

STADIO HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2016/371398/06)

Share code: SDO

ISIN: ZAE000248662

LEI: 3789007C8FB26515D966

("the Company" or "the STADIO Group")



TRADING STATEMENT AND PUBLICATION DATE OF FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

The STADIO Group showed positive growth in student numbers for the year, bolstered by strong performance in the STADIO Group's distance learning offerings, particularly in online professional programme offerings. At 31 December 2021, the STADIO Group accommodated 38 262 (2020: 35 031) students across both contact learning and distance learning modes of delivery.

The STADIO Group utilises core headline earnings to measure and benchmark the underlying performance of the business. Core headline earnings represents headline earnings adjusted for certain non-recurring or non-cash items that, in the Board's view, may distort the financial results from year to year.

During 2021, the STADIO Group reflected strong growth in core headline earnings. This was delivered by good top-line growth coupled with robust expense management within the business. The 2021 year was still impacted by the effects of COVID-19, which the STADIO Group effectively managed. Certain savings were realised as a result of altering various teaching and learning practices to service students within the constraints of the COVID-19 imposed restrictions.

We are pleased to report that a reasonable degree of certainty exists that core headline earnings per share ("**CHEPS**") for the year ended 31 December 2021, will be between 17.1 cents and 19.2 cents, being between 20% and 35% higher than the 14.2 cents per share reported for the year ended 31 December 2020.

Furthermore, in terms of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as it becomes reasonably certain that the financial results for the next reported period will differ by 20% or more from the financial results for the previous corresponding period.

Accordingly, shareholders are advised that a reasonable degree of certainty exists that, for the year ended 31 December 2021, earnings per share ("**EPS**") will be between 14.1 cents and 16.3 cents, and headline earnings per share ("**HEPS**") will be between 16.9 cents and 18.2 cents, both being an increase of more than 100%, compared to the loss per share ("**LPS**") of 14.5 cents and headline loss per share ("**HLPS**") of 8.5 cents reported for the year ended 31 December 2020. This is as a result of the above-mentioned growth, as well as two abnormal items (which are excluded from CHEPS) that were reported in the prior year, further details of which are explained below.

During 2021, EPS was impacted by various impairments of assets amounting to R30 million. These impairments largely result from the execution of the STADIO Group's strategic plan to consolidate contact learning campuses to create operational efficiencies within the group. These impairments include, inter alia:

- An impairment of the right of use asset of R17 million in respect of the leased Milpark Education campus based in Gauteng. This impairment followed the decision of the Board to transition the Milpark Education business to cater only for the distance learning mode of delivery; and
- An impairment of the value of the STADIO Montana property of R10 million. STADIO has entered into an agreement to dispose of the STADIO Montana property for R52 million, which is below its book value of R62 million. All STADIO Montana students have been transferred to the new STADIO Centurion mega-campus which has opened for new students in 2022. The disposal is still subject to transfer and is anticipated to be effective in the first quarter of 2022. Management believes that operational efficiencies will arise from the transfer of students to the new STADIO Centurion campus.

In the prior year ended 31 December 2020, the EPS and HEPS were impacted by:

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

The financial information on which this trading statement is based, has not been reviewed or reported on by the Company's external auditors.

The results for the year ended 31 December 2021 are expected to be published on or about Monday, 14 March 2022.

Shareholders are invited to join the virtual results presentation at 10am, on Monday, 14 March 2022. To register to attend the presentation, please click on the following link: <https://attendee.gotowebinar.com/register/6619151679622723599>

Participants will be able to download the results as well as the slides from the portal during the presentation. Participants can send through questions using the portal, during and after the presentation, or may also email any questions to investorrelations@stadio.co.za.

Durbanville
17 February 2022

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