prospects of the STADIO graduate.

A further driver of the academic quality agenda is professional staff development. During 2018, 93 staff members, both full-time and part-time, held doctoral qualifications and 143 staff members, both full-time and part-time staff, had completed masters' qualifications. Resources are set aside in the institutional budgets to support staff to further their studies, and there are also funded internal and external training and development opportunities in the form of short learning programmes, conference participation, and seminar and workshop attendance.

Notwithstanding the academic strategy of STADIO not being research-intensive, the individual institutions made a significant research contribution during 2018, collectively producing 62 outputs including accredited journal publications, chapters in books, institutional research (on jobs of the future) and conference presentations. Two additional institutional research projects are in progress and will be completed in 2019, namely using neuroscience as a contributor to study material development and, given STADIO's commitment to holistic student development and responsible citizenship, a benchmark study on social consciousness amongst current students that will inform curriculum transformation. 2019 will usher in the third pillar of scholarship, namely community engagement, further contributing to the discourse on social responsibility in a manner that integrates community engagement, teaching and learning, and research.

Academic governance at all institutions remains consistently high and there were no concerns raised by the Regulator during 2018. Academic risks are monitored as part of the overall Group Strategic Risk Register and the appropriate mitigating actions implemented. Quarterly reports from the ASACOM are submitted to the Exco and the Board, and the Chairperson of the Board is a member of the ASACOM, ensuring vertical and horizontal oversight.

Dr Divya Singh
Chief Academic Officer
23 April 2019

CFO'S REPORT

"The growth in revenue, EBITDA and HEPS, from the prior reporting period is attributable to the successful execution of the Group's organic and acquisitive growth plan."

HIGHLIGHTS

Profitability	2018 R'000	2017 R'000
Student numbers	**29 885**	12 976
Revenue	**632 928**	122 250
EBITDA	**128 812**	469
Profit/(loss) attributable to ordinary shareholders	**63 270**	(7 037)
Headline earnings/(loss)	**62 838**	(7 038)
Core headline earnings*	**69 952**	3 238

Earnings per share	Cents	Cents
Earnings/(loss) per share	**7.8**	(1.2)
Headline earnings/(loss) per share	**7.8**	(1.2)
Core headline earnings per share*	**8.6**	0.6
WANOS ('000)	**810 678**	576 147

** 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.*

OTHER STATISTICS

All information presented below represents the information of the underlying registered HEIs owned by the Group, split into the illustrative faculties to indicate the variety of programmes represented by the HEIs within the Group.

STUDENT NUMBERS AND PROGRAMMES PER ILLUSTRATIVE FACULTY

	Student numbers			Programmes		
	31 Dec 2018	31 Dec 2017[1]	Year-on-year growth rate	Current registered programmes	Current Pipeline programmes	Total
Faculty						
Commerce, Management and Law[2]	25 105	23 761	6%	48	34	82
Creative Economies	2 878	2 727	6%	21	8	29
Education and Humanities	1 839	1 039	77%	8	10	18
Agriculture and Environmental Sciences	–	–	–	–	4	4
Engineering and Information Technology	63	57	11%	4	8	12
	29 885	**27 584**	**8%**	**81**	**64**	**145**
Contact and distance learning						
Contact learning	4 737	4 117	15%	47	39	86
Distance learning	25 148	23 467	7%	34	25	59
	29 885	**27 584**	**8%**	**81**	**64**	**145**

Made up of contact and distance learning		
% Contact students	16%	15%
% Distance students	84%	85%
	100%	100%

[1] *Like-for-like comparison including student numbers for all underlying HEIs (including LISOF, Milpark, Prestige Academy)*
[2] *Includes the Graduate School of Business*

REVIEW OF RESULTS

At 31 December 2018, 29 885 students were registered at HEIs within the Group. This reflects an increase of 8% from 2017 (on a like-for-like basis). Students enrolled for contact learning programmes grew by 15% on a like-for-like basis to 4 737, and students enrolled for distance learning programmes grew by 7% to 25 148.

During 2018, the Group acquired the following entities and businesses, the details of which are included in Note 4 of the Summary Financial Statements:

- LISOF Proprietary Limited (including the associated property companies Wadam Properties Proprietary Limited and Histodox Proprietary Limited) (collectively LISOF) with effect from 1 January 2018;
- MBS Education Investments Proprietary Limited, which owns 100% of Milpark Education Proprietary Limited (collectively Milpark) with effect from 19 March 2018;
- The business of CA Connect Professional Training Institution CPT Proprietary Limited (CA Connect), with effect from 12 April 2018; and
- Prestige Academy Proprietary Limited (Prestige Academy) with effect from 1 November 2018.

The 2018 Group financial results saw the consolidation of LISOF, Milpark and Prestige Academy from 1 January 2018, 19 March 2018 and 1 November 2018 respectively.

The growth in revenue, EBITDA and HEPS, from the prior reporting period is attributable to the successful execution of the Group's organic and acquisitive growth plan.

The Group experienced good growth in its contact learning students, driven largely by the expansion of the Embury Musgrave campus as well as the opening of the two new Embury campuses in Montana (Pretoria) and Waterfall (Midrand). The consolidation of the acquired brands, namely AFDA, Southern Business School (SBS), LISOF, Milpark and Prestige Academy, all contributed significantly to the increase in student numbers from 12 976 students at 31 December 2017 to 29 885 students at 31 December 2018.

The Group reported HEPS of 7.8 cents per share and reflected a core headline earnings per share (CHEPS) of 8.6 cents per share. CHEPS represents 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 (i.e. a non-cash charge arising as a result of the consolidation of the subsidiaries acquired) and interest on deferred purchase considerations payable. Further details are contained in Note 8 of the Summary Financial Statements.

Bad debts (pre-recoveries) as a percentage of revenue increased from 1.5% to 3.2%. The increase is predominantly due to the change in mix of bad debt margin as a result of new acquisitions. We continue to look at ways of improving collections and facilitating funding mechanisms to assist students with their funding needs where appropriate.

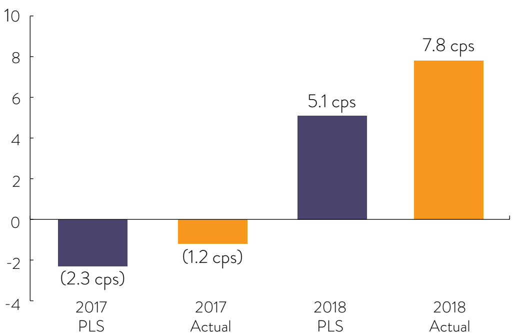
The Group generated operating cash flows of R100 million (2017: R37 million utilised) for the 2018 financial year. This represents 78% of EBITDA for the year. The aforementioned operating cash flows were largely impacted by working capital outflows relating to the cash settlement of a portion of the deferred purchase consideration in respect of the AFDA acquisition as well as to working capital timing differences arising from the acquisition of subsidiaries during the 2018 financial year. Deferred consideration of R24 million (2017: R89 million) is included within trade and other payables as at 31 December 2018.

PRE-LISTING STATEMENT (PLS) FORECAST FOR 2018

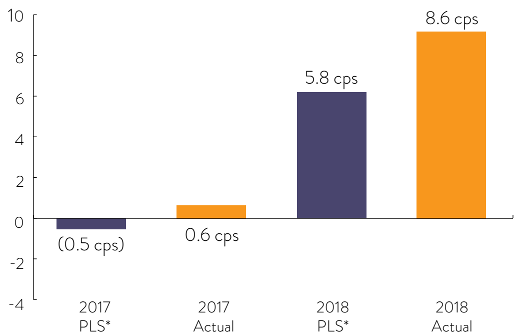
Overall the Group outperformed the PLS forecast for 2018 published on 15 September 2017, with actual headline earnings of R62.8 million i.e. 7.8 cents per share, compared to the forecast headline earnings of R41.3 million i.e. 5.1 cents per share, for the year ended 31 December 2018. Core HEPS was 8.6 cents per share for the year ended 31 December 2018 compared to an adjusted PLS forecast figure of 5.8 cents per share. The PLS was based on assumptions made during 2017. Part of the assumption was that STADIO only had three HEIs, namely Embury, SBS and AFDA. The 2018 actual results include the results of additional acquisitions, namely LISOF, Milpark and Prestige Academy.

Headline and core earnings per share (cents):

HEPS (cents)



CHEPS (cents)



** Adjusted PLS HEPS to calculate the impact of core headline earnings adjustments.*

CAPITAL EXPANSION AND CASH UTILISATION

During the year, in order to assist in meeting the Group's growth objectives, the Group collectively invested:

- R440 million towards the aforementioned acquisitions
- R58 million on the capital expansion of facilities and new programme development

The Group remains in a strong cash position with very limited gearing as at 31 December 2018.

Cash utilisation	2018 R'000	2017 R'000
Cash balance as at 1 January	646 090	147 271
Capital raised, net of costs	–	824 934
Acquisition of subsidiaries	(243 750)	(164 033)
Capital expenditure and programme development	(57 507)	(233 588)
Net(repayment of)/ proceeds from borrowings	(155 530)	119 042
Net cash flow from /(utilised by) operations	77 257	(47 737)
Other	(7 052)	201
Cash balance as at 31 December	**259 508**	646 090

The Group's current cash balance of R260 million will be utilised to fund working capital requirements; facilitate new developments (including campus expansions of existing brands); and for potential acquisitions. The Group currently has an ungeared balance sheet and is in the process of finalising debt facility arrangements to assist in funding its known capital expansion and growth objectives. As such the Group has no immediate plans to raise capital from shareholders.

Statement of financial position	2018 R'000	2017 R'000
Total assets	1 904 246	1 698 252
Total equity	1 697 102	1 414 671
Attributable to equity holders	1 649 916	1 385 317
Non-controlling interests	47 186	29 354
Total liabilities	207 144	283 581
Borrowings	4 150	4 234
Loans from related parties	1 137	119 042
Other liabilities	201 857	160 305
NAV per share (cents)	201.8	176.3
Gearing ratio	0.3%	8.7%

SHARE CAPITAL

During the year, 32 million shares were issued as below:

- 21 million shares issued as the equity-settled portion of current acquisitions; and
- 11 million shares issued as the equity-settled portion of prior year acquisitions.

Refer to Note 3 of the 2018 Summary Financial Statements for further information.

DIVIDENDS

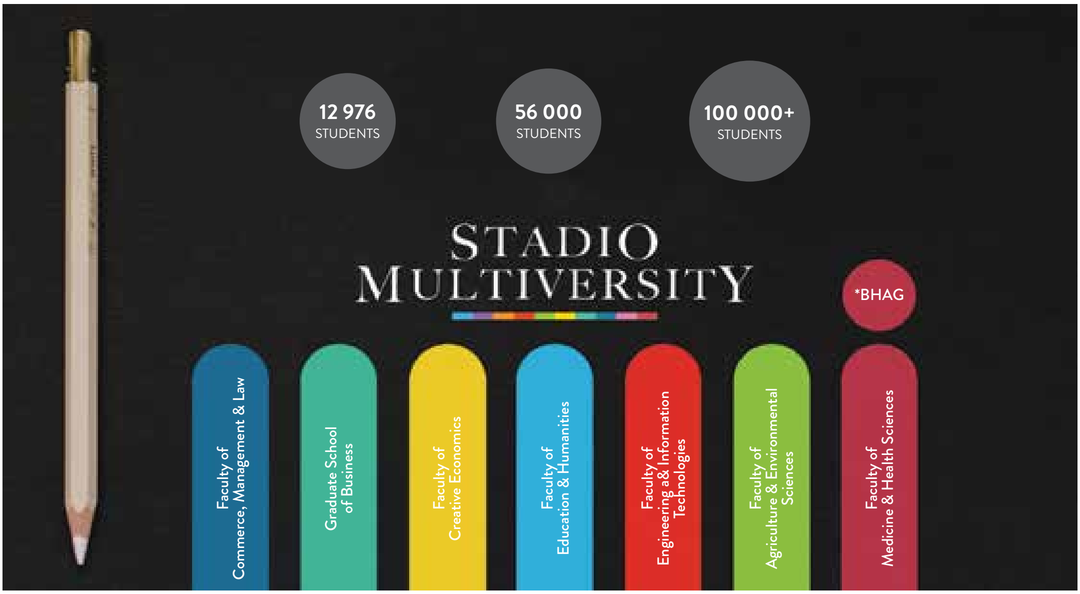
No dividends have been declared for the year ended 31 December 2018 (2017: Rnil).

PROSPECTS

The Board has considered the prospects of the Group and believes that the Group is well positioned to deliver on its organic and acquisitive growth objectives as set out in its PLS. The Group will continue to seek out strategic acquisitions and will continue to develop and expand its product offering as part of its journey to create a 'Multiversity' of 100 000 students over time.

To appreciate the prospects for the Group as a whole, the complete 2018 Integrated Report and Annual Financial Statements must be read and are available on the Group's corporate website https://stadio.co.za/financial-reports/.

Samara Totaram
Chief Financial Officer
23 April 2019



SUMMARY FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Stadio Holdings Limited

OPINION

The Summary Consolidated Financial Statements of Stadio Holdings Limited, set out on pages 55 to 62 of the Stadio Holdings 2018 Integrated Report, which comprise the Summary Consolidated Statement of Financial Position as at 31 December 2018, the Summary Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and related Notes, are derived from the Audited Consolidated Financial Statements of Stadio Holdings Limited for the year ended 31 December 2018.

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

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The Summary Consolidated Financial Statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the Summary Consolidated Financial Statements and the auditor's report thereon, therefore, is not a substitute for reading the Audited Consolidated Financial Statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the Audited Consolidated Financial Statements in our report dated 1 March 2019. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the Summary Consolidated Financial Statements in accordance with the JSE's requirements for summary financial statements, set out in Note 2 to the Summary Consolidated Financial Statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Dawid de Jager
Registered Auditor
Stellenbosch
1 March 2019

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	31 Dec 2018 R'000	31 Dec 2017[1] R'000
Revenue	632 928	122 250
Other income	8 981	3 148
Operating expenses	(513 097)	(124 929)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	128 812	469
Depreciation and amortisation	(33 995)	(10 069)
Earnings/(loss) before interest and taxation (EBIT)	94 817	(9 600)
Investment income	25 264	14 914
Finance cost	(6 719)	(7 630)
Profit/(loss) before taxation	113 362	(2 316)
Taxation	(36 071)	(2 788)
Profit/(loss) for the year	77 291	(5 104)
Profit attributable to:		
Owners of the parent	63 270	(7 037)
Non-controlling interests	14 021	1 933
Total comprehensive income/(loss) for the year	77 291	(5 104)
Headline earnings/(loss) (Note 5)	62 838	(7 038)
Core headline earnings (Note 8)	69 952	3 238
	Cents	Cents
Earnings/(loss) per share (EPS)		
– Basic	7.8	(1.2)
– Diluted	7.7	(1.2)
Headline earnings/(loss) per share (HEPS)		
– Basic	7.8	(1.2)
– Diluted	7.7	(1.2)
Core headline earnings per share (CHEPS)		
– Basic	8.6	0.6
– Diluted	8.5	0.6
	Million	Million
Number of shares in issue		
– Basic	818	786
– Diluted	826	792
Weighted average number of shares in issue		
– Basic	811	576
– Diluted	819	582

[1] Rental income relating to the Group's property companies has been reclassified from Revenue to Other income during the year.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	31 Dec 2018 R'000	31 Dec 2017 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	531 298	453 699
Intangible assets	206 228	113 522
Goodwill	749 482	409 666
Other financial assets	6 727	1 898
Deferred tax asset	43 004	14 695
Total non-current assets	1 536 739	993 480
Current assets		
Inventories	4 372	7 370
Trade and other receivables	89 493	42 364
Loans to related parties	1 954	2 500
Tax receivable	12 180	6 448
Cash and cash equivalents	259 508	646 090
Total current assets	367 507	704 772
Total assets	1 904 246	1 698 252
EQUITY		
Share capital (Note 3)	1 564 283	1 367 123
Retained earnings	80 511	17 241
Other reserves	5 122	953
Total equity attributable to equity holders of the Company	1 649 916	1 385 317
Non-controlling interests	47 186	29 354
Total equity	1 697 102	1 414 671
LIABILITIES		
Non-current liabilities		
Borrowings	3 392	3 570
Finance lease liabilities	209	–
Trade and other payables	29 732	719
Deferred tax liability	35 776	20 116
Total non-current liabilities	69 109	24 405
Current liabilities		
Borrowings	758	664
Finance lease liabilities	186	–
Loans from related parties	1 137	119 042
Trade and other payables[1]	46 241	113 401
Income received in advance[1]	86 451	22 609
Tax payable	3 262	3 460
Total current liabilities	138 035	259 176
Total liabilities	207 144	283 581
Total equity and liabilities	1 904 246	1 698 252
Net asset value per share (cents)	202	176

[1] *Trade and other payables has been reclassified to disclose contract liabilities separately in accordance with IFRS 15.*

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	31 Dec 2018 R'000	31 Dec 2017 R'000
Balance at the beginning of the year	**1 414 671**	84 257
Total comprehensive income/(loss) for the year	**77 291**	(5 104)
Issue of ordinary shares	**197 525**	1 321 378
Share issue costs	**(365)**	(15 066)
Recognition of share-based payments expense	**4 169**	953
Dividends paid to non-controlling shareholders	**(2 731)**	–
Non-controlling interest acquired	**6 542**	28 253
Balance at the end of the year	**1 697 102**	**1 414 671**

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	31 Dec 2018 R'000	31 Dec 2017 R'000
Net cash flow from/(used in) operating activities	**77 257**	(47 737)
Cash generated from/(utilised by) operations (Note 6)	**100 075**	(37 233)
Interest income	**25 264**	14 914
Finance cost	**(3 733)**	(7 630)
Tax paid	**(44 349)**	(17 788)
Net cash flow used in investing activities	**(305 161)**	(391 903)
Purchase of property, plant and equipment	**(41 637)**	(222 185)
Purchase of intangible assets and curriculum development costs	**(15 870)**	(11 403)
Acquisition of subsidiaries, net of cash acquired (Note 4)	**(243 750)**	(158 548)
Proceeds from sale of property, plant and equipment	**–**	233
Proceeds from loans	**96**	–
Investment in other financial assets	**(4 000)**	–
Net cash flow from financing activities	**(158 678)**	938 459
(Share issue costs)/net proceeds from shares issued	**(365)**	824 934
Net (repayment)/proceeds from loans	**(155 626)**	119 042
Net proceeds/(repayment) of borrowings	**44**	(32)
Dividends paid to non-controlling shareholders	**(2 731)**	–
Additional investment in subsidiary with no change of control	**–**	(5 485)
Net movement in cash and cash equivalents for the year	**(386 582)**	498 819
Cash and cash equivalents at the beginning of the year	**646 090**	147 271
Cash and cash equivalents at the end of the year	**259 508**	646 090

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Summary Consolidated Financial Statements (Financial Statements) are prepared in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the Consolidated Annual Financial Statements from which these Financial Statements were derived are in terms of International Financial Reporting Standards and, other than the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts from Customers, are consistent with those accounting policies applied in the preparation of the previous Consolidated Annual Financial Statements.

2. APPROVAL OF FINANCIAL STATEMENTS

The Directors are responsible for the preparation and fair presentation of the Financial Statements of Stadio Holdings Limited for the year ended 31 December 2018. These Financial Statements were derived from the Consolidated Annual Financial Statements and do not contain all the disclosures required by IFRS and the requirements of the Companies Act. Reading these Financial Statements, therefore, is not a substitute for reading the Consolidated Annual Financial Statements of the Group. Appropriate accounting policies have been consistently applied in all material respects and are supported by reasonable and prudent estimates where appropriate. Adequate accounting records have been maintained throughout the period under review.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of these Financial Statements and the Consolidated Annual Financial Statements from which these Financial Statements are derived, and, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatement and loss. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

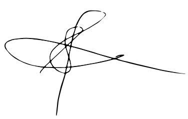
The external auditor is responsible for independently auditing and reporting on whether these Financial Statements, and the Consolidated and Separate Annual Financial Statements, are fairly presented in accordance with the applicable financial reporting framework. The Independent Auditor's Report is set out on page 54.

A copy of the Group's Consolidated and Separate Annual Financial Statements are available for inspection at the Company's registered office, together with the financial statements identified in the respective auditor's reports.

The Directors have made an assessment of STADIO's ability to continue as a going concern and they have no reason to believe that the business will not be a going concern in the year ahead.

The Financial Statements were approved by the Board of Directors on 1 March 2019 and signed by:

Dr CR van der Merwe
Chief Executive Officer



Ms S Totaram
Chief Financial Officer

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. SHARE CAPITAL

During the year, the Company:

- Issued 21 million shares collectively as part settlement of the purchase consideration for the LISOF, Milpark, CA Connect and Prestige Academy acquisitions; and
- Issued 11 million shares as financial settlement of the outstanding purchase consideration for the AFDA acquisition.

4. BUSINESS COMBINATIONS

During 2018, the Group collectively invested R440 million for the acquisition of LISOF, Milpark, Prestige Academy and the business of CA Connect.

LISOF

The Group acquired 100% of LISOF for a total purchase consideration of R127.3 million. The consideration was settled partly through cash of R68.7 million, and R58.6 million settled through the issue of 8.3 million ordinary shares. The acquisition was effective on 1 January 2018.

MILPARK

On 19 March 2018, the Group acquired an effective 70% interest in MBS Education Investment Proprietary Limited (MBS Education) (the holding company of Milpark Education Proprietary Limited (collectively Milpark), through its investment in Milpark BEE Investments SPV Proprietary Limited (Milpark Investments), with Brimstone Investment Corporation Limited (Brimstone), the Group's B-BBEE partner, acquiring a 30% effective interest in MBS Education. The Group paid an initial cash settlement of R207 million and a subsequent top-up consideration of R3.6 million.

On 20 March 2018, the Group and Brimstone concluded an asset-for-share agreement whereby the Group acquired 17.2% of Brimstone's 30% interest in Milpark Investments for a purchase consideration equal to R50.9 million (swap-up). This consideration was settled through the issue of 9.8 million ordinary shares (subject to a B-BBEE lock-in period of seven years), at an issue price of R5.20 per share, being the volume weighted average price of the Group's share price, R6.50, less a 20% discount. Following the swap-up, the Group has an effective 87.2% shareholding in Milpark with Brimstone's shareholding being an effective 12.8%.

CA CONNECT

Effective 12 April 2018, Milpark acquired the business of CA Connect for a total purchase consideration of R32.3 million, with the deferred consideration being subject to achievement of certain profit targets. The Group's purchase consideration amounted to R28.2 million for an effective interest of 87.2%. The purchase consideration was settled partly in shares and partly in cash on 12 April 2018.

PRESTIGE ACADEMY

On 1 November 2018, the Group acquired 100% of Prestige Academy Proprietary Limited (Prestige Academy) for a total purchase consideration of R23.5 million. The initial consideration of R16 million was settled partly through cash of R10.4 million, and R5.6 million settled through the issue of 1.5 million ordinary shares. The deferred consideration is subject to certain performance targets being realised during 2018 and 2019.

4. BUSINESS COMBINATIONS (CONTINUED)

The fair value of net assets acquired and the related cash outflow on acquisitions are as follows:

Net assets acquired	LISOF R'000	Milpark R'000	CA Connect R'000	Prestige Academy R'000	Total R'000
Property, plant and equipment	69 524	10 542	–	566	**80 632**
Intangible assets	17 100	50 445	2 829	13 305	**83 679**
Deferred tax asset	1 626	13 857	–	767	**16 250**
Deferred tax liability	(6 703)	(2 671)	(993)	(1 639)	**(12 006)**
Other financial assets	–	510	–	–	**510**
Trade and other receivables	2 828	44 848	3 547	1 446	**52 669**
Trade and other payables	(2 350)	(29 566)	–	(1 287)	**(33 203)**
Finance lease liabilities	–	–	–	(267)	**(267)**
Income received in advance	(3 945)	(83 325)	–	(13 856)	**(101 126)**
Income tax payable	(1 472)	–	–	(653)	**(2 125)**
Income tax receivable	1 348	6 667	–	–	**8 015**
Borrowings	(16 653)	–	–	–	**(16 653)**
Loans and advances	(21 518)	–	–	–	**(21 518)**
Cash and cash equivalents	2 729	34 415	–	15 176	**52 320**
Total identifiable net assets acquired	**42 514**	**45 722**	**5 383**	**13 558**	**107 177**
Non-controlling interests	–	(5 853)	(689)	–	**(6 542)**
Goodwill	84 824	221 582	23 484	9 926	**339 816**
Total consideration	**127 338**	**261 451**	**28 178**	**23 484**	**440 451**
Satisfied by:					
Cash consideration	68 690	210 588	6 392	10 400	**296 070**
Share issue	58 648	50 863	8 006	5 600	**123 117**
Deferred consideration	–	–	13 780	7 484	**21 264**
Total consideration	**127 338**	**261 451**	**28 178**	**23 484**	**440 451**
Net cash flow on acquisition					
Cash consideration paid	(68 690)	(210 588)	(6 392)	(10 400)	**(296 070)**
Cash and cash equivalents acquired	2 729	34 415	–	15 176	**52 320**
	(65 961)	**(176 173)**	**(6 392)**	**4 776**	**(243 750)**

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. HEADLINE EARNINGS/(LOSS) PER SHARE

	31 Dec 2018 R'000	31 Dec 2017 R'000
Reconciliation of headline earnings/(loss):		
Basic earnings/(loss)	**63 270**	(7 037)
Adjustments attributable to parent:		
Loss/(profit) on disposal of property, plant and equipment	**425**	(1)
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	**(1 025)**	–
Tax on above	**168**	–
Headline earnings/(loss)	**62 838**	(7 038)

6. CASH GENERATED FROM/(UTILISED BY) OPERATIONS

	31 Dec 2018 R'000	31 Dec 2017 R'000
Profit/(loss) before taxation	**113 362**	(2 316)
Non-cash and other items disclosed separately	**20 478**	4 526
	133 840	2 210
Movements in working capital	**(33 765)**	(39 443)
Decrease/(increase) in inventories	**2 998**	(3 561)
Decrease/(increase) in trade and other receivables	**22 323**	(2 760)
(Decrease)/increase in trade and other payables [1]	**(21 803)**	7 323
Decrease in income received in advance [1]	**(37 283)**	(40 445)
Cash generated from/(utilised by) operations	**100 075**	(37 233)

[1] *Trade and other payables has been reclassified to disclose contract liabilities separately in accordance with IFRS 15.*

7. RELATED PARTIES

Related-party transactions, similar in nature to those disclosed in the Group's Annual Financial Statements for the year ended 31 December 2017, took place during the year. Refer to the Group's Consolidated Annual Financial Statements for the year ended 31 December 2018 for further detail.

8. OPERATING SEGMENTS

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

Reconciliation of the Core headline earnings:

	31 December 2018		31 December 2017	
	Earnings R'000	Earnings per share Cents	Earnings R'000	Earnings per share Cents
Headline earnings (Note 5)	**62 838**	**7.8**	(7 038)	(1.2)
Adjusted for non-core items attributable to parent:				
Finance costs on deferred purchase consideration	**2 604**	**0.3**	–	–
Acquisition costs	**1 280**	**0.2**	4 744	0.8
Listing costs, legal and other fees	**–**	**–**	4 154	0.7
Amortisation of client list	**4 496**	**0.6**	1 916	0.3
Tax on above	**(1 266)**	**(0.2)**	(538)	(0.1)
Core headline earnings	**69 952**	**8.6**	3 238	0.6

9. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the year ended 31 December 2018.

GOVERNANCE

APPROACH TO CORPORATE GOVERNANCE

The Group is fully committed to good corporate governance and stands firmly grounded on the values of integrity, quality and openness as described below. The Group respects and understands the need for simplicity and will always focus on the virtues of clarity, credibility, transparency and sheer honesty. These are the values lived by the leadership and filtered down throughout the Group. These values have been adopted by all employees and we seek to instil these values in our students. The Group's Ethics Pledge has been accepted by all subsidiaries and demonstrates the Group's commitment to ethics.

STADIO'S ETHICS PLEDGE

STADIO stands firmly grounded on the values of integrity, quality and openness … this is our lodestar in all that we promise, undertake, and present.

STADIO is committed to facilitating access to higher education with a quality teaching and learning ethos that prioritises student success. However, as we embrace a trajectory of excellence, STADIO does not claim 'to be the best' or 'to have all the answers': humility is both integral and causative to our sustained success.

STADIO is cognisant of the shifting higher education landscape and the concomitant need for resilience amongst its leadership, management and staff as it strives to achieve its promise.

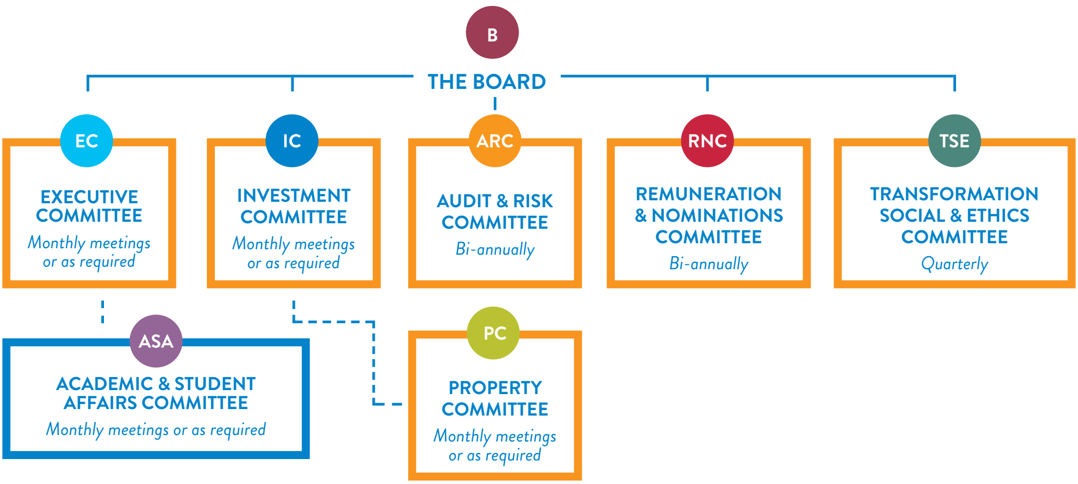
STADIO promotes a positive organisational culture undergirded by the ideals of respect, inclusivity, diversity, transformation, and – most critically – individual and collective diligence and commitment to the STADIO vision, mission, values and goals.

STADIO does not challenge itself with overnight success but has planned for a steady and responsible operation that will safeguard the best interests of the STADIO community (staff, students and all STADIO stakeholders) and the broader society. Equally – and steadfast in its promise to ensure attractive and fair shareholder returns – STADIO does not approve an approach fashioned by greed and irresponsible, artificial growth.

STADIO acknowledges the imperative of informed stakeholder participation and engagement. The values of simplicity, clarity, credibility and honesty therefore underpin its stakeholder interactions. STADIO's conduct is epitomised by openness and total transparency – false promises and half-truths are an anathema to the STADIO ethos.

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

CORPORATE GOVERNANCE STRUCTURE



THE BOARD B

The Board consists of nine Directors, three of whom are Executive Directors and six of whom are Non-Executive Directors. Of the six Non-Executive Directors, five are Independent Non-Executive Directors.

There is a policy evidencing a clear balance of power and authority at Board level, to ensure that no one Director has unfettered powers of decision making.

The Board has adopted and approved a gender and racial diversity policy and will, in identifying suitable candidates for appointment as Directors, consider candidates on merit against objective criteria with due regard for the potential benefits of gender and racial diversity, including a better understanding of the diverse environment in which the Group operates.

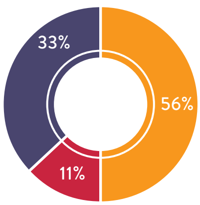
On 15 April 2019, the Board appointed Ms Mathukana Mokoka as an Independent Non-Executive Director of the Board.

Mr Khaya Sithole will retire from the Board on 5 June 2019.

The key roles and responsibilities of the Board include acting as the focal point for, and custodian of, corporate governance; determining the strategies and strategic objectives of the Group and monitoring the implementation of the Board's strategies, decisions, values and policies.

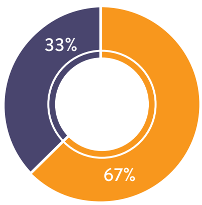
While retaining overall accountability, the Board has delegated authority to the Chief Executive to run the day-to-day affairs of the Group. The Chief Executive is supported by the Executive Directors and the Executive committee. The Board has created sub-committees to enable it to discharge its duties and responsibilities properly and to fulfil its decision-making process effectively.

BOARD BALANCE



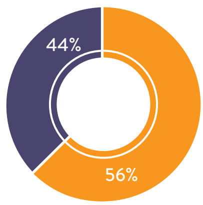
- Executives
- Non-Executives
- Independent Non-Executives

RACIAL DIVERSITY



- White (Target: maximum 40%)
- Black (Target: minimum 60%)

GENDER DIVERSITY



- Female (Target: minimum 30%)
- Male (Target: maximum 70%)

BOARD ACTIVITIES

Areas of focus	What the Board did
Group strategy	• approved the Group's strategy and monitored its implementation • provided robust and constructive challenges to management regarding the Group's strategy • monitored Group's progress regarding agreed strategic initiatives • considered and challenged growth opportunities, including acquisitions of HEIs, the development of existing HEIs, and land banking opportunities for future growth • approved the decision to move all the Group's existing brands into one institution, Stadio Multiversity
Risk management, corporate governance and audit	• reviewed and challenged information to ensure that the Group complied with applicable laws, codes and standards • determined the Group's risk appetite and risk tolerance levels • approved the Group's risk register and ensured appropriate controls were in place to address these risks • received reports on the Group's internal control weaknesses and instigated actions where necessary • considered the impact of King IV™, the JSE Listings Requirements and the requirements of the Companies Act and ensured their implementation • considered and confirmed the independence of the Non-Executive Directors having regard to factors that might impact their independence • considered and confirmed the independence of the external auditors and approved their appointment based on recommendation of the Audit and Risk Committee
Leadership	• considered regular feedback from the various sub-committees including the Remuneration and Nominations Committee (RemNo), the Audit and Risk Committee, and the Transformation, Social and Ethics Committee • ensured the Board set the tone for effective and ethical leadership • acted as the focal point, and custodian, of good corporate governance
Effectiveness	• performed a self-assessment evaluation identifying the Board's strengths and areas of improvement • finalised areas/topics for Directors' development sessions in the year ahead after considering the outcomes of the Board's performance evaluation
Remuneration	• in conjunction with the RemNo, the Board considered and approved the following recommendations from the RemNo following robust RemNo meetings: – recommended Executive Directors' pay – recommended long-term incentives • considered the Non-Executive Directors' fees and put forward recommendations for approval by the shareholders at the AGM
Corporate citizenship	• promoted and confirmed the Group's commitment to good corporate citizenship including: – its commitment to B-BBEE – widening access to higher education through sourcing/providing viable student funding solutions – the promotion of equality, the prevention of unfair discrimination and the reduction of corruption – provision of high-quality academic programmes with a focus on bettering student throughput rates and ensuring academic programmes are aligned with the world of work
Board and sub-committee	• considered the current Board composition in relation to the growing Group and approved appointments to the Board and sub-Board committees taking into account both gender and racial diversity • received and reviewed suggested changes from the RemNo regarding the Board's sub-committees' composition and confirmed the sub-committees' mandates • discussed succession planning including an update on key management succession and Board succession planning
Financial results and going concern	• scrutinised the Group's financial results throughout the year • considered, challenged and approved the Group's 2019 budget • considered, reviewed and approved the Group's Integrated Report for the year ended 31 December 2017 • considered, reviewed and approved the consolidated interim financial results for the period ended 30 June 2018 • considered, reviewed and approved the consolidated and separate annual financial statements for the year ended 31 December 2018 • assessed, confirmed and satisfied itself of the Group's ability to continue as a going concern for the next 12 months and accordingly adopted the going concern approach
Information Technology	• received regular updates in respect of Information Technology initiatives and system changes within the Group • scrutinised and approved the implementation of Business World, Student Management and Prevero
Terms of reference and policies	• reviewed and approved various sub-committees' terms of references and updated policies within the Group

BOARD OF DIRECTORS

PROF ROLF HEINRICH STUMPF (ROLF) (73)

CHAIRPERSON

Independent Non-Executive Director

BA (Mathematics and Statistics); Hons (Statistics); MA (Statistics); PhD (Statistics)

B ASA RNC

Rolf joined the Board as Chairperson in May 2017. Previously, Rolf was vice-chancellor and chief executive officer of the Nelson Mandela Metropolitan University in Port Elizabeth, vice-rector at the University of Stellenbosch and the president and chief executive officer of the Human Sciences Research Council (HSRC). Before that he was Deputy Director-General of the Department of National Education.

Rolf is the author of a number of scientific articles in the field of statistics (qualitative data analysis) and co-author of a book on graphical exploratory data analysis. He also authored and co-authored a large number of policy reports in the field of education, especially in higher education.

DR CHRISTIAAN RUDOLPH VAN DER MERWE (CHRIS) (56)

CHIEF EXECUTIVE OFFICER

Executive Director

B Prim (Ed), B Ed, M Ed (Cum Laude), PhD in Education

B EC IC PC TSE

Chris was appointed as Chief Executive Officer of STADIO in July 2017. Previously, Chris was the Chief Executive Officer of Curro Limited (Curro).

Chris accepted his first teaching post at Gene Louw Primary School (Gene Louw) in 1986. In 1993, whilst still teaching at Gene Louw, he started a closed corporation named 'SkoolCor', which produced electronic learning modules as a surrogate for text books, and today, the Shuttleworth Foundation use these modules as an integral part of its Open Source Methodology. In 1997, Chris became the deputy principal of Fanie Theron Primary School.

During 1998, Chris founded Curro Private School in a church in Durbanville with 28 learners. As Chief Executive Officer, he led Curro to its listing on the JSE in 2011 and grew this business to 138 schools, with 52 233 learners and a market capitalisation of approximately R20 billion. In 2017, Chris stepped down as Chief Executive Officer of Curro but continues to serve as a Non-Executive Director on Curro's Board of Directors.

SAMARA TOTARAM (SAMARA) (40)

CHIEF FINANCIAL OFFICER

Executive Director

CA(SA), CFA

B EC IC PC

Samara was appointed as Chief Financial officer of STADIO on 1 January 2017, and officially appointed to the Board on 18 April 2017.

Samara qualified as a chartered accountant and completed her articles with Deloitte & Touche (in South Africa and New York) before spending 18 months at the Royal Bank of Scotland in London, and subsequently joining PSG Capital in 2007. In 2010, Samara was appointed as a director of PSG Capital and was primarily involved in new listings, capital raisings and other commercial transactions, merger and acquisitions and general corporate finance consulting. In October 2010, she joined Thembeka Capital Limited (Thembeka), a PSG Group supported B-BBEE investment company, and was appointed as its managing director in 2013. Samara drove the unlocking of value for Thembeka's Black shareholders. Samara joined Curro in October 2014 as the managing director of the Meridian venture and also served as a member of the Curro Executive Committee until December 2016 before joining the executive management team of STADIO.

DR DIVYA SINGH (DIVYA) (54)

CHIEF ACADEMIC OFFICER

Executive Director

BA (Law); LL B (Cum Laude); LL M; LL D; Masters in Tertiary Education Management (with Honours)

B EC IC ASA

Divya was appointed as Chief Academic Officer on 1 February 2017, and officially appointed to the Board on 27 June 2017.

Previously Divya 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.

Divya is an admitted advocate of the High Court of South Africa, having practiced privately for seven years and is a Certified Ethics Officer by The Ethics Institute. Divya has published more than 30 articles in accredited journals, 10 book chapters, one book (co-edited), has presented numerous conference papers and keynote presentations, locally and globally. She has been the editor of two academic journals and an editor of Butterworths Judgment-Online. She has received awards domestically and internationally for academic contribution and community service and engagement, as well as stakeholder recognition.

DOUGLAS MAITAKHOLE RAMAPHOSA (DOUGLAS) (62)

INDEPENDENT NON-EXECUTIVE DIRECTOR

MA (Social Sciences); Programme for Executive Development (Institute of Management Development)

B ARC RNC TSE

Douglas was appointed to the Board on 9 March 2018.

Douglas has more than 30 years of business experience through various executive management and board positions. He is a Non-Executive Director of EnviroServ, a waste-management company, Curro Holdings, Wildlife and Environment Society of South Africa (WESSA), IRCA (Pty Ltd), an occupational risk management company, and Chairman and founding member of Yellow Train Investments. Douglas has served as group executive of corporate affairs at Altron, was CEO of Bytes Healthcare Solutions and, prior to that, managing director of Bytes Specialised Solutions. He worked at senior executive level for a number of organisations, including Transnet, ABSA and Anglo American. He served on the board of Eskom Enterprises for five years and was director and chairperson of Rotek Industries.

RENGANAYAGEE KISTEN (ROJIE) (54)

INDEPENDENT NON-EXECUTIVE DIRECTOR

B Admin; B Admin (Hons); MDP (Stellenbosch Businsss School); GMP (Harvard Businsss School)

B ARC RNC TSE

Rojie was appointed to the Board in May 2017.

Rojie has a B Admin (Hons) degree from Stellenbosch Business School and completed the General Management Programme at Harvard Business School. Rojie spent most of her working career at Old Mutual group, including Nedcor Bank. Her work experience includes amongst others: asset management in both listed and unlisted entities; local and international capital raising for unlisted funds; stakeholder management within South Africa and the rest of the African Continent; investor relations; and managing enterprise development finance.

BOARD OF DIRECTORS (CONTINUED)

KHAYELIHLE SIBUSISO SITHOLE (KHAYA) (33)

INDEPENDENT NON-EXECUTIVE DIRECTOR

CA(SA), BCom Honours (UKZN), PG Diploma in Financial Strategy (Oxford University)

B ARC TSE

Khaya was appointed to the Board in May 2017. Khaya is a qualified chartered accountant who completed his articles with the FirstRand Group. He holds a BCom Honours degree from UKZN and a Postgraduate Diploma in Financial Strategy from the Said Business School at Oxford University. Khaya has worked as an academic and programme manager at various universities and was the youngest academic member appointed to the Senate of the University of KwaZulu-Natal.

He has previously served on the Audit Committee of Tshikululu Social Investments and the Wits University Retirement Fund alongside serving on the boards of ABASA, the SAICA Eastern Region Council, Lefika la Phodiso and the SAICA Young CA Network in Gauteng. Khaya has edited various textbooks in Financial Reporting and served on the Advisory Panel of Shanduka Black Umbrellas. Khaya currently works as a radio host, a columnist for the BusinessDay and is acting as a CFO for a social investments management company in Johannesburg.

PIETER NICOLAAS DE WAAL (NICO) (43)

NON-EXECUTIVE DIRECTOR

BEng (Mech), MBA

B IC RNC

Nico was appointed to the Board in May 2017. Nico holds an MBA from IESE Business School of the University of Navarre (Spain) and a B Eng (in Mechanical Engineering) Cum Laude degree from the University of Stellenbosch. Nico joined the PSG Group in 2011 and currently serves as the Chief Executive Officer of PSG Alpha Proprietary Limited. Prior to joining the PSG Group, Nico was an executive at SABMiller plc from 2008 to 2010. He also served as a management consultant at McKinsey & Company, Inc. from 2001 to 2007, specialising in strategy and operations.

MATHUKANA GIVION MOKOKA (MATHUKANA) (45)

INDEPENDENT NON-EXECUTIVE DIRECTOR

CA(SA)

B

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

ANDRIES MELLET (DRIES) (35)

ALTERNATE NON-EXECUTIVE DIRECTOR TO NICO DE WAAL

CA(SA), B Compt Hons

Dries was appointed to the Board in May 2017 as an alternate director to Nico. Dries is a qualified chartered accountant having completed his articles with PwC and has been working for the PSG Group since 2010. Dries was the financial director of mCubed Holdings Limited from October 2010 to February 2011 and Capevin Holdings Limited from April 2012 to November 2013. Dries served as secretary to the PSG Group Executive and joined the PSG Alpha team in 2012.

	Board	Audit and Risk	RemNo	TSEC
Meetings held	5	2	3	2
Rolf	5 (5)	1 (1), 1*	2 (2), 1*	2*
Chris	5 (5)	2*	3*	2 (2)
Samara	4 (5)	2*	1*	–
Divya	5 (5)	2*	–	–
Douglas**	4 (4)	1 (1)	1 (1)	1 (1)
Rojie	5 (5)	2 (2)	3 (3)	2 (2)
Khaya	5 (5)	2 (2)	–	2 (2)
Nico	5 (5)	2*	3 (3)	–

* *Attended the meeting as an invitee.*
** *Douglas was appointed as a Non-Executive Director on 9 March 2018.*

In addition to the Board meetings above all Directors of the Board attended the Group's Strategy Day.

BOARD COMMITTEES

The Group has the following sub-committees which have been mandated by the Board, and which report directly to the Board:

AUDIT AND RISK COMMITTEE ARC

The Group's Audit and Risk Committee has the following members, all of whom are Independent Non-Executive Directors:

KS Sithole (chairperson);
R Kisten;
DM Ramaphosa (appointed 19 April 2018); and
RH Stumpf (resigned 19 April 2018).

Mr KS Sithole will retire from the Board effective 5 June 2019.

Ms MG Mokoka will be appointed as the chairperson, and a member of, the The Audit and Risk Committee, effective 5 June 2019.

The Audit and Risk Committee assists the Board by providing an objective and independent view on the Group's finance, accounting and control mechanisms and by reviewing and ensuring that consideration is given to the following:

- the accounting policies of the Group and any proposed revisions thereto;
- the effectiveness of the Group's information systems and internal controls;
- the appointment and monitoring of the effectiveness of the external auditors;
- the appropriateness, expertise and experience of the CFO;
- the setting of principles for recommending the use of external auditors for non-audit services;
- the Integrated Annual Report and specifically the Summary Financial Statements included therein;
- the Annual Financial Statements;
- the reports of the external auditors;
- the Group's going-concern status; and
- compliance with applicable legislation and requirements of regulatory authorities.

In terms of risk management (through consultation with the external auditor), the Committee ensures that management's processes and procedures are adequate to identify, assess, manage and monitor Group-wide risks. The Group does not currently have an internal audit function, however the Group is comfortable that whilst the Group is in its infancy, the lack of an internal audit function is not an impediment in mitigating risks around the Group. In 2018, the Group used internal skilled staff to perform initial internal control reviews, specifically looking at the treasury cycle, to identify control weaknesses or any deference from Group policies. The Group will look to outsource this internal audit function to a third-party provider in 2019.

Refer to the Risks and Opportunities section on pages 29 to 34.

REPORT OF THE AUDIT AND RISK COMMITTEE

The report of the Audit and Risk Committee, as required in terms of section 94(7)(f) of the Companies Act, is set out on pages 75 to 76.

REMUNERATION AND NOMINATIONS COMMITTEE (REMNO)

RNC

The Group's RemNo has the following members:

R Kisten (chairperson);
PN de Waal (resigned as chairperson 19 April 2018);
DM Ramaphosa (appointed 19 April 2018); and
RH Stumpf (resigned 19 April 2018)
(re-appointed 1 March 2019).

During the year, the Remuneration Committee was altered to become the Remuneration and Nominations Committee (RemNo). PN de Waal stepped down as chairperson of the RemNo during the year and R Kisten was appointed as chairperson of the RemNo. This was to ensure compliance with King IV™ requirements. DM Ramaphosa joined the Board in March 2018 and was subsequently appointed as a member of the RemNo. During 2019, in line with good practice, RH Stumpf was appointed as a member of the RemNo and will chair the Nomination-related agenda items going forward.

All of the members of the RemNo are Non-Executive Directors, with a majority of such Non-Executive Directors being independent.

The role of the RemNo is divided between matters relating to Remuneration and matters relating to Nominations as follows.

Remuneration matters include assisting the Board in:

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

Nomination matters include a focus on:

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

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

Fees payable to Non-Executive Directors are recommended by the Board to the Shareholders at the AGM for approval.

The Group's Remuneration Policy and the Implementation Report will be tabled at each AGM of the Group for a separate non-binding advisory vote by Shareholders. Such policy will record the measures that the Board will adopt should either the remuneration policy or the implementation report, or both, be voted against by 25% or more of the votes exercised at such annual general meeting. In this regard, should 25% or more of the votes exercised on this resolution at the annual general meeting be against such policy or report, STADIO will in its voting results announcement include an invitation to dissenting Shareholders to engage with STADIO and the Board, as well as the manner and timing of such engagement.

The Group's Remuneration Policy can be found on pages 79 to 82 and the Implementation Report on pages 83 to 86.

This Committee will hold at least two meetings per financial year.

TRANSFORMATION, SOCIAL AND ETHICS COMMITTEE (TSEC) TSE

The Group's TSEC comprises the following members:

DM Ramaphosa (appointed May 2018) – chairperson;
R Kisten;
KS Sithole; and
CR van der Merwe.

During the year, the Social and Ethics Committee was renamed the Transformation, Social and Ethics Committee (TSEC). Douglas Ramaphosa was appointed to the Board in March 2018 and was subsequently appointed as a member of the TSEC in May 2018, and as chairperson of the TSEC in November 2018. Douglas brings a wealth of experience coupled with a strong commitment to social transformation and education in South Africa.

The TSEC assists the Board and Management by:

- setting strategic direction, monitoring and providing oversight of transformation, social and ethical matters related to the Group and the reporting thereon, as required;
- formulating, implementing and monitoring 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; and
- 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).

The TSEC will draw to the attention of the Board, matters within its mandate as occasion requires and will report to the Shareholders at the Group's AGM on such matters.

STADIO is committed to Transformation and continues to work towards achieving a truly diverse and transformed Group.

OPERATING COMITTEES

The Group has the following operating committees which have been mandated by the Board and which report, either directly or indirectly, to the Board:

EXECUTIVE COMMITTEE EC

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

CR van der Merwe (CEO) (chairperson);
S Totaram (CFO);
D Singh (CAO);
T Passchier (AFDA CEO);
CPD Vorster (SBS Group CEO)
JJ Human (Embury CEO);
J van der Westhuizen (Milpark CEO);
S Rosenthal (LISOF CEO);
S Mostert (Prestige Academy CEO);
B Passchier (previous AFDA CEO) (invitee);
PN de Waal (Non-Executive Director) (invitee);
A Mellet (alternate to PN de Waal) (invitee);
F van der Westhuizen (Head of IT) (invitee);
T Laubscher (Business Intelligence Officer) (invitee); and
J Riberio (Head of Sales and Marketing) (invitee).

The Exco meets regularly, usually monthly, and is responsible for discussing the Group's operations and acts as a consolidated oversight committee for the Group.

ACADEMIC AND STUDENT AFFAIRS COMMITTEE (ASACOM) ASA

The ASACOM is chaired by the Group's Chief Academic Officer, Dr Divya Singh, and includes the Academic Heads of all the HEIs in the Group, Prof Rolf Stumpf, representing the Board, and all Group CEOs.

The ASACOM meets quarterly, and is supported by a robust committee structure comprising staff members from the various brands. The ASACOM is responsible for all academic matters including, but not limited to, regulatory matters, academic and student support policies, enhancements to the programme and qualification mix across the Group, internationalisation opportunities and collaborations, quality standards for scholarship, throughput and success rates, and institution incident reports. The Chief Academic Officer reports to the Exco and Board at each meeting.

INVESTMENT COMMITTEE IC

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

CR van der Merwe (CEO) (chairperson);
S Totaram (CFO);
D Singh (CAO);
PN de Waal (Non-Executive Director); and
A Mellet (alternate to PN de Waal)(invitee).

The Investco meets regularly, usually monthly, 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.

PROPERTY COMMITTEE PC

During the year, the Group established the Property Committee which specifically focuses on land banking, campus expansion and property development opportunities, and performs analysis of potential opportunities available to buy or rent in order to facilitate the Group's growth strategy.

The Property Committee is chaired by Dr Chris van der Merwe (CEO) and includes Samara Totaram (CFO), representatives from the HEIs and external and internal property experts.

The Property committee reports to the Investco at each committee meeting.

KING IV™ APPLICATION

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

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

Following the appointment of DM Ramaphosa, an Independent Non-Executive Director, to the Board in March 2018, the Group made the following changes to its Board sub-committees to rectify areas of non-compliance with King IV™:

- PN de Waal stepped down as chairperson of the Remuneration and Nominations Committee as he is not deemed to be an Independent Non-Executive Director and DM Ramaphosa was appointed as chairperson in his place. Subsequently DM Ramaphosa was appointed as chairperson of the Transformation, Social and Ethics Committee and R Kisten, an Independent Non-Executive director was appointed as chairperson of the RemNo. In 2019, it was approved that, in line with good corporate practice, the chairperson of the Board, RH Stumpf, will chair the Nomination agenda items discussed by the RemNo.
- RH Stumpf, the chairperson of the Board, resigned from the Audit and Risk Committee and DM Ramaphosa was appointed in his place.

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

SHAREHOLDING OF DIRECTORS

The shareholding of Directors in the issued share capital of the Company as at 31 December 2018, excluding the participation in the share incentives plan, was as follows:

	2018			2017		
Director	**Direct '000**	**Indirect '000**	**Total '000**	**Direct '000**	**Indirect '000**	**Total '000**
CR van der Merwe	–	5 735	5 735	–	5 735	5 735
S Totaram	699	–	699	699	–	699
D Singh	157	–	157	135	–	135
R Kisten	694	–	694	676	–	676
MG Mokoka	174	–	174	174	–	174
PN de Waal	154	–	154	154	–	154
A Mellet (alternate to PN de Waal)	–	88	88	–	68	68
	1 878	5 823	7 701	1 838	5 803	7 641

The register of interests of Directors and others in shares of the Company is available to the shareholders on request. Subsequent to the Group's Annual Financial Statements being released on 4 March 2019, R Kisten purchased a further 7 500 ordinary shares of the Company.

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. 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
23 April 2019

REPORT OF THE AUDIT AND RISK COMMITTEE

This report is provided by the Audit and Risk Committee (the Committee) appointed in respect of STADIO for the year ended 31 December 2018.

1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

The Committee consists solely of Independent Non-Executive Directors being:

- KS Sithole (Chairperson);
- R Kisten;
- DM Ramaphosa –(appointed 19 April 2018); and
- RH Stumpf – (resigned 19 April 2018).

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

2. PURPOSE

The Committee has an independent role whose purpose is to assist the Board by providing an objective and independent view on the Group's finance, accounting and control mechanisms, including risk management, and by reviewing and ensuring that consideration is given to the following:

- the accounting policies of the Group and any proposed revisions thereto;
- the effectiveness of the Group's information systems and internal controls;
- the effectiveness of the Group's risk management system in achieving its strategic objectives;
- the appointment and monitoring of the effectiveness of the external auditor;
- the appropriateness, expertise and experience of the Chief Financial Officer;
- the setting of principles for recommending the use of external auditors for non-audit services;
- the Annual Financial Statements;
- the Integrated Report and specifically the Summary Financial Statements included therein;
- the reports of the external auditor;
- the Group's going-concern status; and
- compliance with applicable legislation and requirements of regulatory authorities.

3. MEETINGS HELD BY THE COMMITTEE

The Committee performs the duties imposed upon it by section 94(7) of the Companies Act, by holding meetings with the key management on a regular basis and by the unrestricted access granted to the external auditor.

The Committee held two scheduled meetings during 2018, which all Committee members attended.

4. EXTERNAL AUDIT

The Group appointed PricewaterhouseCoopers Inc. in accordance with section 90 of the Companies Act, as their external auditor for the year ended 31 December 2018 with Mr D de Jager, a registered independent auditor, as the designated partner for the 2018 audit.

The Committee satisfied itself that the external auditors are independent of the Group, as set out in section 94(8) of the Companies Act, and as per the standards stipulated by the auditing profession. The external auditor is thus suitable for re-appointment by considering, *inter alia*, the information stated in the paragraph 22.15(h) of the Listings Requirements of the JSE.

The Committee ensured that the appointment of the external auditor complied with the Companies Act, and any other legislation relating to the appointment of an auditor.

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

The Committee has considered and pre-approved all non-audit services, where applicable, provided by the external auditors and the fees thereof to ensure that the independence of the external auditor is maintained.

5. ANNUAL FINANCIAL STATEMENTS

The Committee recommended the approval of the annual financial statements of the Group, following a detailed review thereof. The Annual Financial Statements, including this report from the Audit and Risk Committee can be found on the STADIO website www.stadio.co.za/reports.

6. ACCOUNTING PRACTICES AND INTERNAL CONTROL

Internal controls and systems have been designed to provide reasonable assurance of the integrity and reliability of the financial information presented in the Annual Financial Statements and to safeguard, verify and maintain the assets of the Group and the Company.

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

The Committee considers the accounting policies, practices and annual financial statements to be appropriate.

7. EVALUATION OF THE CHIEF FINANCIAL OFFICER

As required, by paragraph 3.84(g)(i) of the JSE Listings Requirements, the Committee has assessed and is satisfied with the expertise and experience of the Group's Chief Financial Officer, Ms S Totaram.

8. COMPLAINTS AND/OR CONCERNS

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

On behalf of the Committee

KS Sithole
Audit and Risk Committee Chairperson
Durbanville
23 April 2019

REPORT OF THE REMUNERATION AND NOMINATIONS COMMITTEE

PART 1: REMUNERATION BACKGROUND STATEMENT

I am pleased to present the Remuneration and Nominations Committee's (the Committee) report on remuneration. Our report and disclosures are aligned to the principles and recommended practices of King IV™ for remuneration. In this regard we have adopted a three-part remuneration report approach. Part 1 consists of this Remuneration Background Statement which sets out the factors that have influenced the Forward-Looking Remuneration policy. Part 2 sets out the details of the Forward-Looking Remuneration Policy and Part 3 illustrates the impact of the Remuneration Policy adopted in 2018.

STADIO is currently an investment holding company that focusses on the acquisition of, investment in and growth and development of its acquired registered HEIs. As part of the positioning phase of the business STADIO acquired six registered HEIs during 2017 and 2018 to obtain critical mass to create a STADIO Multiversity.

To this end, the Committee considered a policy to incentivise the Group's Executive Directors and key head office management and professionals, to strategically position the business to achieve its strategic objectives.

OVERALL REMUNERATION PHILOSOPHY

STADIO's overarching philosophy regarding remuneration is to:

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

FEEDBACK FROM STAKEHOLDERS ON 2017 FINANCIAL YEAR

STADIO's Annual General Meeting (AGM) was held on 4 June 2018 and the requisite ordinary resolutions endorsing the Remuneration Policy and the Implementation Report were passed. These resolutions were passed by a 95.4% and 96.8% majority respectively. Whilst we received no specific feedback, our shareholders did provide some guidance on areas where we can improve and to ensure clear disclosure on key items. We have considered and incorporated their inputs into our Remuneration Policy as set out in Part 2 of this report.

THE COMMITTEE'S KEY DECISIONS DURING 2018

In accordance with its Terms of Reference, the Committee took the following key decisions during 2018:

- Reviewed and approved the Executive Directors' annual salary increases.
- Approved the overall salary increases of the Group.
- Reviewed and approved of the short-term incentives for Executive Directors for the 2017 financial year.
- Reviewed and approved of the long-term incentive awards.
- Reviewed the composition of the Board and Board committees and made recommendations to the Board in this regard.
- Reviewed the Non-Executive Directors fees for submission to shareholders at the AGM that took place in June 2018.

FORWARD LOOKING APPROACH

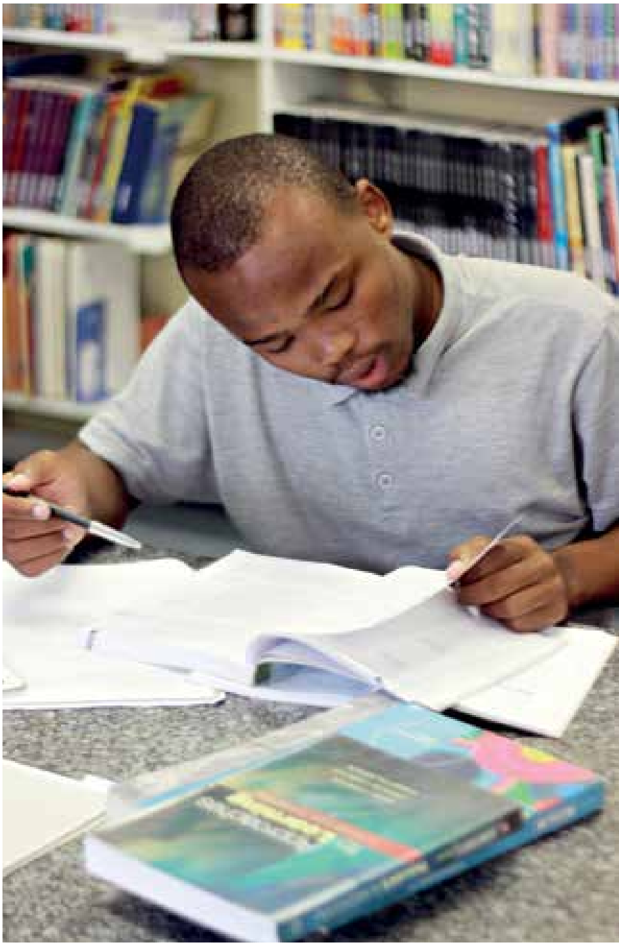
The Committee will continue to implement best practice in determining the Remuneration Policy of the Group and will benchmark this policy against local and international best practice. For 2019, the Committee will consider:

- appropriate long-term incentive strategies for the Group's key employees;
- succession planning for key management and Executive Directors; and
- Group wide incentive and benefit policies in preparation for the migration to one Stadio Multiversity.

The Committee believes that the overall remuneration of Executive Directors during 2018 (as set out in Part 3 of this report) reflects the Group's exceptional performance in 2018, as set out on pages 53 to 61, and the successful delivery of the Group's strategy to date.

The Committee is of the view that the objectives stated in the Remuneration Policy have been achieved for the period under review. The Committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference and with the status of remuneration and incentives in the Group and looks forward to the support of its shareholders.

Rojie Kisten
Chairperson
Durbanville
23 April 2019



REPORT OF THE REMUNERATION AND NOMINATIONS COMMITTEE (CONTINUED)

PART 2: REMUNERATION POLICY

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

- align remuneration practices with the Group's business strategies and objectives;
- attract, retain and motivate Executive Directors, and key employees, to deliver on their performance goals and strategy;
- ensure the remuneration remains market-related, taking cognisance of both local and international best practices;
- ensure remuneration packages take into account Group performance and the interests of all our stakeholders and reflect their views;
- align short-term incentives to key performance objectives, rewarding for exceptional performance;
- provide for a deferral, where applicable, of the Executive Directors' short-term incentives to ensure commitment and long-term focus on the Group's performance; and
- provide long-term performance incentives to Executive Directors and key employees through the award of share options which vest over time.

STADIO has three components of remuneration for its Executive Directors and key head office employees:

- A total guaranteed cost to company package including benefits (TGP);
- A variable short-term incentive (STI) bonus (cash-settled), linked to overall Group and individual employee performance;
- A variable long-term incentive (LTI) scheme to motivate individuals to produce results that enhance and sustain stakeholder value and Group performance over the long-term.

The Executive Directors' remuneration is reviewed annually by the Committee, which seeks to ensure there is balance between the Executive Directors' base salary, which is fixed, and the variable elements of their remuneration such as short-term cash-settled incentives and long-term share option awards. In addition, the Committee ensures there is a balance between variable short-term and longer-term financial performance incentives, ensuring the total package is appropriate considering the size of the business and competitive benchmarking.

Set out below is the remuneration mix for individuals at different levels within the organisation:

Level	Focus	Strategic view	Remuneration		
			TGP	STI	LTI
Executive Directors (CEO, CFO, CAO)	Strategy formulation and execution	Long-term	Base salary plus benefits	Up to a maximum of 125% of TGP on achieving certain targets	Share options
Senior Management and Critical Roles	Strategy execution	Medium-to-long-term	Base salary plus benefits	Up to 15th cheque	Share options
General employees	Operational	Short-term	Base salary plus benefits	Discretionary bonus (up to 14th cheque dependent on performance)	Not applicable

TOTAL GUARANTEED PACKAGE (TGP)

The TGP is reviewed annually with increases effective across the Group between 1 January or 1 March each year.

In determining the TGP the following factors are considered:

- Performance of the individual
- Level of skill and experience
- Current market-related remuneration
- Economic conditions e.g. inflation
- Financial performance of the Group

SHORT-TERM INCENTIVE (STI)

The STI for the Group's Executive Directors and key management is underpinned by the performance of the Group, and the Group maintaining a targeted minimum Core Headline Earnings per share (CHEPS), as well as an individual's performance. The STI is payable in cash in March every year and is capped per individual.

2018 STI

For the 2018 financial year, Executive Directors received a STI, to be paid in 2019, based on benchmarking the performance of the Group in 2018 against its targeted benchmarks, namely:

- CHEPS of 5.82 cps.
- Identifying and concluding suitable investment opportunities with good growth prospects.
- Academic success.
- Reputational risk management of the Group.

The details of the 2018 STI are set out in Part 3 of this report.

2019 STI

In 2019, the STI will be dependent on the overall performance of the Group as well as individual employee performance:

- The overall performance of the Group and the individual are taken into account using a detailed scorecard matrix.
- The scorecard matrix takes into account pre-determined key performance objectives approved by the Committee, taking into account the attainment of certain targets, including minimum and stretch targets.
- Pay is always subject to a minimum CHEPS requirement being met.

Set out below is the table of performance measures and their relative weighting against which the Executive Directors will be assessed:

Relative weight of Key Performance Measures	CEO	CFO	CAO
1. Business Results	60%	60%	10%
2. Academic Performance	35%	10%	60%
3. Strategic Objectives	15%	15%	15%
4. Individual performance	15%	15%	15%
Total STI opportunity as % of TGP	125%	100%	100%

REPORT OF THE REMUNERATION AND NOMINATIONS COMMITTEE (CONTINUED)

LONG-TERM INCENTIVE PLAN (LTI)

STADIO established a share incentive scheme for Executive Directors and certain key members of management. The Group believes that the retention of key skills is important to the sustainability of the Group and the share incentive scheme assists in retaining these skills. Through the share incentive scheme, the Group's performance is linked to longer-term value creation.

The maximum number of shares that may be utilised for purposes of the share incentive scheme is currently limited to 40 246 572 shares, being equal to approximately 5% of the total issued share capital of STADIO. The maximum number of shares that may be acquired by any one individual for purposes of the share incentive scheme is limited to 8 049 314 shares.

At 31 December 2018, the number of share options that had already been awarded but remain unvested amounted to 15 623 636 shares (2017: 14 977 162). At 31 December 2018, the share incentive scheme had ten participants (2017: seven), being qualifying individuals across the Group. No share options have vested to date.

MECHANICS OF THE SHARE INCENTIVE SCHEME

Award

Share options are awarded annually at the discretion of the Committee. The number of share options to be awarded is calculated based on the respective individual's base salary and a factor of between 1x and 7x applied thereto, depending on the individual's seniority and level of responsibility assumed within the organisation, as well as the level of his/her performance measured against the key performance objectives outlined above.

The following factors are applied to the Executive Directors' awards:

	2019	2018	2017
CEO	7	6	6
Executive Director	6	6	4–6.5*

* *the 6.5 represents an initial allocation following the set-up of the business prior to listing*

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

Vesting

The vesting of share options is solely 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 within a period of 12 months thereafter, will generally continue to be exercisable provided it is exercised during such 12 months.

NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration of Non-Executive Directors is reviewed annually by the Committee, which, considering the nature of the Group's operations, seeks to ensure that fees are market-related and that the Group can attract and retain high-calibre Non-Executive Directors with the necessary skills, knowledge and experience. During 2019, the Non-Executive Directors' fees were re-assessed taking into account the size of the Group and adjusted in line with market rate. These fees are recommended by the Board to shareholders for approval at the Annual General Meeting.

Changes to the fee structure are effective 1 March, subject to approval by shareholders at the Group's Annual General Meeting.

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.

The proposed fee structure for the Group's Non-Executive Directors for the financial year ending 31 December 2019, excluding value-added tax, is set out in the table below:

	Annual fee 2019	Annual fee 2018
Board:		
Chairperson of the board	**R350 000**	R160 000
Board members	**R200 000**	R120 000
Additional fee payable:		
To the chairpersons of the Board sub-committees	**R75 000**	R30 000
To the members of the Board sub-committees	**R50 000**	R20 000
Additional hourly fee in rare circumstances (on pre-approval by chairperson of the Remuneration and Nominations Committee)	**R2 500 per hour**	–

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

VOTING ON REMUNERATION

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

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

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY

REMUNERATION

TGP

The salary and salary increases of Executive Directors and key management employees were approved by the Committee. These increases are usually in line with the inflationary increases but were adjusted, where required, to benchmark against market related rates.

In 2019, the TGP of Executive Directors were benchmarked against remuneration of other JSE Small Cap listed companies. It was noted that the current Executive Directors' remuneration was below market-related rates and as such the Executive Directors' base salaries were increased to align more closely with market-related rates, albeit having regard to the current size of the Group and taking into consideration stakeholders interests.

STI

For the year ended 31 December 2018, the Group's primary performance criteria included:

- attainment of a minimum CHEPS of 5.82cps, being HEPS in the PLS adjusted for non-core items;
- identifying and concluding suitable investment opportunities with good growth prospects;
- academic success; and
- reputational risk management of the Group.

The Group met or exceeded the performance criteria as follows:

- achieved a CHEPS of 8.6cps for the year ended 31 December 2018;
- successfully concluded the acquisitions of LISOF, Milpark and Prestige Academy;
- achieved an average module success rate of 77.7 % across the Group; and
- established procedures and policies across the Group to deal with reputational risks.

Given attainment of the performance criteria for the 2018 financial year end, as well as considering the individual performances of each Executive Director, the Executive Directors were eligible to receive the maximum entitled bonus. The Committee did however, having regard to the size of the Group and the positioning phase of the business, elect to defer a portion of the Executive Directors STI.

A portion of the 2018 bonus entitlement will thus vest in equal tranches over three years but subject to certain vesting criteria, namely:

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

As such, the Executive Directors' Bonus for 2018, payable in 2019, is as follows:

	31 Dec 2018 2018 Bonus** R'000	31 Dec 2018 Deferred portion R'000
CR van der Merwe	2 516	984
S Totaram	1 377	453
D Singh	1 128	372
Total	**5 152**	**1 809**

** paid in March 2019

The following table sets out the remuneration paid to Executive Directors for the year ended 31 December 2018 and 2017:

	2018					2017				
Name	Basic salary/ Director's fees R'000	Bonuses R'000	Share-based incentive payments[6] R'000	Pension contributions paid R'000	Total R'000	Basic salary/ Director's fees R'000	Bonuses[6] R'000	Share-based incentive payments[6] R'000	Pension contributions paid R'000	Total R'000
CR van der Merwe[1, 2]	2 220	1 191	1 782	220	5 413	2 356	2 224	5 067	123	9 770
S Totaram[3, 4]	1 752	1 050	975	60	3 837	1 672	995	2 019	57	4 743
D Singh[5]	1 345	669	–	132	2 146	1 084	–	–	105	1 189
Total	5 317	2 910	2 757	412	11 396	5 377	3 219	7 086	285	15 967

No share incentive awards were issued to the Executive Directors during 2018, nor did any share incentive awards issued by STADIO vest in 2018.

1 *CR van der Merwe was appointed as Chief Executive Officer of STADIO on 1 July 2017 and received remuneration from the Group for six months during the financial year ended 31 December 2017. STADIO was previously owned by Curro before being unbundled and separately listed on 3 October 2017.*
2 *CR van der Merwe was remunerated by Curro Holdings Limited (Curro) for the six-month period ended 30 June 2017 and received remuneration for serving as a non-executive director and strategic advisor on the board of Curro from 1 July 2017.*
3 *S Totaram was appointed as Chief Financial Officer of STADIO on 1 January 2017 and received remuneration for the 12 months ended 31 December 2017.*
4 *S Totaram was remunerated by Curro in the form of a bonus during the six-month period ended 30 June 2017 for services rendered to Curro relating to the period ended 31 December 2016.*
5 *D Singh was appointed and employed by STADIO on 1 February 2017 and received remuneration for 11 months of the financial year-ending 31 December 2017.*
6 *Bonuses and share-based incentive payments relate to 2016 financial year incentive and were accordingly paid for by Curro.*

REPORT OF THE REMUNERATION AND NOMINATIONS COMMITTEE (CONTINUED)

LTI (SHARE OPTIONS)

The following share options were awarded to Executive Directors prior to listing on 3 October 2017. No additional share options were awarded to Executive Directors during 2018 nor 2017. As these are the first share options to be awarded and the first tranche are only due to vest in 2019, there are no long-term incentive outcomes to report for the year ended 31 December 2018.

	Number of share options awarded during 2017 '000	Strike price per share options awarded	Share options' grant date[1]	Number of unvested share options at 31 December 2017 and 2018 '000
CR van der Merwe	4 054	R2.96	3 October 2017	4 054
S Totaram	1 725	R2.96	3 October 2017	1 725
D Singh	1 757	R2.96	3 October 2017	1 757
	7 536			7 536

[1] *These share options were awarded as part of the initial option allocation (as allowed in the share incentive trust deed) at 08:00 on 3 October 2017, prior to STADIO's listing on the JSE.*

In 2019, the following shares were awarded to Executive Directors.

	Number of share options held as at 31 December 2018 '000	Number of share options awarded in 2019 '000	Strike price per share options awarded in 2019	Share options' grant date	Total number of share options awarded '000
CR van der Merwe	4 054	2 580	R3.63	3 April 2019	6 634
S Totaram	1 725	1 159	R3.63	3 April 2019	2 884
D Singh	1 757	1 865	R3.63	3 April 2019	3 622
	7 536	5 604			13 140

NON-EXECUTIVE DIRECTORS

The annual fees paid to the Non-Executive Directors during 2018 and 2017 are as follows:

Name	2018 Directors' fees R'000	2017 Directors' fees R'000
RH Stumpf	170	95
R Kirsten	165	83
KS Sithole	150	87
DM Ramaphosa[1]	115	–
PN de Waal[2]	135	–
	735	265

[1] *DM Ramaphosa was appointed as an Independent Non-Executive Director on 9 March 2018 and as such received fees for his service as Non-Executive Director for nine months of the year ended 31 December 2018.*

[2] *PN de Waal's Non-Executive Director's remuneration is paid to PSG Corporate Services Proprietary Limited of which he is a salaried employee.*

STATEMENT BY THE BOARD REGARDING COMPLIANCE WITH THE REMUNERATION POLICY

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

GENERAL INFORMATION

SHAREHOLDERS' ANALYSIS

AS AT 31 DECEMBER 2018

Range of shareholding 2018	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	14 281	84.4	30 252	3.7
10 001 – 100 000	2 327	13.7	63 587	7.8
100 001 – 1 000 000	268	1.6	74 037	9.0
More than 1 000 000	43	0.3	649 838	79.5
	16 919	100.0	817 714	100.0

Range of shareholding 2017	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	17 649	85.7	36 230	4.6
10 001 – 100 000	2 628	12.8	66 243	8.4
100 001 – 1 000 000	273	1.3	69 141	8.8
More than 1 000 000	40	0.2	614 316	78.2
	20 590	100.0	785 930	100.0

Shareholder spread

To the best knowledge of the Directors and after reasonable enquiry, the spread of shareholders as at 31 December 2018 were as follows:

Public and non-public shareholding 2018	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
PSG Alpha Investments Proprietary Limited	1	–	359 597	44.0
Directors (including prescribed officers and subsidiary directors)	10	–	81 052	9.9
Directors from other related parties	12	0.1	8 048	1.0
Non-public shareholding	23	0.1	448 697	54.9
Public shareholding	16 896	99.9	369 017	45.1
Total of all shareholders	16 919	100.0	817 714	100.0

Public and non-public shareholding 2017	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
PSG Alpha Investments Proprietary Limited	1	–	359 597	45.8
Directors (including prescribed officers and subsidiary directors)	10	–	70 690	9.0
Directors from other related parties	12	–	8 048	1.0
Non-public shareholding	23	–	438 335	55.8
Public shareholding	20 567	100.0	347 595	44.2
Total of all shareholders	20 590	100.0	785 930	100.0

SHAREHOLDERS' ANALYSIS (CONTINUED)

AS AT 31 DECEMBER 2018

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 2018		Shares held 2017	
	Number '000	%	Number '000	%
PSG Alpha Investments Proprietary Limited	**359 597**	**44.0**	359 597	45.8
Coronation Fund Managers Limited	**63 530**	**7.8**	40 943	5.2
Brimstone Investment Corporation Limited	**43 565**	**5.3**	33 784	4.3

Share information

	2018	2017
Closing price at period end (cents)	**349**	805
JSE market price high (cents)	**860**	950
JSE market price low (cents)	**321**	520
Total number of transactions on JSE	**32 408**	34 129
Total number of shares traded	**112 075 904**	90 622 900
Total value of shares traded (R)	**513 286 616**	629 104 744
Average price per share (cents)	**458**	725
Shares in issue	**817 713 779**	785 930 219
Percentage volume traded to shares in issue	**13.7%**	11.5%

NOTICE OF ANNUAL GENERAL MEETING

Stadio Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2016/371398/06
JSE share code: SDO
ISIN: ZAE000248662
(STADIO, or the Group, or the Company)

Notice is hereby given of the Annual General Meeting of shareholders of STADIO to be held at Protea Hotel Stellenbosch, Techno Avenue, Techno Park, Stellenbosch, 7600, at 12:00 on Wednesday, 5 June 2019 (the AGM).

PURPOSE

The purpose of the AGM is to transact the business set out in the agenda below.

AGENDA

- Presentation of the audited Annual Financial Statements of STADIO, including the reports of the directors of STADIO (Directors) and the Audit and Risk Committee, for the year ended 31 December 2018. The 2018 Integrated Report of the Group containing the Audited Summary Financial Statements, and the audited Consolidated and Separate Annual Financial Statements, is available at www.stadio.co.za or can be obtained from the Company at its registered office.
- To consider and, if deemed fit, approve, with or without modification, the following ordinary and special resolutions:

Note:
For any of the ordinary resolutions numbers 1 to 8 and 10 to 11 (inclusive) to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For ordinary resolution number 9, more than 75% of the voting rights exercised on such ordinary resolution must be exercised in favour thereof. For special resolutions numbers 1 to 4 to be adopted, at least 75% of the voting rights exercised on such resolution must be exercised in favour thereof.

1. CONFIRMATION OF APPOINTMENT, RETIREMENT AND RE-ELECTION OF DIRECTORS

1.1 Ordinary resolution number 1

Resolved that Ms M Mokoka's appointment as director, in terms of the memorandum of incorporation of the Company be and is hereby confirmed.

Summary curriculum vitae of Ms Mathukana Givion Makoka (Ms MG Mokoka)

Ms MG Mokoka is a qualified Chartered Accountant (CA) SA with over 15 years of post-articles experience. She has sound public and private sector experience on various boards of companies, including Sanlam Limited, Sanlam Life Insurance Limited, Palabora Mining Proprietary Limited, Rolfes Holdings Limited, amongst others. She is also the Audit and Risk Committee Chairperson for both Palabora Mining Proprietary Limited snd Rolfes Holdings Limited.

Qualifications: CA(SA)

1.2 Ordinary resolution number 2

Resolved that Mr PN de Waal, who retires by rotation in terms of the memorandum of incorporation of the Company, and, being eligible, offers himself for re-election, be and is hereby re-elected as director.

1.3 Ordinary resolution number 3

Resolved that Ms R Kisten, who retires by rotation in terms of the memorandum of incorporation of the Company, and, being eligible, offers herself for re-election, be and is hereby re-elected as director.

1.4 Ordinary resolution number 4

Resolved that Prof RH Stumpf, who retires by rotation in terms of the memorandum of incorporation of the Company, and being eligible, offers himself for re-election, be and is hereby re-elected as director.

1.5 Retirement from the Board

Director retiring by rotation who has not offered himself for re-election

Mr KS Sithole retires by rotation at the AGM in accordance with clause 26.3.2 of the memorandum of incorporation. He has not offered himself for re-election and will retire from the Board at the AGM. Mr Sithole's retirement from the Board does not give rise to a vacancy on the Board. The Board reviews the composition of its membership continuously and will appoint additional Directors when a need for specific expertise or an appropriate candidate is identified.

The reason for ordinary resolution number 1 is that the Listings Requirements of the JSE Limited (JSE) require that any new appointment to the board of Directors of the Company be confirmed by the shareholders at the AGM. Ms Mokoka's appointment as Independent Non-Executive Director of Stadio was effective from 15 April 2019.

The reason for ordinary resolutions numbers 2 to 4 (inclusive) is that the memorandum of incorporation of the Company, the Listings Requirements of the JSE, and, to the extent applicable, the Companies Act of South Africa (the Companies Act), require that one-third of Non-Executive Directors will retire at each annual general meeting of the Company and, being eligible, may offer themselves for re-election as Directors. Some brief curriculum vitae of each of the Directors eligible for re-election and confirmation to the Board appears on pages 67 to 69 of the 2018 Integrated Report.

2. RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY

Note:
For the avoidance of doubt, all references to the Audit and Risk Committee of the Company are a reference to the Audit Committee as contemplated in the Companies Act.

2.1 Ordinary resolution number 5

Resolved that Ms MG Mokoka, subject to the approval of ordinary resolution number 1 above, being eligible, be and is hereby appointed as a member and chairperson of the Audit and Risk Committee of the Company, as recommended by the Board of the Company, until the next annual general meeting of the Company.

2.2 Ordinary resolution number 6

Resolved that Ms R Kisten, subject to the approval of ordinary resolution number 3 above, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of the Company, until the next annual general meeting of the Company.

2.3 Ordinary resolution number 7

Resolved that Mr DM Ramaphosa, being eligible, be and is hereby re-appointed as a member of the Audit and Risk Committee of the Company, as recommended by the Board of the Company, until the next annual general meeting of the Company.

The reason for ordinary resolutions numbers 5 to 7 (inclusive) is that the Company, being a public listed company, must appoint an Audit Committee and the Companies Act requires that the members of such Audit Committee be appointed, or re-appointed, as the case may be, at each annual general meeting of the Company.

3. RE-APPOINTMENT OF AUDITOR

3.1 Ordinary resolution number 8

Resolved that PricewaterhouseCoopers Inc. be and are hereby re-appointed as the auditor of the Company for the ensuing year with the designated auditor being Mr D de Jager, a registered auditor and partner in the firm.

The reason for ordinary resolution number 8 is that the Company, being a public listed company, must have its Annual Financial Statements audited, and such an auditor must be appointed or re-appointed each year at the annual general meeting of the Company, as required by the Companies Act.

4. GENERAL AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH

4.1 Ordinary resolution number 9

Resolved that the Directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company's unissued shares for cash as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE, and subject to the provision that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution shall be limited to 10% of the issued share capital of the Company at the date of this notice of AGM, provided that:

- *the approval shall be valid until the date of the next annual general meeting of the Company, provided it shall not extend beyond 15 months from the date of this resolution;*
- *the general issues of shares for cash in any one financial year may not exceed, in the aggregate, 10% of the Company's issued share capital (number of securities) of that class as at the date of this notice of AGM, it being recorded that ordinary shares issued pursuant to a rights offer or in consideration for acquisitions or shares issued to the STADIO Group Share Incentive Trust (Trust) or options granted by the Trust in accordance with the Listings Requirements of the JSE shall not diminish the number of ordinary shares that comprise the 10% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this notice of AGM, 10% of the issued ordinary shares of the Company amounts to 81 809 525 ordinary shares;*
- *in determining the price at which an issue of shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over the 30 trading days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE will be consulted for a ruling if the securities have not traded in such 30 business-day period;*
- *any such issue will only be made to public shareholders as defined in paragraphs 4.25 to 4.27 of the Listings Requirements of the JSE and not to related parties;*
- *any such issue will only be securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue; and*
- *if the issued securities represent, on a cumulative basis, 5% or more of the number of securities in issue, prior to that issue, an announcement containing full details of such issue shall be published on the Stock Exchange News Service.*

For listed entities wishing to issue shares for cash (other than issues by way of rights offers and/or in consideration for acquisitions and/or to share incentive schemes, which schemes have been duly approved by the JSE and by the shareholders of the Company), it is necessary for the Board to obtain the prior authority of the shareholders in accordance with the Listings Requirements of the JSE and the memorandum of incorporation of the company. The reason for ordinary resolution number 9 is accordingly to obtain a general authority from shareholders to issue shares for cash in compliance with the Listings Requirements of the JSE and the memorandum of incorporation of the Company.

At least 75% of the shareholders present in person or by proxy and entitled to vote at the AGM must cast their vote in favour of this resolution.

5. NON-BINDING ADVISORY VOTE ON STADIO'S REMUNERATION POLICY AND IMPLEMENTATION REPORT ON THE REMUNERATION POLICY

5.1 Ordinary resolution number 10

Resolved that the Company's Remuneration Policy, as set out on pages 79 to 82 of this 2018 Integrated Report, be and is hereby endorsed by way of a non-binding advisory vote.

The reason for ordinary resolution number 10 is that the King IV Report on Corporate Governance™ for South Africa, 2016 (King IV™) recommends, and the Listings Requirements of the JSE require, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting of the company. This enables shareholders to express their views on the remuneration policy adopted. The effect of ordinary resolution number 10, if passed, will be to endorse the Company's Remuneration Policy. Ordinary resolution number 10 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's Remuneration Policy.

5.2 Ordinary resolution number 11

Resolved that the Company's Implementation Report with regards to its Remuneration Policy, as set out on pages 83 to 86 of this 2018 Integrated Report, be and is hereby endorsed by way of a non-binding advisory vote.

The reason for ordinary resolution number 11 is that King IV™ recommends that the implementation report on a company's remuneration policy be tabled for a non-binding advisory vote by shareholders at each annual general meeting of the Company. This enables shareholders to express their views on the implementation of a company's remuneration policy. The effect of ordinary resolution number 11, if passed, will be to endorse the Company's Implementation Report in relation to its Remuneration Policy. Ordinary resolution number 11 is of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing remuneration agreements. However, the Board will take the outcome of the vote into consideration when considering amendments to the Company's Remuneration Policy and its implementation.

To consider and, if deemed fit, approve, with or without modification, the following special resolutions:

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS

6.1 Special resolution number 1

Resolved in terms of section 66(9) of the Companies Act that the Company be and is hereby authorised to remunerate its Non-Executive Directors for their services as Directors on the basis set out below, provided that this authority will be valid until the next annual general meeting of the Company.

Non-Executive Directors' fees (excluding value-added tax)	Annual fee 2019
Board:	
Chairperson of the Board	R350 000
Board members	R200 000
Additional fee payable:	
To the chairpersons of the Board sub-committees	R75 000
To the members of the Board sub-committees	R50 000
Additional hourly fee in rare circumstances (on pre-approval by chairperson of the Remuneration and Nominations Committee)	R2 500 per hour

Notes:
1. Fees are paid for service rendered as Non-Executive Directors
2. The fees are paid bi-annually.

The reason for special resolution number 1 is for the Company to obtain the approval of shareholders by way of a special resolution for the payment of remuneration to its Non-Executive Directors in accordance with the requirements of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its Non-Executive Directors for the services they render to the Company as Directors without requiring further shareholder approval until the next annual general meeting of the Company.

7. INTER-COMPANY AND RELATED FINANCIAL ASSISTANCE

7.1 Special resolution number 2: Inter-company financial assistance

Resolved in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the Board be and is hereby authorised to approve that the Company provide any direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the Board may deem fit to any company or corporation that is related or inter-related ('related' or 'inter-related' will herein have the meaning attributed to it in section 2 of the Companies Act) to the Company, on the terms and conditions and for amounts that the Board may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company.

The reason for and effect of special resolution number 2 is to grant the Directors of the Company the authority, until the next annual general meeting, to provide direct or indirect financial assistance to any company or corporation that is related or inter-related to the Company. This means that the Company is authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

7.2 Special resolution number 3: Financial assistance for the subscription and/or the acquisition of shares in the Company or a related or inter-related company.

Resolved that, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, the Board be and is hereby authorised to approve that the Company provide any direct or indirect financial assistance ('financial assistance' will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the Board may deem fit to any person (including a juristic person) for purposes of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company ('related' or 'inter-related' will herein have the meaning attributed to it in section 2 of the Companies Act), on the terms and conditions and for amounts that the Board may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company.

The reason for and effect of special resolution number 3 is to grant the Directors of the Company the authority, until the next annual general meeting, to provide financial assistance to any person for purposes of, or in connection with, the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. This means that the Company is authorised, *inter alia*, to grant loans to any person (including its subsidiaries) or to guarantee and furnish security for the debt of any person where any such financial assistance is directly or indirectly related to that person subscribing for options, shares or securities in the Company or its subsidiaries or purchasing options, shares or securities in the Company or its subsidiaries. A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

8. SHARE REPURCHASES BY THE COMPANY AND ITS SUBSIDIARIES

8.1 Special resolution number 4

Resolved, as a special resolution, that the Company and the subsidiaries of the Company be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Directors may from time to time determine, but subject to the provisions of section 46 and 48 of the Companies Act, the memorandum of incorporation of the Company and the Listings Requirements of the JSE, including, inter alia, that:

- *the general repurchase of the shares may only be implemented on the open market of the JSE and must be done without any prior understanding or arrangement between the Company and the counterparty;*
- *this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond 15 months from the date of this resolution;*
- *an announcement must be published as soon as the Company has acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue on the date that this authority is granted, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;*
- *the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the Company's issued share capital at the time the authority is granted;*
- *a resolution has been passed by the Board approving the repurchase, confirming that the Company and its subsidiaries have satisfied the solvency and liquidity test as defined in the Companies Act, and that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Group;*
- *the general repurchase is authorised by the Company's memorandum of incorporation;*
- *repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is effected. The JSE will be consulted for a ruling if the Company's securities have not traded in such five business-day period;*
- *the Company may at any point in time appoint only one agent to effect any repurchase(s) on the Company's behalf; and*
- *the Company and/or its subsidiaries may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless a repurchase programme, as contemplated in terms of paragraph 5.72(h) of the Listings Requirements of the JSE, has been submitted to the JSE in writing and executed by an independent third party.*

The reason for and effect of special resolution number 4 is to grant the Directors a general authority in terms of the Company's memorandum of incorporation and the Listings Requirements of the JSE for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 4.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not collectively hold more than 10% in aggregate of the number of the issued shares of a Company. In order to avoid doubt, a *pro rata* repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

8.2 Information relating to special resolution number 4

1. The Directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company, as set out in special resolution number 4, to the extent that the Directors, after considering the maximum shares to be purchased, are of the opinion that the position of the Company and its subsidiaries (the Group) would not be compromised as to the following:

   - The Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this AGM and for a period of 12 months after the repurchase;

   - The consolidated assets of the Group will, at the time of the annual general meeting and at the time of making such determination, be in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;

   - The ordinary capital and reserves of the Group after the purchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the annual general meeting and after the date of the share repurchase; The working capital available to the Group after the repurchase will be sufficient for the Group's requirements for a period of 12 months after the date of the notice of the AGM; and

   - The Directors have passed a resolution authorising the repurchase, resolving that the Company has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that, since the solvency and liquidity test was applied, there have been no material changes to the financial position of the Group.

2. The Directors, whose names appear on pages 67 to 69 of the 2018 Integrated Report, collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the notice of AGM contains all information required by the Listings Requirements of the JSE.

9. OTHER BUSINESS

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the Company.

9.1 Voting

1. The date on which shareholders must be recorded as such in the share register maintained by the transfer secretaries of the Company (the share register) for purposes of being entitled to receive this notice of AGM is Thursday, 18 April 2019.
2. The date on which shareholders must be recorded in the share register for purposes of being entitled to attend and vote at this meeting is Friday, 31 May 2019, with the last day to trade being Tuesday, 28 May 2019.
3. Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairperson of the annual general meeting and must accordingly bring a copy of their identity document, passport or driver's licence to the annual general meeting. If in any doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

4. Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a member of the Company. A form of proxy in which the relevant instructions for its completion are set out is enclosed for the use of a certificated shareholder or own-name registered dematerialised shareholder who wishes to be represented at the AGM. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.
5. The instrument appointing a proxy and the authority (if any) under which it is signed must reach the transfer secretaries of the Company at the address given below by no later than 12:00 pm (South African time) on Monday, 3 June 2019, provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairperson of the AGM prior to the commencement of the AGM, at any time before the appointed proxy exercises any shareholder rights at the AGM.
6. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM in person will need to request their Central Securities Depository Participant (CSDP) or broker to provide them with the necessary authority in terms of the custody agreement entered into between such shareholders and the CSDP or broker.
7. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who are unable to attend the AGM and who wish to be represented thereat, must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between them and the CSDP or broker in the manner and time stipulated therein.
8. Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, have one vote in respect of each share held.

By order of the Board

Stadio Holdings Limited

30 April 2019

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

Transfer secretaries:
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, South Africa, 2196
(PO Box 61051, Marshalltown, South Africa, 2107)

Sponsor:
PSG Capital Proprietary Limited
1st Floor, Ou Kollege Building
35 Kerk Street, Stellenbosch
South Africa, 7600
(PO Box, 7403, Stellenbosch, South Africa, 7599)

FORM OF PROXY

Stadio Holdings Limited
Incorporated in the Republic of South Africa
(Registration number: 2016/371398/06)
JSE Share Code: SDO
ISIN: ZAE000248662
(STADIO, or the Group, or the Company)

Form of proxy – for use by certificated and own-name dematerialised shareholders only

For use at the Annual General Meeting of ordinary shareholders of STADIO to be held at Protea Hotel Stellenbosch, Techno Avenue, Techno Park, Stellenbosch, 7600, at 12:00 on Wednesday, 5 June 2019 (the AGM).

I/we (full name in print) ....

of (address) ....

Telephone: (work) area code (........) .... Telephone: (home) area code (........) ....

Cellphone number: (........) ....

being the registered holder of .... shares in the company, I hereby appoint

1. .... or failing him/her

2. .... or failing him/her

3. the chairperson of the AGM,

as my/our proxy to attend, speak and vote for me/us at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instruction (see notes):

	In favour of	Against	Abstain
Ordinary resolution number 1: To confirm Ms M Mokoka's appointment as Director			
Ordinary resolution number 2: To re-elect Mr PN de Waal as Director			
Ordinary resolution number 3: To re-elect Ms R Kisten as Director			
Ordinary resolution number 4: To re-elect Prof RH Stumpf as Director			
Ordinary resolution number 5: To appoint Ms M Mokoka as a member and chairperson of the Audit and Risk Committee of the Company			
Ordinary resolution number 6: To re-appoint Ms R Kisten as a member of the Audit and Risk Committee of the Company			
Ordinary resolution number 7: To re-appoint Mr DM Ramaphosa as a member of the Audit and Risk Committee of the Company			
Ordinary resolution number 8: To re-appoint PricewaterhouseCoopers Inc. as the auditor			
Ordinary resolution number 9: General authority to issue ordinary shares for cash			
Ordinary resolution number 10: Non-binding endorsement of STADIO's Remuneration Policy			
Ordinary resolution number 11: Non-binding endorsement of STADIO's Implementation Report on the Remuneration Policy			
Special resolution number 1: Remuneration of Non-Executive Directors			
Special resolution number 2: Inter-company financial assistance			
Special resolution number 3: Financial assistance for the subscription and/or the acquisition of shares in the Company or a related or inter-related company			
Special resolution number 4: Share repurchases by the Company and its subsidiaries			

Please indicate your voting instruction by inserting a cross in the space provided.

Signed at .... on this .... day of .... 2019.

Signature(s) ....

Assisted by (where applicable) (state capacity and full name) ....

Each STADIO shareholder is entitled to appoint one or more proxy(ies) (who need not be shareholder(s) of the Company) to attend, speak and vote in his/her stead at the AGM.

Please read the notes overleaf.

Notes:

1. A STADIO shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting 'the chairperson of the AGM'. The person whose name appears first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A STADIO shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the chairperson of the AGM, if he/she is the authorised proxy, to vote in favour of the resolutions at the meeting, or any other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of all the shares concerned. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect of which abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his/her proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he/she was solely entitled thereto, but, if more than one of such joint holders are present or represented at any meeting, that one of the said persons whose name stands first in the register in respect of such shares, or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any shares stand shall be deemed joint holders thereof.
4. Proxy forms should be lodged with the transfer secretaries of the Company, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, South Africa, or posted to the transfer secretaries at PO Box 61051, Marshalltown, 2107, South Africa, to be received by them not later than Monday, 3 June 2019, at 12:00 pm (South African time), provided that any form of proxy not delivered to the transfer secretaries by this time may be handed to the chairperson of the AGM prior to the commencement of the AGM, at any time before the appointed proxy exercises any shareholder rights at the AGM.
5. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairperson of the AGM.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

COMPANY INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Investment holding company in private higher education industry
Directors	**Executive** CR van der Merwe S Totaram D Singh **Non-Executive** PN de Waal * *A Mellet (alternate Director to PN de Waal) **Independent Non-Executive** RH Stumpf R Kisten DM Ramaphosa KS Sithole M Mokoka
Company Secretary	STADIO Corporate Services Proprietary Limited
Registered office and business address	Office 101, The Village Square Cnr of Oxford and Queen Streets Durbanville, South Africa, 7550 (PO Box 2161, Durbanville, South Africa, 7551)
Bankers	Standard Bank of South Africa Limited Rand Merchant Bank Limited
Auditor	PricewaterhouseCoopers Incorporated
Sponsor	PSG Capital Proprietary Limited 1st Floor, Ou Kollege Building 35 Kerk Street, Stellenbosch South Africa, 7600 (PO Box 7403, Stellenbosch, South Africa, 7599)
Company registration number	2016/371398/06
Level of assurance	The Summary Financial Statements, and the Annual Financial Statements from which they are derived, have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The Summary Financial Statements, were compiled under the supervision of Ms S Totaram CA(SA), CFA
Website	www.stadio.co.za

GLOSSARY OF TERMS

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

Accreditation	A quality assurance process under which qualifications and institutions are evaluated by an external body (CHE and DHET) to determine if applicable standards are met. If standards are met, accredited status is granted by the agency.
AFS	Annual Financial Statements
AGM	Annual General Meeting
AMBA	Association of MBAs
ARC	Audit and Risk Committee, a sub-committee of the Board
Articulation	Articulation is both a formal system and a process. As a formal system, articulation policy ensures that qualifications offered at different institutions match, to the extent that standardisation allows, for transfer of credits. As a process, articulation involves formal and informal agreements between education providers in the context of formal policy
ASACOM or ASA	Academic and Student Affairs Committee, an operating committee
BA	Bachelor of Arts
B-BBEE	Broad-Based Black Economic Empowerment
BCom	Bachelor of Commerce
BEd	Bachelor of Education
BHAG	Big Hairy Audacious Goal – a long-term goal that changes the very nature of a business' existence
Black	Black people as defined in the B-BBEE Act
Board or B	Board of Directors of STADIO
Brimstone	Brimstone Investment Corporation Limited, the Group's B-BBEE partner
CAGR	Compound Annual Growth Rate
CAO	Chief Academic Officer
CA Connect	CA Connect Professional Training Institution CPT Proprietary Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGU	Cash Generating Unit
CHE	The South African Council on Higher Education
CL	Contact learning
Companies Act	The Companies Act, No. 71 of 2008, as amended
CHEPS	Core Headline Earnings Per Share – 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
CSR	Corporate Social Responsibility
Curro	Curro Holdings Limited
DHET	The South African Department of Higher Education and Training
Directors	Members of the Board
DL	Distance learning
Drop-out	A student decides to discontinue his or her studies prior to completing the programme on which the student was registered
EBIT	Earnings Before Interest and Taxation
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation

EC	Executive Committee, an operating committee
ECD	Early Childhood Development
Ekosto	Ekosto 1067 Proprietary Limited, a private company incorporated under the laws of South Africa, 100% of the issued share capital of which is held by Intraframe
Embury	Embury Institute for Higher Education Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH
EPS	Earnings per Share
EXCO	Executive Committee, an operating committee
FET	Further Education and Training
FT	Full-time
GTER	Gross Tertiary Enrolment Rate – defined as total student enrolments divided by the school leaver age-cohort in the national population
HC	Higher Certificate
HEI	Higher Education Institution
HEPS	Headline Earnings per Share
Histodox	Histodox Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS
IAR	Integrated Annual Report
IASB	International Accounting Standards Board
ICT	Information, Communication and Technology
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IIRC	International IR Framework
Intraframe	Intraframe Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS
Investco or IC	Investment Committee, an operating committee
JSE	JSE Limited
King IV™	King IV Report on Corporate Governance™ for South Africa, 2016
LISOF	LISOF Proprietary Limited (including the associated property companies Wadam and Histodox), a private company incorporated under the laws of South Africa, 100% of the issued share capital is held by SIH
Listing date	STADIO listed on the main board of the JSE on 3 October 2017
MBA	Masters of Business Administration
MBS Education	MBS Education Investments Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by Milpark SPV
Milpark	Milpark Education Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by MBS Education
Milpark SPV	Milpark Investments SPV Proprietary Limited, a private company incorporated under the laws of South Africa, of which 74.9% of issued share capital is held by SIH and 25.1% of issued share capital is held by Newshelf 1409 Proprietary Limited, which is a special purpose vehicle held by SIH (49%) and Brimstone (51%)
MOI	The memorandum of incorporation of STADIO, as approved by Shareholders on 4 June 2018
NDP	National Development Plan
NQA	Namibia Qualifications Authority
NQF	The South African National Qualifications Framework
NRF	National Research Foundation

GLOSSARY OF TERMS
(CONTINUED)

OECD	Organisation for Economic Co-operation and Development
Other	Foreign nationals and other people not defined as Black or White in the B-BBEE Act
PC	Property Committee, an operating committee
PGDA	Postgraduate Diploma in Accounting
PLS	Pre-Listing Statement
Prestige Academy	Prestige Academy Proprietary Limited, a private company incorporated under the laws of South Africa, 100% of the issued share capital is held by SIH.
PSET	Post-School Education and Training
PSG	PSG Group Limited
PT	Part-time
PwC	PricewaterhouseCoopers Inc.
QA	Quality Assurance
RemNo or RNC	Remuneration and Nominations Committe, a sub-committee of the Board
SAICA	The South African Institute of Chartered Accountants
SAPS	South African Police Service
SAQA	South African Qualifications Authority
SBS	Southern Business School Proprietary Limited, a private company incorporated under the laws of South Africa, 100% of the issued share capital is held by SIH
SBS Group	Collectively SBS and SBS's interest in SBS Namibia
SBS Namibia	Southern Business School of Namibia Proprietary Limited, a private company incorporated under the laws of Namibia, 74% of the issued share capital is held by SBS
SCS	Stadio Corporate Services Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SIH
SIH	Stadio Investment Holdings Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by STADIO
Shareholders	Investors holding ordinany shares in Stadio Holdings Limited
STADIO or **the Group,** or **the Company**	Stadio Holdings Limited and its underlying subsidiaries
Success rate	Number of students who graduate / successfully complete their course
Stop-out	A student decides to temporarily discontinue his or her studies for a certain period of time with the aim of returning to formal studies at a later stage when it is more convenient
Throughput rate	The percentage of students from the same cohort who successfully complete their studies
TSEC or TSE	Transformation, Social and Ethics Committee, a sub-committee of the Board
UN	United Nations
UNISA	University of South Africa
USA	United States of America
Wadam	Wadam Proprietary Limited, a private company incorporated under the laws of South Africa, of which 100% of the issued share capital is held by SCS

STADIO
HOLDINGS

TOWARDS

STADIO MULTIVERSITY

AFDA
film • television • performance • business innovation & technology
the school for the creative economy

EMBURY
INSTITUTE FOR HIGHER EDUCATION

LISOF
LEADERS IN FASHION EDUCATION

MILPARK EDUCATION

PRESTIGE ACADEMY

SBS
Southern Business School

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