STADIO

HOLDINGS

2020 NOTICE OF AGM

HIGHLIGHTS

"A NEW VISION IN HIGHER EDUCATION"

STADIO REGISTERED AS A **NEW PRIVATE HIGHER EDUCATION** INSTITUTION

SUCCESSFUL BUSINESS TRANSFER INTO STADIO

26 OCTOBER 2020 **OFFICIAL BRAND LAUNCH**

STUDENT NUMBERS INCREASED 10%

TO 35 031

REVENUE INCREASED 14%

14%

TO R933M

ADJUSTED EBITDA* INCREASED 29%

TO R253M

CORE HEADLINE EARNINGS** INCREASED 33%

TO R117M

CORE HEPS** INCREASED 31%

TO 14.2 CENTS

APPOINTMENT OF **DR VINCENT MAPHAI** AS CHAIRPERSON OF THE BOARD

* *Earnings before interest depreciation and amortisation (EBITDA) was adjusted to exclude the fair value adjustment in respect of the CA Connect acquisition.*

** *Core Headline Earnings reflects Headline Earnings adjusted for certain items that, in the Board's view, may distort the financial results from year-to-year, giving management a more consistent reflection of the underlying financial performance of the Group.*

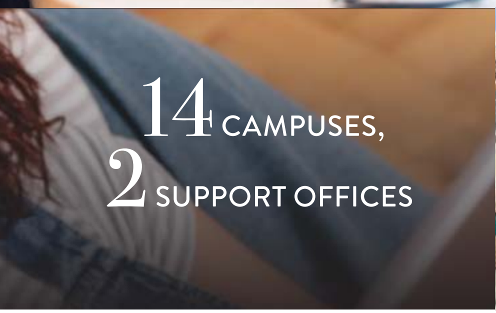
2020 ACADEMIC YEAR **COMPLETED IN 2020**

STUDENT DROP-OUT RATES **DECREASED**

MODULE **SUCCESS** RATE **INCREASED**

ACCREDITATION OF **2 NEW DOCTORATES** IN MANAGEMENT AND POLICING

THE GROUP HAS **95 ACCREDITED QUALIFICATIONS** AND 35 PIPELINE PROGRAMMES



14 CAMPUSES,
2 SUPPORT OFFICES

COMMENCED CONSTRUCTION OF **STADIO CENTURION,** 1ST MEGA-CAMPUS

CONTENTS

LETTER TO SHAREHOLDERS

30 April 2021

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING AND FORM OF PROXY

We are pleased to enclose the notice of STADIO Holdings Limited's (STADIO Holdings) Annual General Meeting to be conducted entirely by electronic communication as permitted by the Companies Act, No. 71 of 2008, as amended (the Companies Act) and by the Company's Memorandum of Incorporation (MOI) at 11:00 a.m. on Tuesday, 22 June 2021 (the AGM).

As a result of the ongoing COVID-19 pandemic, and guidance from authorities regarding a need for social distancing, the AGM will be conducted entirely by electronic communication.

The enclosed notice of AGM (Notice of AGM) is accompanied by various annexures, some of which include:

- audited summary financial statements;
- the remuneration report; and
- form of proxy.

In an effort to support environmental initiatives STADIO Holdings' full integrated annual report will not be printed, but instead is available on the STADIO Holdings' website, www.stadio.co.za. Should you require an electronic copy, please contact the Company Secretary at kater@stadio.co.za.

A copy of STADIO Holding's complete audited consolidated annual financial statements and the summary financial statements for the financial year ended 31 December 2020 are available on STADIO Holdings website at www.stadio.co.za or may be requested and obtained in person, at no charge, at the registered office of the company during office hours.

Yours faithfully

Dr Vincent Maphai
Chairperson

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
LEI: 3789007C8FB26515D966
(STADIO Holdings, or the Group, or the Company)

Notice is hereby given of the annual general meeting of ordinary shareholders of STADIO Holdings to be conducted entirely by electronic communication as permitted by the Companies Act, No. 71 of 2008, as amended (the Companies Act) and by the Company's memorandum of incorporation (MOI), at 11:00 a.m. on Tuesday, 22 June 2021 (the AGM).

PURPOSE

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

IMPACT OF COVID-19 ON THE AGM

The COVID-19 pandemic remains a threat and therefore, taking into account the health and safety of all stakeholders and the continued guidance from authorities regarding the need for social distancing, the AGM will be conducted entirely by electronic communication.

Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication (Participant(s)) must refer to the instructions and guidelines included on page 15.

AGENDA

- Presentation of the audited annual financial statements of STADIO Holdings and its subsidiaries, the reports of the directors of STADIO Holdings (Directors), including the remuneration report, the audit and risk committee (Audit and Risk Committee), and the activities from the transformation, social and ethics committee for the year ended 31 December 2020.

  The audited summary financial statements for the year ended 31 December 2020 are included in Annexure 1, while the audited annual consolidated financial statements, including the unmodified audit opinion, and the annual integrated report are available for download on our website at www.stadio.co.za. Should you wish to receive an electronic copy of either document, please email the company secretary at kater@stadio.co.za.

- To consider and, if deemed fit, approve, with or without modification, the ordinary and special resolution on pages 5 to 13:

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 and special resolutions numbers 1 to 12 to be adopted, at least 75% of the voting rights exercised on each such resolution must be exercised in favour thereof.

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

2.1 ORDINARY RESOLUTION NUMBER 1

Resolved that Dr TV Maphai's appointment as a Director, in terms of the MOI of the Company, be and is hereby confirmed.

2.2 ORDINARY RESOLUTION NUMBER 2

Resolved that Dr TH Brown, who retires by rotation in terms of the MOI of the Company, and being eligible, offers himself for re-election, be and is hereby re-elected as Director.

2.3 ORDINARY RESOLUTION NUMBER 3

Resolved that Dr CR van der Merwe, who retires by rotation in terms of the MOI of the Company, and being eligible, offers himself for re-election, be and is hereby re-elected as Director.

2.4 ORDINARY RESOLUTION NUMBER 4

Resolved that Dr CB Vilakazi, who retires by rotation in terms of the MOI of the Company, and being eligible, offers herself for re-election, be and is hereby re-elected as Director.

The reason for ordinary resolution number 1 is that the MOI of the Company and the Listings Requirements of the JSE Limited (JSE) require that any new appointment to the board of Directors (Board) of the Company be confirmed by the shareholders at the next annual general meeting of the Company.

Dr Maphai's appointment as independent non-executive director, and chairperson of STADIO Holdings was effective from 16 July 2020.

The reason for ordinary resolutions numbers 2 to 4 (inclusive) is that the MOI of the Company, the Listings Requirements of the JSE (JSE Listings Requirements), and to the extent applicable, 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.

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 M Mokoka, being eligible, be and is hereby re-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 Dr CB Vilakazi, subject to the approval of ordinary resolution number 4 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 Dr TH Brown, subject to the approval of ordinary resolution number 2 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.

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.

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

Brief curriculum vitae of each of the above Directors are included below:

DR THABANE VINCENT MAPHAI (DR MAPHAI) (69)
CHAIRPERSON

Independent non-executive

BA, BA (Hons), MPhil, DPhil, Advanced Management Programme (Harvard) and several certificates and diplomas

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

DR THOMAS HENRY BROWN (DR BROWN) (54)

Independent non-executive

BSc, HED, BEd, MEd, PhD

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

DR CHRISTIAAN RUDOLPH VAN DER MERWE (DR VAN DER MERWE) (58)

Non-executive

BPrim (Ed), BEd, M.Ed (Cum Laude), DEd

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

3. RE-APPOINTMENT OF AUDITOR

3.1 ORDINARY RESOLUTION NUMBER 8

Resolved that PricewaterhouseCoopers Inc. be and is hereby re-appointed as the auditor of the Company for the ensuing financial year or until the next annual general meeting of the Company, whichever is the later, with the designated auditor being Ms O Halenyane, a registered auditor and partner in the firm on the recommendation of the Audit and Risk Committee of the Company.

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, as the case may be, at each annual general meeting of the Company, as required by the Companies Act and the JSE Listings Requirements.

DR CHRISTINA BUSISIWE VILAKAZI (DR VILAKAZI) (37)

Independent non-executive

BSc in Electrical Engineering,
MSc in Engineering,
DPhil (PhD) in Engineering Science

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

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

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 Company's MOI, the Companies Act and the JSE Listings Requirements, 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 5% 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, 5% 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 Company's Share Incentive Trust (Trust) or options granted by the Trust in accordance with the JSE Listings Requirements shall not diminish the number of ordinary shares that comprise the 5% of the ordinary shares that can be issued in terms of this ordinary resolution. As at the date of this Notice of AGM, 5% of the issued ordinary shares of the Company (net of treasury shares) amounts to 42 049 849 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 business days prior to the date that the price of the issue is agreed between the Company 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 JSE Listings Requirements and not to related parties;
- any such issue will only be comprised of 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
- in the event that 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 the full details of such issue shall be published on the Stock Exchange News Service of the JSE.

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 JSE Listings Requirements and the MOI of the Company. Accordingly, the reason for ordinary resolution number 9 is to obtain a general authority from shareholders to issue shares for cash in compliance with the JSE Listings Requirements and the MOI of the Company.

For ordinary resolution number 9 to be adopted, at least 75% of the voting rights exercised on the applicable ordinary resolution must be exercised in favour thereof.

5. NON-BINDING ADVISORY VOTES ON STADIO HOLDINGS' REMUNERATION POLICY AND IMPLEMENTATION REPORT ON THE REMUNERATION POLICY

5.1 ORDINARY RESOLUTION NUMBER 10

Resolved that the Company's remuneration policy (Remuneration Policy), as set out in Annexure 3 of this Notice of AGM, 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 JSE Listings Requirements requires, that the remuneration policy of a company be tabled for a non-binding advisory vote by shareholders at each annual general meeting of such 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 in respect of its Remuneration Policy (Implementation Report), as set out in Annexure 3 of this Notice of AGM, 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, and the JSE Listings Requirements requires, 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 such 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.

Should 25% or more of the votes exercised in respect of ordinary resolution number 10 or ordinary resolution number 11 be against either resolution, or both resolutions, the Company will issue an invitation to those shareholders who voted against the applicable resolution to engage with the Company.

NOTICE OF ANNUAL GENERAL MEETING
(CONTINUED)

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

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS

Special resolutions numbers 1 to 9

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, which includes serving on various sub-committees, on the basis set out below, provided that this authority will be valid until the next annual general meeting of the Company[1, 2].

6.1 SPECIAL RESOLUTION NUMBER 1

Resolved that the chairperson of the Board be paid an annual fee of R382 130 (excluding value added tax (VAT)).

6.2 SPECIAL RESOLUTION NUMBER 2

Resolved that members of the Board be paid an annual fee of R218 360 (excluding VAT).

6.3 SPECIAL RESOLUTION NUMBER 3

Resolved that the chairperson of the Audit and Risk Committee be paid an annual fee of R103 000 (excluding VAT).

6.4 SPECIAL RESOLUTION NUMBER 4

Resolved that members of the Audit and Risk Committee be paid an annual fee of R54 590 (excluding VAT).

6.5 SPECIAL RESOLUTION NUMBER 5

Resolved that the chairpersons of the Remuneration and Nominations Committee be paid an annual fee of R81 885 (excluding VAT).

6.6 SPECIAL RESOLUTION NUMBER 6

Resolved that members of the Remuneration and Nominations Committee be paid an annual fee of R54 590 (excluding VAT).

6.7 SPECIAL RESOLUTION NUMBER 7

Resolved that the chairperson of the Transformation, Social and Ethics Committee be paid an annual fee of R81 885 (excluding VAT).

6.8 SPECIAL RESOLUTION NUMBER 8

Resolved that members of the Transformation, Social and Ethics Committee be paid an annual fee of R54 590 (excluding VAT).

6.9 SPECIAL RESOLUTION NUMBER 9

Resolved that non-executive Directors receive an hourly rate of R2 730 (excluding VAT) in respect of rare circumstances falling outside the ambit of scheduled annual commitments[3].

Notes:

1. *Fees are paid for services rendered as Directors and are not based on the number of meetings attended.*
2. *The fees are paid biannually in arrears and VAT is payable thereon if the non-executive Director is VAT registered.*
3. *Under rare circumstances, should the Board and/or its committees be required to meet formally far and above the scheduled annual commitments, the non-executive Directors would qualify for an hourly fee of R2 730 (excluding VAT), subject to the pre-approval of the Company's Remuneration and Nominations Committee.*

The reason for special resolutions numbers 1 to 9 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 resolutions numbers 1 to 9, if passed, 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 10: 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' and 'inter-related' will herein have the meanings attributed thereto 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, if passed, of special resolution number 10 is to grant the Directors of the Company the authority, until the next annual general meeting of the Company, 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, *inter alia*, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

7.2 SPECIAL RESOLUTION NUMBER 11: 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' and 'inter-related' will herein have the meanings attributed thereto 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, if passed, of special resolution number 11 is to grant the Directors of the Company the authority, until the next annual general meeting of the Company, 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 wholly-owned subsidiary raises 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 wholly-owned subsidiary to the third-party funder arising from the issue of the preference shares.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the Directors of the Company confirm that the Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolutions numbers 10 and 11 above:

- *the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company); and*
- *the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months.*

In addition, the Board will only approve the provision of any financial assistance contemplated in special resolutions numbers 10 and 11 above, where:

- *the Board is satisfied that the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and*
- *all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI have been met.*

8. SHARE REPURCHASES BY THE COMPANY AND ITS SUBSIDIARIES

8.1 SPECIAL RESOLUTION NUMBER 12

Resolved, as a special resolution, that the Company and its subsidiaries 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 sections 46 and 48 of the Companies Act, the MOI of the Company and the JSE Listings Requirements, including, *inter alia*, that:

- *the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and 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 (the Group) 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 MOI;*
- *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 and/or its subsidiaries may at any point in time appoint only one agent to effect any repurchase(s) on the Company's and/or its subsidiaries' behalf; and*
- *the Company and/or its subsidiaries may not effect a repurchase during any prohibited period as defined in terms of the JSE Listings Requirements unless a repurchase programme, as contemplated in terms of paragraph 5.72(h) of the JSE Listings Requirements, has been submitted to the JSE in writing prior to the commencement of a prohibited period and executed by an independent third party.*

The reason for and effect, if passed, of special resolution number 12 is to grant the Directors a general authority in terms of the Company's MOI and the JSE Listings Requirements 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 12. The resolution is being sought in the interests of prudence and good corporate governance should the need arise to use the authority.

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 any class 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 12

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 12, to the extent that the Directors, after considering the maximum number of shares to be purchased, are of the opinion that the position of 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 AGM and at the time of making such determination and for a period of 12 months thereafter, 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 repurchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the AGM 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 ordinary business purposes for a period of 12 months after the date of the notice of the AGM.

   - 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 of the Company 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 law and the JSE Listings Requirements.

3. Special resolutions numbers 10, 11 and 12 are renewals of resolutions passed at the previous annual general meeting held on 1 July 2020.

4. General information in respect of major shareholders and the share capital of the Company is contained in Annexure 2 of this Notice of AGM, as well as the full set of annual financial statements, being available on the Company's website at www.stadio.co.za or which may be requested and obtained in person, at no charge, at the registered office of the Company during office hours. Other than the facts and developments reported on in the annual financial statements, there have been no material changes in the financial position of the Company and its subsidiaries.

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 Friday, 23 April 2021.

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, 11 June 2021, with the last day to trade being Tuesday, 8 June 2021.

3. **Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the transfer secretaries before being entitled to participate in the AGM and must accordingly submit a copy of their identity document, passport or driver's licence to the transfer secretaries at proxy@computershare.co.za. 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.**

4. Certificated shareholders and own-name dematerialised shareholders entitled to attend, speak 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 shareholder of the Company. A form of proxy, which sets out the relevant instructions for its completion, is enclosed on pages 41 to 43 for use by such shareholders who wish 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. Forms of proxy must be completed and lodged at or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited (Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 or Private Bag X9000, Saxonwold, 2132), or emailed to proxy@computershare.co.za so as to be received by the transfer secretaries by no later than 11:00 (South African time) on Friday , 18 June 2021, provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the transfer secretaries via email at proxy@computershare.co.za at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the transfer secretaries verifying the form of proxy and proof of identification before any shareholder rights are exercised.

5. Dematerialised shareholders, other than own-name registered dematerialised shareholders, who wish to attend the AGM 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.

6. 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.

7. Voting will be performed by way of a poll and, accordingly, each shareholder participating in person, by proxy or by authorised representative shall have one vote in respect of each share held.

10. ELECTRONIC PARTICIPATION

1. Shareholders or their proxies who wish to participate in the AGM via electronic communication (Participants) must either:
   a. register online using the online registration portal at www.smartagm.co.za; or
   b. apply to Computershare, by sending a request by email to proxy@computershare.co.za so as to be received by Computershare by no later than 11:00 a.m. on Friday, 18 June 2021. Such shareholders may still register online to participate in and/or vote electronically at the AGM after this date and time, provided, however, that for those shareholders to participate and/or vote electronically at the AGM, they must be verified and registered before the commencement of the AGM. Computershare will first validate such request and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act, and, if the request is validated, further details on using the electronic communication facility will be provided.
2. Participants must submit proof of identification before the Participant is provided with a username and password.
3. Following successful registration, the transfer secretaries will provide the Participant with a username and password in order to participate in the AGM.
4. Participation in the AGM is through the Lumi website as set out in the steps on www.smartagm.co.za.
5. Participants must visit www.web.lumiagm.com and will be prompted to enter the following information:
   a. Meeting ID: 193-134-382
   b. Username
   c. Password
6. Username and passwords can be requested from proxy@computershare.co.za as part of the above registration process or by registering at www.smartagm.co.za
7. Computershare will inform Participants by no later than 17:00 on Monday, 21 June 2021, by email, of the relevant details through which they can participate electronically.
8. The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
9. The Participant acknowledges that the electronic communication services are provided by third parties and indemnifies STADIO Holdings against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against STADIO Holdings, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
10. STADIO Holdings cannot guarantee there will not be a break in electronic communication that is beyond the control of the Company.

By order of the Board

STADIO Holdings Limited
30 April 2021

Registered office:
Office 101, The Village Square c/o 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 (Private Bag X9000, Saxonwold, 2132)

Corporate advisor and sponsor:
PSG Capital Proprietary Limited, 1st Floor, Ou Kollege Building, 35 Kerk Street, Stellenbosch, South Africa, 7600 (PO Box, 7403, Stellenbosch, South Africa, 7599) and at 2nd Floor, Building 3, 11 Alice Lane, Sandhurst, Sandton, South Africa, 2196 (PO Box 650957, Benmore, South Africa, 2010)

Independent joint sponsor:
UBS South Africa Proprietary Limited

ANNEXURE 1:

pwc

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 17 to 24 of the Notice of Annual General Meeting for the year ended 31 December 2020, which comprise the summary consolidated statement of financial position as at 31 December 2020, 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 2020.

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

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 12 March 2021. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

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

PricewaterhouseCoopers Inc.
Director: D de Jager
Registered Auditor
Stellenbosch
30 April 2021

SUMMARY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Year-on-year change %	Audited 2020 R'000	Restated[1] Audited 2019 R'000
Revenue	14%	**932 944**	815 427
Other income	(56%)	**3 570**	8 054
Loss allowance	>100%	**(80 485)**	(34 832)
Fair value losses on financial instruments[1]	>100%	**(207 209)**	(15 277)
Operating expenses	2%	**(602 994)**	(593 058)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**(75%)**	**45 826**	180 314
Depreciation and amortisation	6%	**(64 579)**	(60 890)
Impairment on intangible assets	>100%	**(51 216)**	–
(Loss)/earnings before interest and taxation (EBIT)	(>100%)	**(69 969)**	119 424
Investment income	(58%)	**11 841**	28 047
Finance cost	3%	**(20 502)**	(19 926)
(Loss)/profit before taxation	**(>100%)**	**(78 630)**	127 545
Taxation	36%	**(59 730)**	(43 861)
(Loss)/profit for the period	**(>100%)**	**(138 360)**	83 684
Attributable to:			
Owners of the parent	(>100%)	**(119 751)**	69 836
Non-controlling interests	(>100%)	**(18 609)**	13 848
Total comprehensive (loss)/income for the period	(>100%)	**(138 360)**	83 684
Headline (loss)/earnings (Note 3)	(>100%)	**(69 985)**	69 662
Core headline earnings (Note 4)	33%	**117 399**	88 211
		Cents	Cents
(Loss)/earnings per share			
– Basic	(>100%)	**(14.5)**	8.5
– Diluted[2]	(>100%)	**(14.5)**	8.4
Headline (loss)/earnings per share			
– Basic	(>100%)	**(8.5)**	8.5
– Diluted[2]	(>100%)	**(8.5)**	8.4
Core headline earnings per share (Core HEPS)			
– Basic	31%	**14.2**	10.8
– Diluted[2]	18%	**12.5**	10.6
		Million	Million
Number of shares in issue			
– Basic	3%	**841**	818
– Diluted[2]	15%	**957**	829
Weighted average number of shares in issue			
– Basic	1%	**824**	818
– Diluted[2]	13%	**940**	829

[1] *The Group has chosen to present the fair value losses on financial instruments separately due to it being a material item for the 2020 financial period. The prior year has accordingly been restated to reflect the necessary disclosure. Refer to Note 8 for further information.*

[2] *Share options and contingent consideration liabilities partly settled in shares, are considered to be potential ordinary shares. These options and shares are not included in the calculation of the diluted basic and headline loss per share because they are anti-dilutive for the year ended 31 December 2020. Diluted basic and headline loss per share is calculated using the 824 million weighted average number of shares in issue.*

The share options and contingent consideration liabilities partly settled in shares are dilutive for the core headline earnings per share for the year ended 31 December 2020. Diluted core headline earnings per share has been calculated using the 940 million weighted average number of shares in issue which adjusts for the dilutive impact of the share options and contingent consideration liabilities partly settled in shares.

ANNEXURE 1:

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Audited 2020 R'000	Audited 2019 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	**717 120**	663 358
Right-of-use assets	**95 996**	91 702
Goodwill	**749 482**	749 482
Intangible assets (Note 6)	**168 967**	211 522
Trade and other receivables (Note 7)	**17 254**	16 281
Other financial assets	**11 620**	5 173
Deferred tax asset	**129 534**	107 026
Total non-current assets	**1 889 973**	1 844 544
Current assets		
Inventories	**1 588**	2 132
Loans to related parties	**591**	805
Trade and other receivables (Note 7)	**106 073**	115 834
Current tax receivable	**7 107**	9 908
Cash and cash equivalents	**116 803**	93 436
Total current assets	**232 162**	222 115
Total assets	**2 122 135**	2 066 659
EQUITY		
Share capital (Note 5)	**1 597 512**	1 565 675
Other reserves	**21 159**	11 033
Accumulated loss	**(125 299)**	(5 548)
Total equity attributable to equity holders of the Company	**1 493 372**	1 571 160
Non-controlling interest	**(7 381)**	12 138
Total equity	**1 485 991**	1 583 298
LIABILITIES		
Non-current liabilities		
Borrowings	**45 000**	65 000
Lease liabilities	**134 580**	137 061
Deferred tax liability	**72 321**	70 809
Trade and other payables	**132 694**	18 993
Total non-current liabilities	**384 595**	291 863
Current liabilities		
Borrowings	**79**	392
Lease liabilities	**33 385**	32 309
Loans from related parties	**96**	96
Trade and other payables	**116 303**	65 757
Contract liabilities	**88 542**	89 786
Tax payable	**13 144**	3 158
Total current liabilities	**251 549**	191 498
Total liabilities	**636 144**	483 361
Total equity and liabilities	**2 122 135**	2 066 659
Net asset value per share (cents)	**178**	192

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Audited 2020 R'000	Audited 2019 R'000
Balance as at 1 January	**1 583 298**	1 661 162
Total comprehensive (loss)/income for the period	**(138 360)**	83 684
Issue of ordinary shares	**31 919**	1 400
Share issue costs	**(82)**	(8)
Recognition of share-based payments expense	**10 126**	5 911
Dividends paid to non-controlling shareholders	**(6 124)**	(13 351)
Non-controlling interest acquired	**5 214**	(155 500)
Balance at the end of the period	**1 485 991**	1 583 298

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Year-on-year change %	Audited 2020 R'000	Restated Audited[1] 2019 R'000
Net cash flow from operating activities	38%	**194 881**	141 284
Cash generated from operations (Note 9)	45%	**274 386**	189 551
Interest income	(68%)	**8 881**	27 712
Finance cost	5%	**(20 637)**	(19 701)
Tax paid	20%	**(67 749)**	(56 278)
Net cash flow used in investing activities	(37%)	**(110 093)**	(175 773)
Purchase of property, plant and equipment	(50%)	**(78 353)**	(157 427)
Purchase of intangible assets and curriculum development costs	22%	**(26 219)**	(21 430)
Proceeds from sale of property, plant and equipment	>100%	**265**	35
Proceeds received from loans to related parties	(81%)	**214**	1 149
(Addition)/disposal of other financial assets	(>100%)	**(6 000)**	1 900
Net cash flow from financing activities	>100%	**(61 421)**	(131 583)
Share issue costs	>100%	**(82)**	(8)
Proceeds from borrowings and loans with related parties	(31%)	**45 079**	65 089
Repayment of borrowings and loans with related parties	>100%	**(65 392)**	(5 191)
Payment of principal portion of lease liabilities	36%	**(27 290)**	(20 022)
Dividends paid to non-controlling shareholders	(54%)	**(6 124)**	(13 351)
Additional investment in subsidiary with no change in control	(95%)	**(7 612)**	(158 100)
Net movement in cash and cash equivalents for the period		**23 367**	(166 072)
Cash and cash equivalents at the beginning of the period		**93 436**	259 508
Cash and cash equivalents at the end of the period		**116 803**	93 436

[1] *The prior year was restated to separately disclose and reallocate proceeds from loans to related parties to net cash flow used in investing activities from net cash flow from financing activities*

ANNEXURE 1:

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF COMPLIANCE

The Financial Results are prepared in accordance with International Financial Reporting Standards (IFRS), IFRIC Interpretations, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Accountants Council, the JSE Limited Listings Requirements for provisional reports, the requirements of the Companies Act of South Africa and the presentation and disclosure requirements of IAS 34 Interim Financial Reporting.

The Financial Results have been prepared internally under the supervision of the Chief Financial Officer, S Totaram CA(SA), CFA, and approved by the Board of Directors on 12 March 2021.

The Financial Results were audited by the Group's external auditor, PricewaterhouseCoopers Inc. who expressed an unmodified opinion thereon. Any reference to future financial performance included in this announcement, has not been audited or reported on by the Group's auditor.

The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which these Financial Results were derived. Copies of the auditor's report on the Financial Results appears at the end of this report. A copy of the Group's Consolidated Annual Financial Statements is available for inspection at the Company's registered office and on the Company's website, together with the financial statements identified in the respective auditor's reports.

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

2. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Financial Results are consistent in all material respects with those applied in the annual financial statements for the year ended 31 December 2020, other than the adoption of the amendments to: IFRS 3 Business Combinations – Definition of Business; IFRS 7 Financial Instruments: Disclosures; IFRS 9 Financial Instruments – Interest Rate Benchmark Reform; IAS 1 Presentation of Financial Statements – Definition of Material; and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material, all of which were effective from 1 January 2020. The adoption of these amendments do not have a material impact on the Financial Results.

For a full list of standards and interpretations that have been adopted by the Group, we refer you to the annual financial statements for the year ended 31 December 2020 which can be found on our website.

3. HEADLINE EARNINGS PER SHARE

	Audited 2020 R'000	Audited 2019 R'000
Reconciliation of headline (loss)/earnings:		
Basic (loss)/earnings	**(119 751)**	69 836
Adjustments attributable to parent:		
Impairment on intangibles assets	**49 902**	–
Loss on disposal of property, plant and equipment	**90**	265
Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up	**(279)**	(521)
Tax on above	**53**	82
Headline (loss)/earnings	**(69 985)**	69 662

4. SEGMENTAL INFORMATION

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

Reconciliation of core headline earnings

		Audited 2020		Audited 2019	
	Year-on-year change %	(Loss)/ earnings R'000	(Loss)/ earnings per share Cents	Earnings R'000	Earnings per share Cents
Headline (loss)/earnings	(>100%)	**(69 985)**	**(8.5)**	69 662	8.5
Adjustments for non-core items attributable to parent:					
Fair value loss on contingent consideration	>100%	**180 676**	**21.9**	13 385	1.7
Acquisition costs	>100%	**–**	**–**	1 398	0.2
Amortisation of client list and trademark	57%	**8 250**	**1.0**	5 241	0.6
Tax on above	5%	**(1 542)**	**(0.2)**	(1 475)	(0.2)
Core headline earnings	33%	**117 399**	**14.2**	88 211	10.8
Core HEPS – basic	31%		**14.2**		10.8
Core HEPS – diluted	18%		**12.5**		10.6

5. SHARE CAPITAL

During the period, the Company issued ordinary shares in relation to the payment of the contingent consideration in respect of the Prestige Academy acquisition and CA Connect acquisition (refer to Note 8) as per the share capital reconciliation below:

	Audited Number of ordinary shares (million)	Audited Share capital R'000
Balance at 1 January 2020	**818**	**1 565 675**
Issue of shares in respect of acquisitions	**23**	**31 919**
Share issue costs	**–**	**(82)**
Balance at 31 December 2020	**841**	**1 597 512**

ANNEXURE 1:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INTANGIBLE ASSETS

	Audited 2020			Audited 2019		
	Trademarks R'000	Other intangible assets R'000	Total R'000	Trademarks R'000	Other intangible assets R'000	Total R'000
Opening balance	**100 496**	**111 026**	**211 522**	101 304	104 924	206 228
Additions and internally generated	**2**	**26 217**	**26 219**	–	21 430	21 430
Disposals	**–**	**–**	**–**	–	(59)	(59)
Amortisation	**(2 770)**	**(14 788)**	**(17 558)**	(808)	(15 269)	(16 077)
Impairment	**(40 177)**	**(11 039)**	**(51 216)**	–	–	–
Closing balance	**57 551**	**111 416**	**168 967**	100 496	111 026	211 522

Following the successful Business Transfer, an impairment of R40 million of trademarks of the underlying brands acquired (excluding Milpark and AFDA) was recognised. Furthermore, following a strategic review of the Group's operational and business systems requirements post the Business Transfer process, an impairment of R11 million was recognised in respect of other intangible assets, including computer software.

7. TRADE AND OTHER RECEIVABLES

	Year-on-year change %	Audited 2020 R'000	Audited 2019 R'000
Trade receivables	39%	**145 632**	104 544
Less: loss allowance	>100%	**(77 647)**	(37 901)
Net trade receivables	2%	**67 985**	66 643
Other receivables	(15%)	**55 342**	65 472
Total trade and other receivables	(7%)	**123 327**	132 115

The increased loss allowance at 31 December 2020 considers the economic impact of COVID-19 on the collection of student fees.

8. ACQUISITIONS – CONTINGENT CONSIDERATION LIABILITY

The Group, in April 2018, through Milpark, acquired the business of CA Connect, with the total consideration payable being subject to an Earn-Out to June 2022. The CA Connect business is responsible for the offer of the PGDA programme as well as the PGDA Bridging programme. Both programmes were first offered from 1 July 2019. During 2020, the CA Connect business outperformed with actual student enrolments significantly exceeding expected enrolments for the period. The better-than-expected performance resulted in a Fair Value Adjustment of R207 million to 31 December 2020 (2019: R15 million), increasing the contingent consideration liability to account for the higher-than-expected purchase consideration due. On 5 October 2020, the Group settled the first tranche of the Earn-Out of R41 million. This was partly settled by cash of R10 million and partly through the issue of 22 million Company shares, valued at R31 million.

On 26 March 2020, the Group settled the final Prestige Academy consideration of R4 million. This was partly settled by cash of R2.6 million and partly through the issue of 0.9 million shares, valued at R1.4 million.

The CA Connect contingent consideration liability of R198 million (2019: R36 million) is included in trade and other payables.

8. ACQUISITIONS – CONTINGENT CONSIDERATION LIABILITY (CONTINUED)

	Audited 2020 R'000	Audited 2019 R'000
Balance as at 1 January	**35 539**	24 251
Fair value adjustment on contingent consideration payable[1]	**207 184**	15 288
Settlement of contingent consideration liability	**(44 745)**	(4 000)
Balance at the end of the period	**197 978**	35 539

[1] *The Fair Value Adjustment is included in the fair value losses on financial instruments disclosure on the statement of comprehensive income*

9. CASH GENERATED FROM OPERATIONS

	Year-on-year change %	Audited 2020 R'000	Audited 2019 R'000
(Loss)/profit before taxation	(>100%)	**(78 630)**	127 545
Non-cash and other items disclosed separately	>100%	**341 622**	74 215
	30%	**262 992**	201 760
Movements in working capital	>100%	**11 394**	(12 209)
Decrease in inventories	(76%)	**544**	2 240
Decrease/(increase) in trade and other receivables	>100%	**11 201**	(26 070)
Increase in trade and other payables	(89%)	**892**	8 287
(Decrease)/increase in contract liabilities	(>100%)	**(1 243)**	3 334
Cash generated from operations	45%	**274 386**	189 551

Non-cash items were affected by the impairment of intangible assets (refer to Note 6) and the Fair Value Adjustment to the contingent consideration liability (refer to Note 8).

10. BORROWINGS

The Group has secured a revolving credit facility with Standard Bank of South Africa Limited for R200 million with an opportunity to raise a further R100 million subject to meeting certain requirements.

At 31 December 2020, the Group had drawn down R45 million (2019: R65 million) of the facility. Finance costs incurred for the period of R2.9 million (2019: R0.3 million) were fully paid. During the year, borrowing costs of R1 million (2019: R0.01 million) were capitalised to qualifying assets. The total amount of undrawn facilities available for future operating activities and commitments is R155 million (2019: R135 million).

The Group complied with the facilities financial covenant requirements for the 2020 and 2019 financial year-ends.

ANNEXURE 1:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. FINANCIAL INSTRUMENTS – FAIR VALUE ESTIMATION

The information below analyses financial assets and liabilities which are carried at fair value by level of hierarchy. The different levels of hierarchy are defined as follows:

Level 1: the fair value is calculated based on quoted prices traded in active markets for identical assets or liabilities.

Level 2: the fair value is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: the fair value is based on unobservable inputs.

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

	Audited 2020			Audited 2019		
Fair value hierarchy	Level 1 R'000	Level 2 R'000	Level 3 R'000	Level 1 R'000	Level 2 R'000	Level 3 R'000
Other financial assets	**11 620**	–	–	5 173	–	–
Contingent consideration	–	–	**197 978**	–	–	35 539

There were no transfers between these categories during the period.

The valuation technique used in Level 3 fair value measurement of the contingent consideration (refer to Note 8) is the income approach method with the significant unobservable inputs being the discount rate and EBITDA growth rate as stated below:

- Discount rate – 20% (2019: 19%)
  A change in the discount rate by 1% would increase/decrease the fair value by approximately R3 million (2019: R1 million).
- EBITDA growth rate – 53% (2019: 25%)
  A change in the EBITDA growth rate by 5% would increase/decrease the fair value by approximately R11 million (2019: R5 million).

12. EVENTS AFTER THE REPORTING PERIOD

The Group entered into negotiations to acquire the remaining 26% interest in Southern Business School of Namibia Proprietary Limited for a cash purchase consideration of R8 million subject to meeting certain conditions.

The Group also entered into negotiations to early settle the remaining Earn-Out in respect of the CA Connect acquisition for a final settlement amount of R200 million, thereby aligning the focus of the management team of CA Connect and Milpark to pursue growth opportunities beyond the PGDA programmes.

The Group entered into agreements in 2018 to acquire vacant land located in Durbanville (Western Cape), with a view to open a large-scale multi-faculty campus in the Western Cape. The Group took transfer of the land and paid a consideration of R52 million in February 2021 and intends to develop this campus for opening between 2023 and 2024.

The impact of COVID-19 has been considered up to 31 December 2020. The pandemic is considered to be ongoing and there is no immediate concern around going concern. Management are continually assessing and monitoring developments with regard to the pandemic and its impact on the business.

Subsequent to year end, there have been no significant changes in the COVID-19 restrictions impacting the Group and thus no subsequent events related to COVID-19 have occurred.

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

ANNEXURE 2:

SHAREHOLDER INFORMATION

AS AT 31 DECEMBER 2020

SHAREHOLDING OF DIRECTORS

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

	2020			2019		
Director	Direct '000	Indirect '000	Total '000	Direct '000	Indirect '000	Total '000
Mr Vorster	–	14 783	14 783	–	14 783	14 783
Dr Maphai	220	-	220	50	-	50
Dr van der Merwe	–	4 735	4 735	–	4 735	4 735
Ms Totaram	699	–	699	699	–	699
Dr Singh	157	–	157	157	–	157
Mr de Waal	154	–	154	154	–	154
Mr Mellet (alternate to Mr de Waal)	–	88	88	–	88	88
Ms Mokoka	174	–	174	174	–	174
Dr Brown	100	–	100	100	–	100
	1 504	19 606	21 110	1 334	19 606	20 940

There were no changes to the Directors' shareholding between the year ended 31 December 2020 and the date of this Report. The register of interests of Directors and other in shares of the Company is available to the shareholders on request.

SHAREHOLDER INFORMATION

Range of shareholding 2020	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	10 502	81.7	20 986	2.5
10 001 – 100 000	2 047	15.9	59 997	7.1
100 001 – 1 000 000	262	2.0	71 231	8.5
More than 1 000 000	46	0.4	688 783	81.9
	12 857	100.0	840 997	100.0

Range of shareholding 2019	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
1 – 10 000	11 886	83.0	25 041	3.0
10 001 – 100 000	2 109	14.7	59 286	7.0
100 001 – 1 000 000	273	1.9	72 426	9.0
More than 1 000 000	50	0.4	661 342	81.0
	14 318	100.0	818 095	100.0

ANNEXURE 2:

SHAREHOLDER INFORMATION (CONTINUED)

AS AT 31 DECEMBER 2020

Shareholder spread

To the best knowledge of the Directors and after reasonable enquiry, the spread of shareholders as at 31 December 2020 were as follows:

Public and non-public shareholding 2020	Number of shareholders	% of shareholders	Number of shares held '000	% of total shares
PSG Alpha Investments Proprietary Limited	1	0	363 637	43.2
Directors (including prescribed officers and subsidiary Directors)	13	0.1	23 133	2.8
Directors from other related parties	7	0.1	6 326	0.7
Non-public shareholding	21	0.2	393 096	46.7
Public shareholding	12 836	99.8	447 901	53.3
Total of all shareholders	12 857	100.0	840 997	100.0

Public and non-public shareholding 2019	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)	17	0.1	80 004	10.0
Directors from other related parties	9	0.1	6 321	1.0
Non-public shareholding	27	0.2	445 922	55.0
Public shareholding	14 291	99.8	372 173	45.0
Total of all shareholders	14 318	100.0	818 095	100.0

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 2020		Shares held 2019	
	Number '000	%	Number '000	%
PSG Alpha Investments Proprietary Limited	363 637	43.2	359 597	44.0
Coronation Fund Managers Limited	28 594	3.4	59 355	7.3
Brimstone Investment Corporation Limited	43 565	5.2	43 565	5.3

Share information

	2020	2019
Closing price at period end (cents)	195	200
JSE market price high (cents)	210	425
JSE market price low (cents)	75	188
Total number of transactions on JSE	24 461	23 321
Total number of shares traded	181 725 084	78 798 551
Total value of shares traded (R)	250 510 617	222 874 747
Average price per share (cents)	138	283
Shares in issue	840 996 984	818 095 250
Percentage volume traded to shares in issue	22%	10%

ANNEXURE 3:

REMUNERATION REPORT

PART 1: REMUNERATION BACKGROUND STATEMENT

We are pleased to present the Remuneration and Nominations Committee's (the REMNO Committee) Remuneration report. Our report and disclosures are aligned to the principles and recommended practices of King IV™ for remuneration. In this regard we have adopted a three-part remuneration report approach. Part 1 consists of this Remuneration Background Statement, Part 2 sets out the details of the Forward-Looking Remuneration Policy and Part 3 illustrates the Implementation of the Remuneration Policy adopted in 2020.

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

OVERALL REMUNERATION PHILOSOPHY

The Group's overarching philosophy regarding remuneration is to:

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

VOTING AT THE 2020 AGM AND FEEDBACK FROM SHAREHOLDERS

At the STADIO Holdings AGM held virtually on 1 July 2020, shareholders endorsed the Remuneration Policy and the Implementation Report of the Company by way of separate non-binding advisory votes of 91.8% (2019: 96.5%) and 96.1% (2019: 97.1%) respectively. As the non-binding votes were passed by the requisite majorities, no further engagement with shareholders was required.

However, the views of our shareholders are important to the Company and therefore taking into account feedback received from some shareholders, we have enhanced disclosure on our short-term incentive (STI) targets, provided further clarification on normalised earnings, and reduced the general authority to issue ordinary shares for cash from 10% to 5%, which will be voted on at the upcoming AGM.

THE REMNO COMMITTEE'S KEY DECISIONS DURING 2020

During 2020, the REMNO Committee, in accordance with its Terms of Reference, recommended the following key decisions to the Board for approval:

- Executive Committee members' annual salary increases;
- STIs for executive Directors for the 2019 financial year;
- reassessed the short-term incentive tool used for awarding STIs to executive Directors in 2020, ensuring alignment with the Group's strategic objectives; taking into account COVID-19;
- reassessed the long-term incentive scheme and amended the participants and factors of participants going forward;
- appointment of a new Chairperson of the Board;
- reviewed the non-executive Directors fees for submission to shareholders at the AGM that took place in July 2020.

ANNEXURE 3:

REMUNERATION REPORT (CONTINUED)

FORWARD LOOKING APPROACH

The REMNO Committee will continue to implement best practice in determining the Remuneration Policy of the Group, taking into account economic uncertainties presented by COVID-19 and will benchmark this policy against local and international best practice. For 2021, the REMNO Committee will consider:

- succession planning for key management and executive Directors;
- Group wide employee value proposition and remuneration strategy; and
- job grading for new STADIO institution following the migration to a single registered higher education provider.

The REMNO Committee believes that the overall remuneration of executive Directors during 2020 (as set out in Part 3 of this report) is aligned with the Group's strong performance in 2020 and takes into account the exceptional leadership of the Group's management team during the challenges presented by COVID-19.

The REMNO Committee is of the view that the objectives stated in the Remuneration Policy have been achieved for the period under review. The REMNO 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.

Ms M Mokoka CA(SA)
Chairperson of the Remuneration section

Durbanville
30 April 2021

Dr TV Maphai
Chairperson of the Nominations section

Durbanville
30 April 2021

PART 2: REMUNERATION POLICY

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

- align remuneration practices with the Group's business strategies and objectives;
- attract, retain and motivate key employees to deliver on their performance goals and strategy;
- ensure the remuneration remains market-related and competitive;
- ensure remuneration packages take into account Group performance and the interests of all our stakeholders, reflecting their views;
- align the short-term incentive tool to the key strategic objectives of the Group;
- reward exceptional performance through short-term incentives linked to key performance objectives;
- provide for a deferral, where applicable, of the Executive Committee's STIs, taking into account market conditions and other internal or extraneous factors in its sole discretion; and
- provide long-term performance incentives to motivate and retain staff whilst driving shareholder value aligned with the long-term objectives of the Group.

The Group has three components of remuneration for its Executive Committee and Senior Leadership Committee members:

- 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; and
- 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 Committee's remuneration is reviewed annually by the REMNO Committee, which seeks to ensure there is a balance between the Executive Committee's base salary, which is fixed, and the variable elements of their remuneration such as short-term cash-settled incentives and long-term share option awards. In addition, the REMNO 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.

ANNEXURE 3:

REMUNERATION REPORT (CONTINUED)

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

LEVEL	FOCUS	STRATEGIC VIEW	REMUNERATION		
			TGP (fixed pay – paid monthly after deducting PAYE and provident fund contributions where applicable)	**STI** (variable pay – paid annually)	**LTI** (variable pay – awarded annually and vests over five years)
TIER 1: Executive Committee (CEO, CFO, CAO, COO)	Strategy formulation and execution	Long-term	Base salary plus benefits	Up to a maximum of 125% of TGP on achieving certain targets	Share options
TIER 2: Executive Heads and Subsidiary CEOs	Strategy execution	Medium- to long-term	Base salary plus benefits	Up to a maximum of 50% of TGP on achieving certain targets	Share options, where applicable
OTHER TIERS: General employees	Primarily operational	Short-term	Base salary plus benefits	Discretionary bonus (up to a maximum of 25% of TGP dependent on performance and employment tier)	Not currently applicable

TOTAL GUARANTEED PACKAGE (TGP)

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

In determining the TGP remuneration structure, current market-related remuneration and economic conditions (e.g. inflation), are considered.

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

SHORT-TERM INCENTIVE (STI)

The STI for the Group's Executive Committee and key management is underpinned by the performance of the Group, as well as the individual's performance. The STI is payable in cash in March every year and is capped per individual.

The overall performance of the Group and the individual are taken into account using a detailed scorecard matrix which uses pre-determined key performance objectives approved by the REMNO Committee, taking into account the attainment of certain targets, including minimum and stretch targets.

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

The details of the 2020 STI are set out in Part 3 of this report.

Set out below is the table of performance measures and their relative weighting against which the Executive Committee will be assessed in 2021:

Relative weight of Key Performance Measures		Targets	
1. Business Results	Low road	Middle road	High road
Organic revenue growth	16% – 17%	18% – 19%	20%
EBITDA margin	19% – 21%	21% – 23%	24%
Core HEPS growth	10%	15%	20%

The achievement of the Business Results form part of each individual's KPA targets. All business activities should aim to grow the underlying business, make it operate efficiently and ensure stakeholders interests are taken into account in all decision making. The 2021 targets take into account investment into core projects to promote long-term growth for the Group.

	CEO	CFO	CAO	COO
1. Business performance	62.5%	50%	50%	50%
2. Individual performance	62.5%	50%	50%	50%

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

STI DEFERRAL

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

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

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

ANNEXURE 3:

REMUNERATION REPORT (CONTINUED)

LONG-TERM INCENTIVE PLAN (LTI)

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

During the 2020 AGM, shareholders voted to increase the maximum number of shares that may be utilised for purposes of the share incentive scheme to 57 332 884 shares (2019: 40 246 572 shares), being equal to approximately 7% (2019: 5%) of the total issued share capital of STADIO Holdings. The maximum number of shares that may be acquired by any one individual for purposes of the share incentive scheme was increased to 12 285 618 shares. (2019: 8 049 314).

At 31 December 2020, the number of share options that had already been awarded but remain unvested amounted to 43 592 864 shares (2019: 20 398 758). At 31 December 2020, the share incentive scheme had 17 participants (2019: ten), being qualifying individuals across the Group. In 2020, the REMNO Committee performed a review of the LTI, including its participants and their factors. The REMNO Committee believes that all participants in the LTI scheme going forward are key to the strategic outcomes of the Group and the respective factors of salary used to determine the amount of exposure is fair and ensures sustainability of the scheme.

No share options have been exercised to date because the Company's share price has been below the exercise strike price and the share options have therefore lapsed.

MECHANICS OF THE SHARE INCENTIVE SCHEME

AWARD

Share options are awarded annually at the discretion of the REMNO Committee. The number of share options to be awarded is calculated based on an agreed factor of the respective individual's base salary applied thereto, depending on the individual's seniority and level of responsibility assumed within the organisation. In 2020, the REMNO Committee reassessed the factors awarded to participants to ensure the longevity of the scheme and have reduced all factors.

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

	2021	2020
CEO	**5**	5
Executive Committee	**4**	4
Tier 2^	**2**	not applicable

^ *Executive Heads and Subsidiary CEOs where the underlying entity is wholly owned by STADIO Holdings. These are new participants to the scheme.*

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

VESTING

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

NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration of non-executive Directors is reviewed annually by the REMNO Committee ensuring it is market-related whilst taking into account the size and stage of the Group, as well as the general staff increase applied across the Group. For 2021, it is recommended that non-executive Director fees be increased by 3%, aligned to the average salary increase across the Group. These non-executive Director's fees are recommended by the Board to shareholders for approval at the AGM.

Changes to the fee structure are effective 1 January, subject to approval by shareholders at the Group's AGM.

The annual fees payable to non-executive Directors are fixed and not subject to the attendance of meetings. In the event of non-attendance on a regular basis, same may be reviewed. These fees are paid bi-annually in June (following approval at the AGM) and December.

The proposed fee structure for the Group's non-executive Directors for the financial year ending 31 December 2021, excluding value-added tax, is set out in the table below:

	Board		Audit and Risk		Remuneration and Nomination		Transformation, Social and Ethics	
	Proposed annual fee 2021 Rands	Annual fee 2020 Rands	Proposed annual fee 2021 Rands	Annual fee 2020 Rands	Proposed annual fee 2021 Rands	Annual fee 2020 Rands	Proposed annual fee 2021 Rands	Annual fee 2020 Rands
Annual fixed fee								
Chairperson	382 130	371 000	103 000	100 000	81 885	79 500	81 885	79 500
Members	218 360	212 000	54 590	53 000	54 590	53 000	54 590	53 000
Additional hourly fee in rare circumstances (on pre-approval by chairperson of the REMNO Committee)	R2 730 per hour	R2 650 per hour	R2 730 per hour	R2 650 per hour	R2 730 per hour	R2 650 per hour	R2 730 per hour	R2 650 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 REMNO Committee will ensure that the following measures are taken in good faith and with best reasonable efforts:

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

PART 3: IMPLEMENTATION OF THE REMUNERATION POLICY

REMUNERATION

TGP

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

In 2020, the TGP was benchmarked against remuneration of other JSE small cap listed companies. It was noted that the Chief Financial Officer and Chief Academic Officer's remuneration were below market-related rates and as such their base salaries were increased to align more closely with market albeit having regard to the current size of the Group and taking into consideration stakeholders interests.

In 2021, the average TGP of all employees across the Group was increased by 3%, being in line with inflation. The REMNO noted that the CEO's TGP was below market value and therefore increased his salary by 6.3% to better align his TGP with other CEOs of JSE small cap listed entities, therefore staying true to the Group's Remuneration philosophy of ensuring remuneration is market-related and competitive. It was also noted that the CEO was not awarded any new share options through the LTI scheme in 2021 due to holding the maximum number of share options in accordance with the Scheme rules.

STI

For the year ended 31 December 2020, the Group's primary business performance targets were:

- Organic growth in revenue of 20%
- Normalised Earnings before interest, tax, depreciation and amortisation (EBITDA) margin of 20%*
- Growth in Core HEPS of 20% and
- Individual performance against agreed KPIs aligned to the Group's primary strategic focus areas for 2020.

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

For the year ended 31 December 2020, the Group was forced to revise its strategic focus to ensure it managed the uncertainty and effects of the COVID-19 pandemic. The Group did not however, revise its business performance targets, but did revise individual targets to ensure the business was stable and its overall business objectives were still achieved despite the COVID-19 pandemic.

The individual performance targets of the Executive Committee were aligned to achievement of the 2020 strategic focus areas, within an individual's area of influence. These areas, in many instances, overlap across portfolios. The REMNO believes bonuses are paid for exceptional performance and therefore assessed the performance against stringent targets accordingly.

Focus activities	Performance against activities
• Consolidation of the underlying businesses of SBS, LISOF and Prestige Academy into a single registered higher education institution, STADIO (formerly Embury) including associated change management tasks	• STADIO registered as higher education institution and establishment of shared services
• National STADIO brand launch	• National campaign launched on 26 October 2020
• Construction of STADIO Centurion mega-campus	• Construction of STADIO Centurion on track for revised opening date of January 2022
• Achievement of set module success rate targets: – Distance learning – 68% – Contact learning – 83%	• Module success rates • achieved: – Distance learning – 83% – Contact learning – 84%
• Student funding initiatives	• Piloted various student funding initiatives and COVID-19 payment relief plans
• Establishment of a profitable short course division	• Centre of Lifelong Learning established
• Cost saving plan	• Achievement of various cost saving initiatives
• Increase relevant and in-demand product across all modes of learning delivery and across different sites of delivery	• Increased number of accredited programmes. Certain regulatory delays hindered achievement of all growth targets
• Implementation of various infrastructure systems	• Canvas, ERP, CRM rolled out. Student Management system delayed

● 100% achieved ● 80% – 99% achieved ● 70% – 79% achieved

ANNEXURE 3:

REMUNERATION REPORT (CONTINUED)

For the year ended 31 December 2020, the following results were achieved, on which the above targets were adjudicated against and on which the STIs were awarded:

TARGETS

		Bonus allocation			
	Achieved	CEO[4]	CFO	CAO	COO
Growth in organic revenue	+14%	0%	0%	0%	0%
Normalised EBITDA margin of 20% (Note 1)	26%	19%	15%	15%	15%
Growth in Core HEPS of 20% (Note 1)	+33%	–	–	–	–
Adjusted growth in Core HEPS (Note 1)	+8%	0%	0%	0%	0%
COVID-19 ex-gratia performance management (Note 2)	12.5%	12.5%	10%	10%	10%
Individual performance ratings based on 73% to 95% of strategic initiatives being met (Note 3)	73% – 95%	45%	44%	48%	44%
		76.5%	69.0%	73.0%	69.0%
Rand Value (millions)		R2.5m	R1.8m	R1.7m	R1.6m

Note 1: During the year, the Group received certain COVID-19 relief initiatives from the government. For the purposes of STI awards, the Normalised EBITDA margin and Core HEPS were adjusted to exclude the benefit of these relief initiatives for calculation of the 2020 bonus. It is noted however, that the relief initiatives were used to set-off the increased loss allowance against debtors for the year.

Note 2: The overall Business Targets were not adjusted for COVID-19, despite the economic uncertainty and negative impact on the market. Management were required to go the 'extra-mile' in order to manage the implications of COVID-19, and as such, an ex-gratia COVID-19 bonus was awarded.

Note 3: The assessed performance against strategic targets was as follows: CEO – 73%; CFO – 88%; CAO – 95%; COO – 88%.

Note 4: The CEO is entitled to a maximum STI of 125% of TGP and therefore the amounts are grossed-up.

During 2018, a portion of the 2018 bonus entitlement was deferred, and vests in equal tranches over three years, subject to certain vesting criteria as detailed in Part 2 of this report. In 2020, the former CEO, Dr van der Merwe resigned and therefore forfeited his deferred bonus. The remaining executive Directors remained in the employ of STADIO Holdings and met all set targets, namely the Group achieved an EBITDA margin of 27% and core HEPS growth of 33%, and as such, the executive Directors will receive a full payout of the 2018 deferred bonus to be paid in relation to the 2020 year.

The Executive Committee's Bonus for 2020, including the deferred bonus for 2018, payable in 2021 is as follows:

	2020		2019	
	2020 Bonus[1] R'000	2018 Deferred portion[1] R'000	2019 Bonus R'000	2018 Deferred portion R'000
Executive Directors				
Mr Vorster	**2 450**	–	1 800	–
Ms Totaram	**1 828**	**151**	1 720	151
Dr Singh	**1 740**	**124**	1 851	124
Dr van der Merwe[2]	–	–	3 327	328
Prescribed officers				
Mr Human	**1 621**	–	200	–
Total	**7 639**	**275**	8 898	603

[1] *Bonuses paid in March 2021*

[2] *Dr van der Merwe retired as CEO on 31 March 2020 and therefore forfeited his deferred bonus*

ANNEXURE 3:

REMUNERATION REPORT (CONTINUED)

The following table sets out the remuneration paid to the Executive Committee for the years ended 31 December 2019 and 2020:

Name	Basic salary/ Director's fees R'000	Bonuses[4] R'000	Share-based incentive payments R'000	Pension contributions paid R'000	Total R'000
2020					
Executive Directors					
Mr Vorster[1]	2 867	1 800	–	123	4 790
Ms Totaram	2 203	1 890	–	329	4 422
Dr Singh	2 113	1 994	–	210	4 317
Dr van der Merwe[1,2]	2 387	3 663	–	70	6 120
Prescribed officers					
Mr Human	2 220	200	–	101	2 521
Total	10 114	9 547	–	833	20 494
2019					
Executive Directors					
Mr Vorster[3]	2 263	1 339	–	104	3 602
Ms Totaram	1 877	1 377	–	96	3 350
Dr Singh	1 740	1 128	–	172	3 040
Dr van der Merwe	2 739	2 516	–	271	5 526
Prescribed officers					
Mr Human[3]	2 112	231	–	–	2 447
Total	10 731	6 591	–	643	17 965

[1] *Dr Chris van der Merwe retired as CEO on 31 March 2020 and was appointed as a non-executive Director. Mr Chris Vorster was appointed as CEO on 1 April 2020.*

[2] *Dr Chris van der Merwe's fees include his salary for three months, his non-executive Director's fees, as well as a restraint of trade.*

[3] *These individuals were appointed as co-COO in August 2019 and continued to receive remuneration from their underlying institution (i.e. Embury or SBS) during 2019.*

[4] *Includes deferred bonus in relation to 2018 year where applicable.*

During the year 19.4 million (2019: 5.6 million) share options were issued to members of the Executive Committee.

2.7 million (2019: 2.7 million) share options previously issued to the abovementioned individuals, vested during the year and lapsed. The individuals received no gain in respect of the share options that vested, because the Company's share price was lower than the exercise strike price at vesting.

LTI (SHARE OPTIONS)

Details of share options outstanding at the year-end are as follows. No share options were exercised by Directors during the year.

	Opening balance 1 Jan 2020 '000	Number of share options awarded during the year '000	Number of share options vested during the year '000	Strike price per award	Grant date	Closing balance as at 31 Dec 2020 '000
Mr Vorster	–	7 986	–	1.23	03–Apr–20	7 986
	–	4 300	–	1.21	01–Jul–20	4 300
	–	**12 286**	**–**			**12 286**
Ms Totaram	1 294	–	(431)	2.96	03–Oct–17	863
	1 159	–	–	3.63	03–Apr–19	1 159
	–	2 204	–	1.23	03–Apr–20	2 204
	–	1 187	–	1.21	01–Jul–20	1 187
	2 453	**3 391**	**(431)**			**5 413**
Dr Singh	1 318	–	(439)	2.96	03–Oct–17	879
	1 865	–	–	3.63	03–Apr–19	1 865
	–	1 268	–	1.23	03–Apr–20	1 268
	–	683	–	1.21	01–Jul–20	683
	3 183	**1 951**	**(439)**			**4 695**
Mr Human	3 103	–	(776)	2.96	03–Oct–17	2 327
	–	1 136	–	1.23	03–Apr–20	1 136
	–	612	–	1.21	01–Jul–20	612
	3 103	**1 748**	**(776)**			**4 075**
Dr van der Merwe[1]	3 040	–	(1 014)	2.96	03–Oct–17	2 026
	2 580	–	–	3.63	03–Apr–19	2 580
	5 620	**–**	**(1 014)**			**4 606**
Total	**14 359**	**19 376**	**(2 660)**			**31 075**

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

ANNEXURE 3:

REMUNERATION REPORT (CONTINUED)

NON-EXECUTIVE DIRECTORS

The annual fees paid to the non-executive Directors during 2020 and 2019 are as follows:

	2020 Non-executive Directors fees R'000	2019 Non-executive Directors fees R'000
Dr Maphai[1]	**197**	–
Prof Stumpf[1]	**188**	426
Ms Mokoka	**392**	233
Dr Vilakazi	**327**	68
Dr Brown	**283**	56
Mr de Waal/Mr Mellet[2]	**265**	267
Dr van der Merwe[1]	**177**	–
Mr Ramaphosa[1]	**220**	375
Ms Kisten[1]	**–**	188
Mr Sithole[1]	**–**	163
	2 049	1 776

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

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

STATEMENT BY THE BOARD REGARDING COMPLIANCE WITH THE REMUNERATION POLICY

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

ANNEXURE 4:
CORPORATE INFORMATION

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

NOTES:

FORM OF PROXY

STADIO Holdings Limited
Incorporated in the Republic of South Africa
Registration number: 2016/371398/06
JSE share code: SDO
ISIN: ZAE000248662
LEI: 3789007C8FB26515D966
(STADIO Holdings, or the STADIO 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 Holdings to be conducted entirely by electronic communication as permitted by the Companies Act, No. 71 of 2008, as amended and by the Company's memorandum of incorporation at 11:00 a.m. on Tuesday, 22 June 2021 (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, 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 the appointment of Dr TV Maphai as a Director			
Ordinary resolution number 2:	To re-elect Dr TH Brown as a Director			
Ordinary resolution number 3:	To re-elect Dr CR van der Merwe as a Director			
Ordinary resolution number 4:	To re-elect Dr CB Vilakazi as a Director			
Ordinary resolution number 5:	To re-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 Dr CB Vilakazi as a member of the Audit and Risk Committee of the Company			
Ordinary resolution number 7:	To re-appoint Dr TH Brown 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 Holdings' remuneration policy			
Ordinary resolution number 11:	Non-binding endorsement of STADIO Holdings' implementation report on the remuneration policy			

Please see overleaf for special resolutions

FORM OF PROXY (CONTINUED)

Special resolution number 1:	Remuneration of chairperson of the Board			
Special resolution number 2:	Remuneration of members of the Board			
Special resolution number 3:	Remuneration of chairperson of the Audit and Risk Committee			
Special resolution number 4:	Remuneration of members of the Audit and Risk Committee			
Special resolution number 5:	Remuneration of chairpersons of the Remuneration and Nominations Committee			
Special resolution number 6:	Remuneration of members of the Remuneration and Nominations Committee			
Special resolution number 7:	Remuneration of chairperson of the Transformation, Social and Ethics Committee			
Special resolution number 8:	Remuneration of members of the Transformation, Social and Ethics Committee			
Special resolution number 9:	Ad hoc remuneration of members of the Board under rare circumstances			
Special resolution number 10:	Inter-company financial assistance			
Special resolution number 11:	Financial assistance for the subscription and/or the acquisition of shares in the Company or a related or inter-related company			
Special resolution number 12:	Share repurchases by the Company and its subsidiaries			

Please indicate your voting instruction by way of either 1. inserting the number of shares; or 2. inserting a cross in the space provided should you wish to vote all of your shares.

Signed at .... on this .... day of .... 2021.

Signature(s) ....

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

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

Please read the notes overleaf.

Notes:

1. A STADIO Holdings' 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 participating in the AGM will be entitled to act as proxy to the exclusion of those whose names follow.

2. A STADIO Holdings' 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 AGM, or any other proxy to vote or to abstain from voting at the AGM as he/she deems fit, in respect of all the shares concerned. A STADIO Holdings' 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 AGM 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 AGM, 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 emailed to proxy@computershare.co.za, to be received by them not later than Friday, 18 June 2021, at 11:00 a.m. (South African time), provided that any form of proxy not delivered to the transfer secretaries by this time may be submitted to the transfer secretaries via email at proxy@computershare.co.za, at any time before the appointed proxy exercises any shareholder rights at the AGM, subject to the Transfer Secretaries verifying the form of proxy and proof of identification before any shareholder rights are exercised.

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 thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.

PRESENTING

MILPARK EDUCATION

STADIO

FORMERLY

SBS

EMBURY

LISOF

PRESTIGE ACADEMY

[AFDA]

STADIO

HOLDINGS

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