STRONG PERFORMANCE

ADvTECH Interim Financial Results
for the six months ended 30 June 2023

Strong financial performance

Good enrolment growth

Sound balance sheet

ADvTECH CONTINUES TO DELIVER STRONG RESULTS

Group results

16%
Revenue

23%
Operating profit

24%
Headline earnings per share

25%
Normalised earnings per share

30.0 cents
Dividend per share

Divisional performance (year-on-year increase)

Schools South Africa

Revenue	+13%
Operating profit	+20%

Schools rest of Africa

Revenue	+26%
Operating profit	+73%

Tertiary

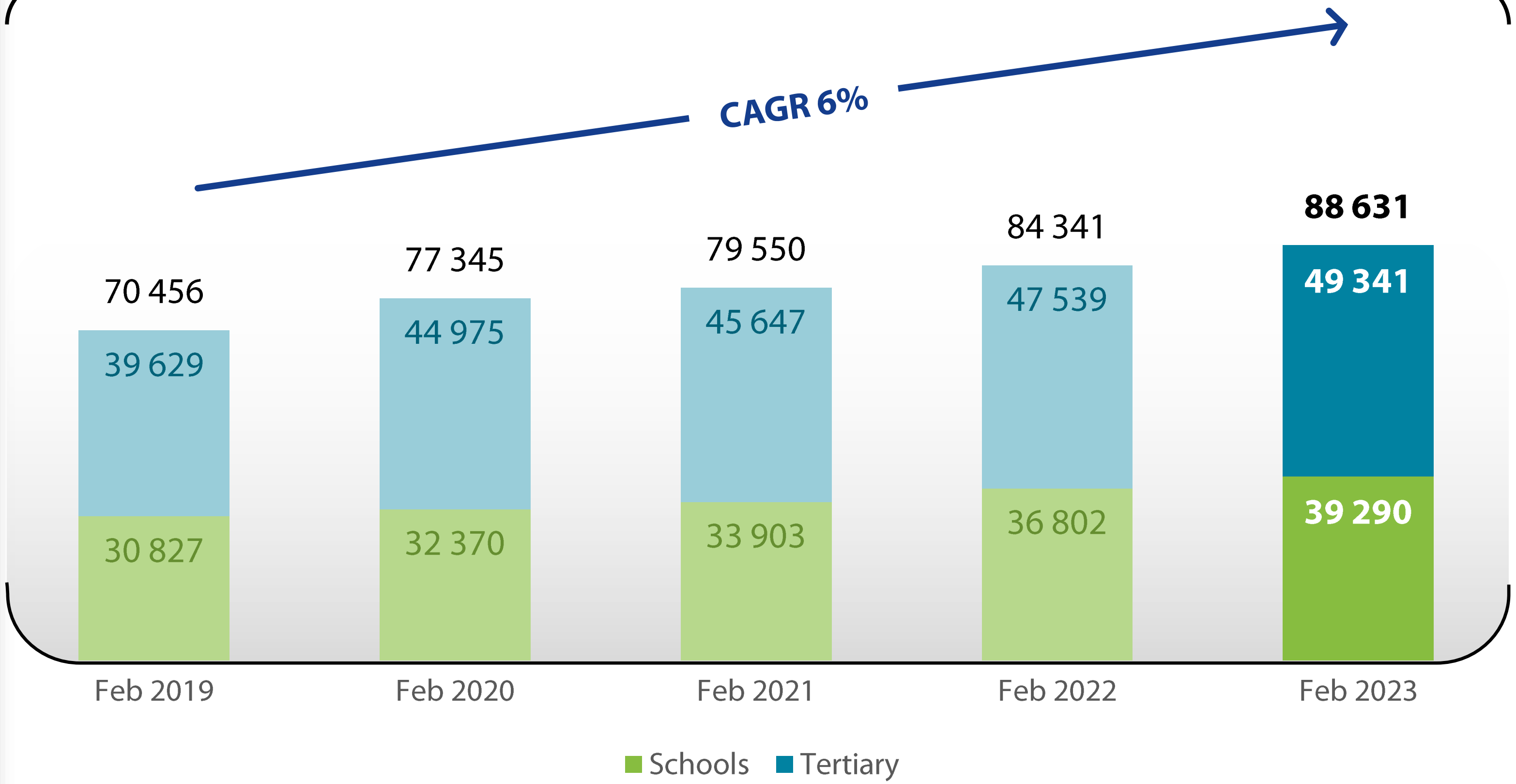
Revenue	+13%
Operating profit	+19%

Resourcing

Revenue	+26%
Operating profit	+44%

CONTINUED ENROLMENT GROWTH

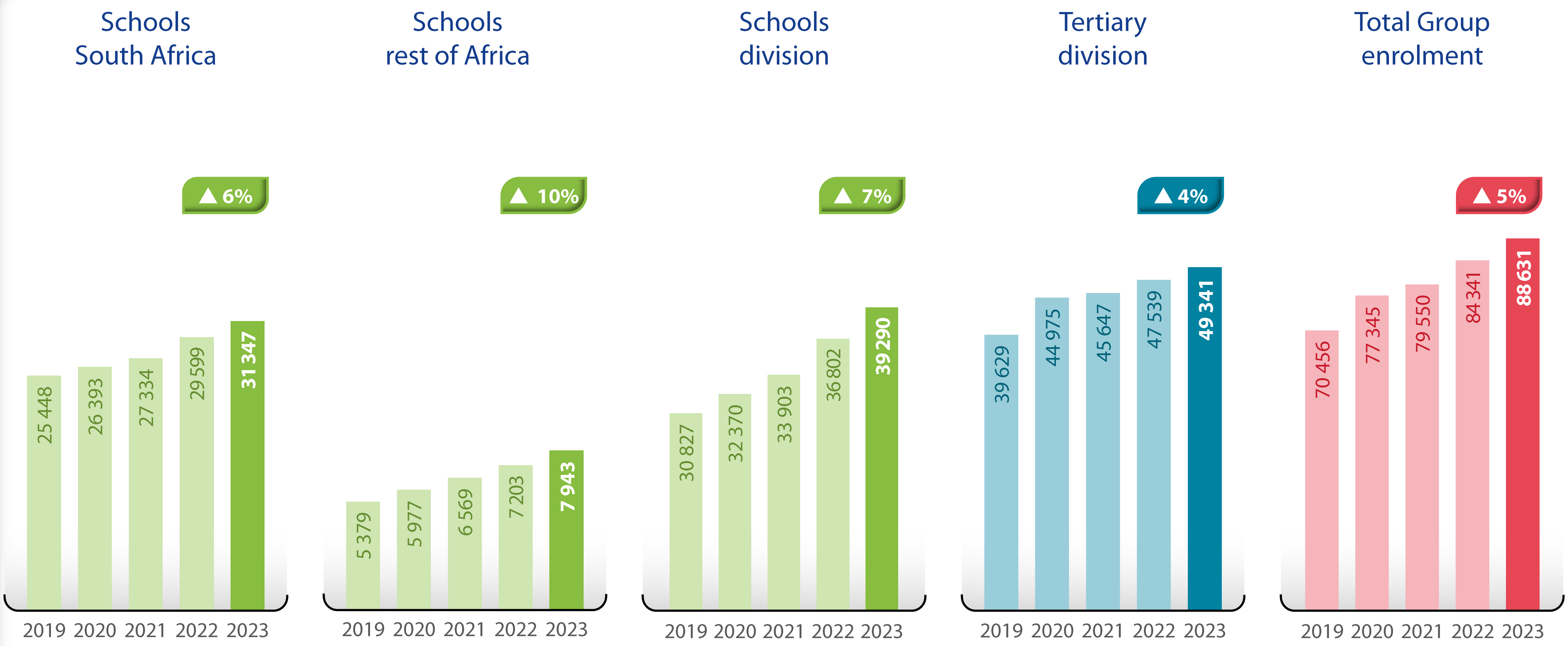
Full time full qualification



Vocational qualifications, short learning programmes and skills training

ADvTECH reaches **+100 000** students across the education division

CONTINUED ENROLMENT GROWTH



GOOD PROGRESS ON KEY METRICS

Features contributing to our success

Enrolment growth

Strong growth in all divisions

Schools South Africa	Schools rest of Africa	Schools division	Tertiary division
+ 6%	+10%	+ 7%	+ 4%
			Online enrolments up by 28%

Operating margin improvements

Schools South Africa — **20.1%** from 19.0% in half year 2022

Schools rest of Africa — **24.7%** from 18.1% in half year 2022

Tertiary — **25.0%** from 23.8% in half year 2022

Resourcing — **5.9%** from 5.2% in half year 2022

Group salient figures

Operating profit — **23%**

NEPS — **25%**

Group margin — **19.2%** from 18.1% in half year 2022

OPERATING ENVIRONMENT

SUBDUED ECONOMIC ENVIRONMENT

ADTECH GROUP

IMF Forecast 0.1%

- June 2023

SARB Forecast 0.3%

- May 2023

SA Government 0.4%

- Jun 2023: actual growth in first quarter of 2023

Unemployment rate 32.6%

Including discouraged workers 42.1%

2023 current inflation rate 4.7%

Consumer price index (CPI) - lowest level in 2 years

"Africa set to outperform the rest of the world in economic growth over the next two years"

Africa

Real GDP in 2023 and 2024 averaging around (global averages 2.7% and 3.2%)

4.0% in 2023

4.3% in 2024

2050:

Population doubling to 2.5bn

Needing education 1.2bn

2021

scholars in private education 66m

Urbanisation

2010: 35%

By 2030: 50%

Currently 40% of population are 0-14 years

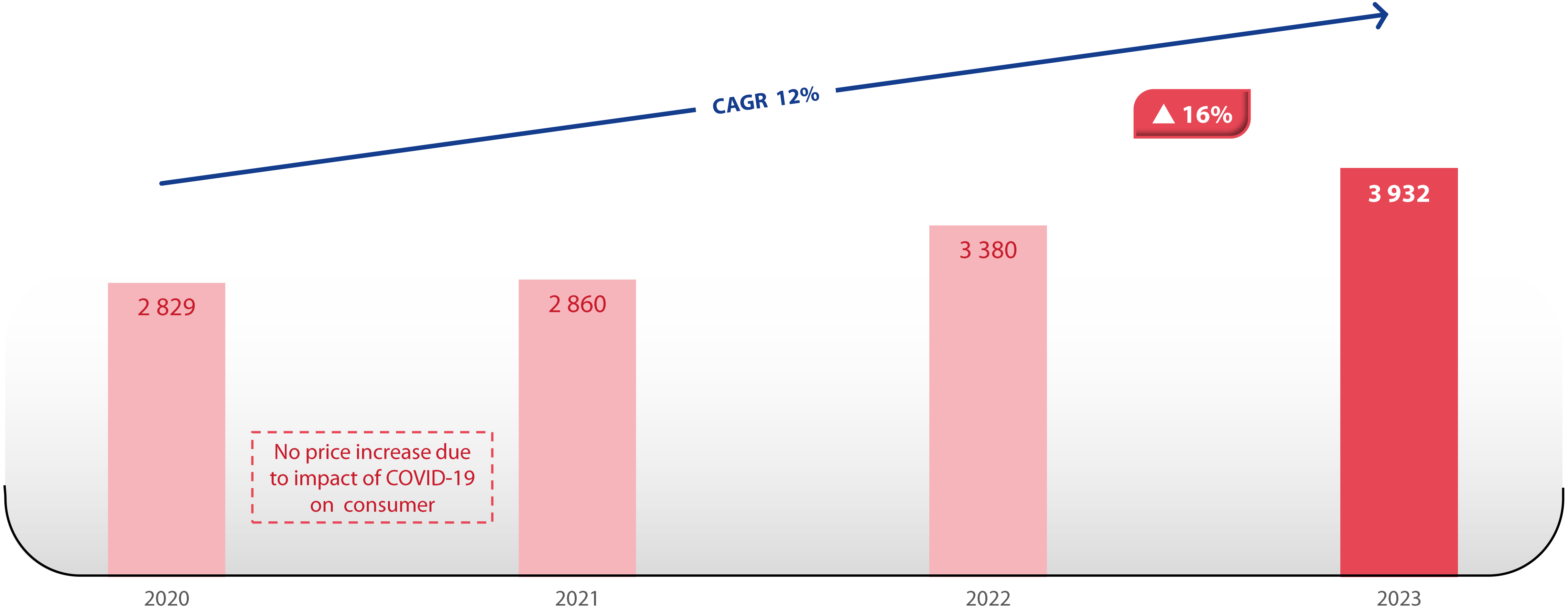
Sources: IMF/SARB website/African Development Bank Group said in Africa's Macroeconomic Performance and Outlook report for the region

FINANCIAL PERFORMANCE

The group's strong financial performance, solid cash generation and robust balance sheet are evidence of our sound business model, clear market focus and continued emphasis on effectiveness and efficiencies.

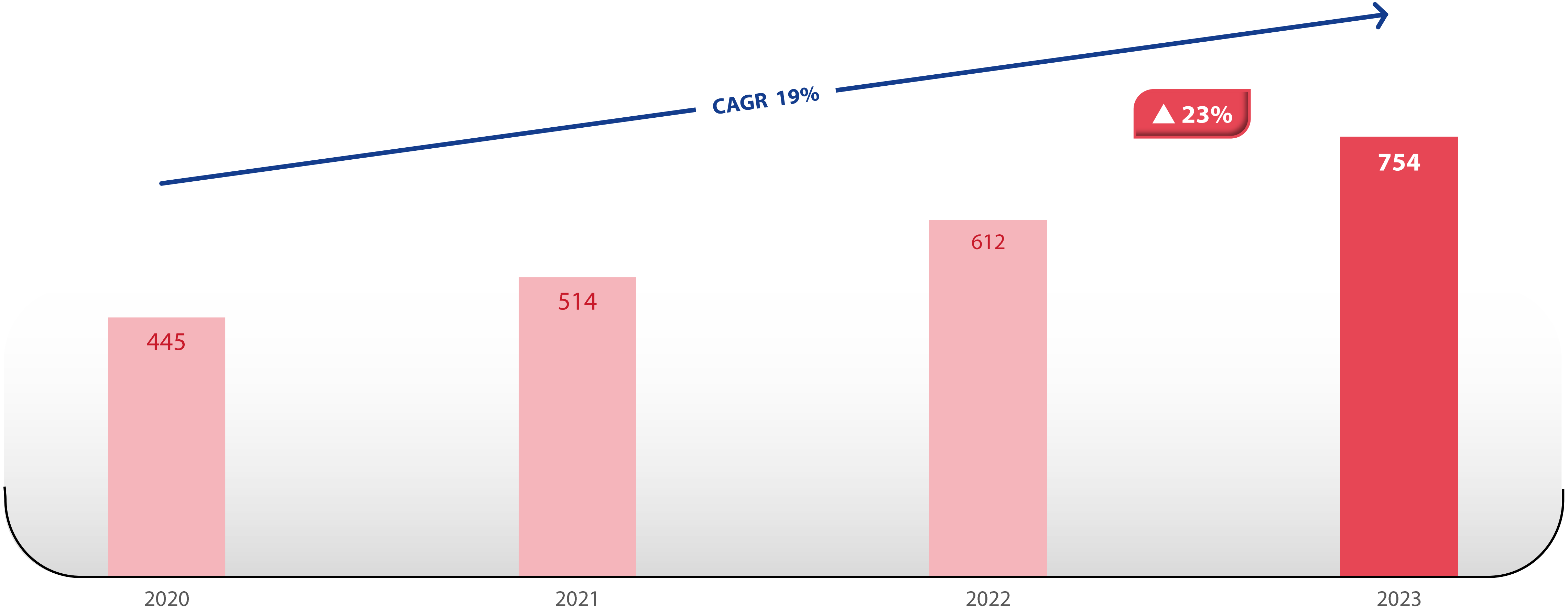
GROUP REVENUE (R'M)

Consistent growth driven by good enrolments and moderate fee increases in line with inflation



GROUP OPERATING PROFIT (R'M)

Strong profit growth driven by leveraging our scale and operating efficiencies

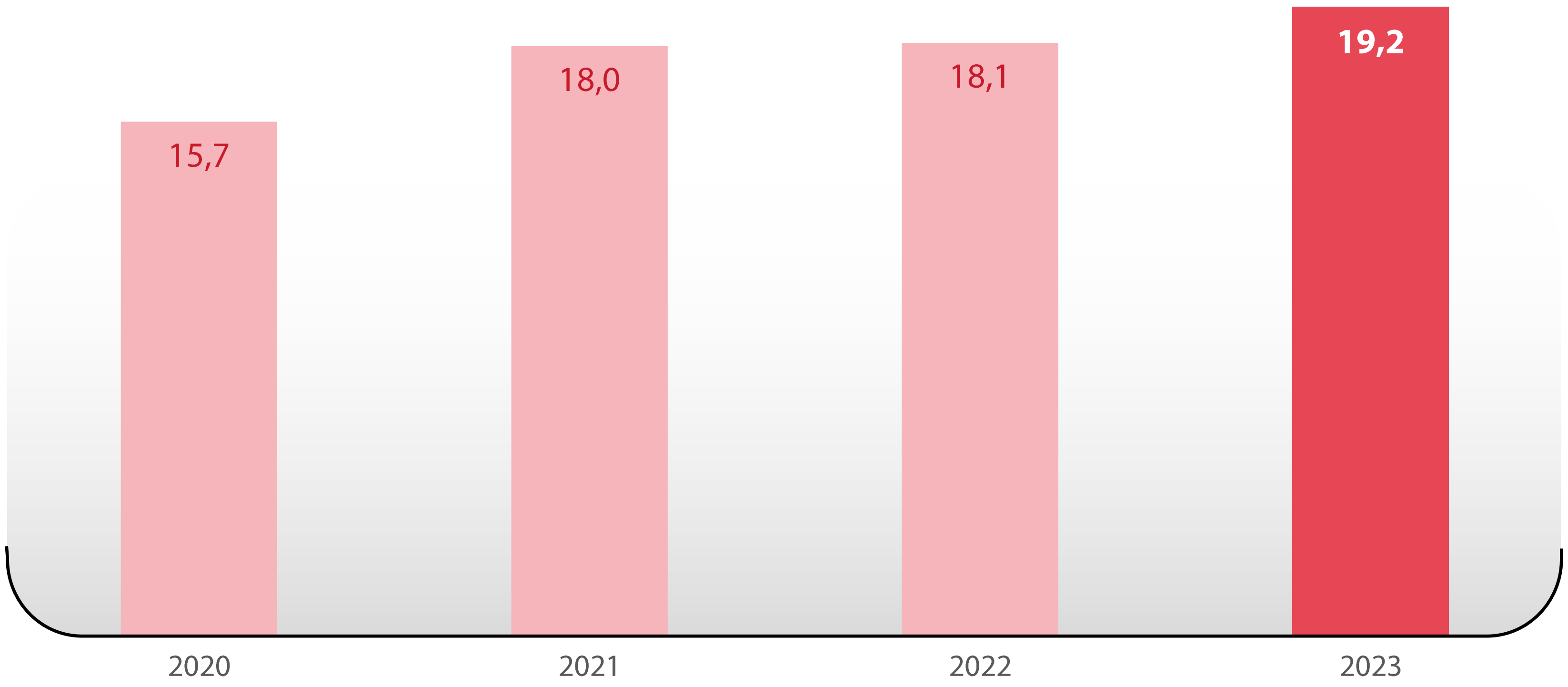


GROUP OPERATING MARGIN (%)

Sharp focus on business efficiency, delivering consistent profit improvement

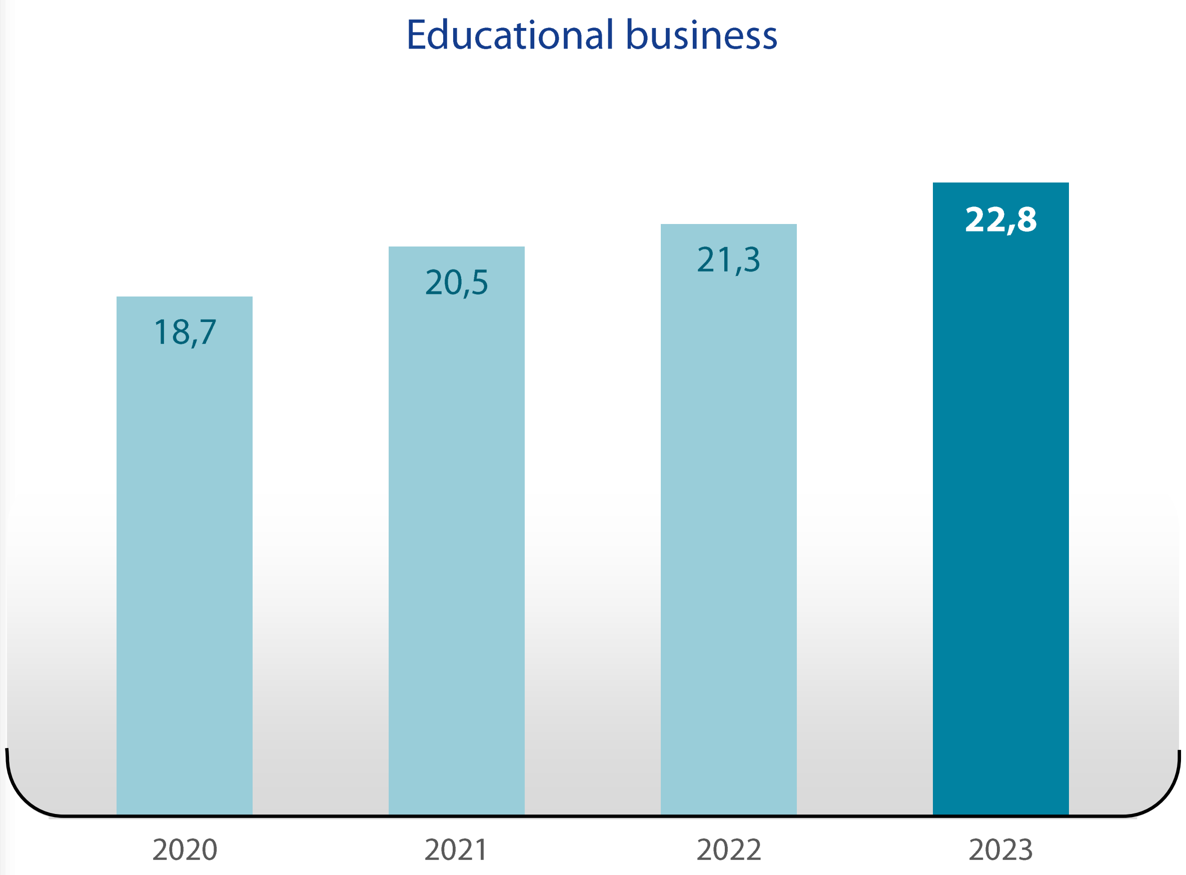
Improved due to:

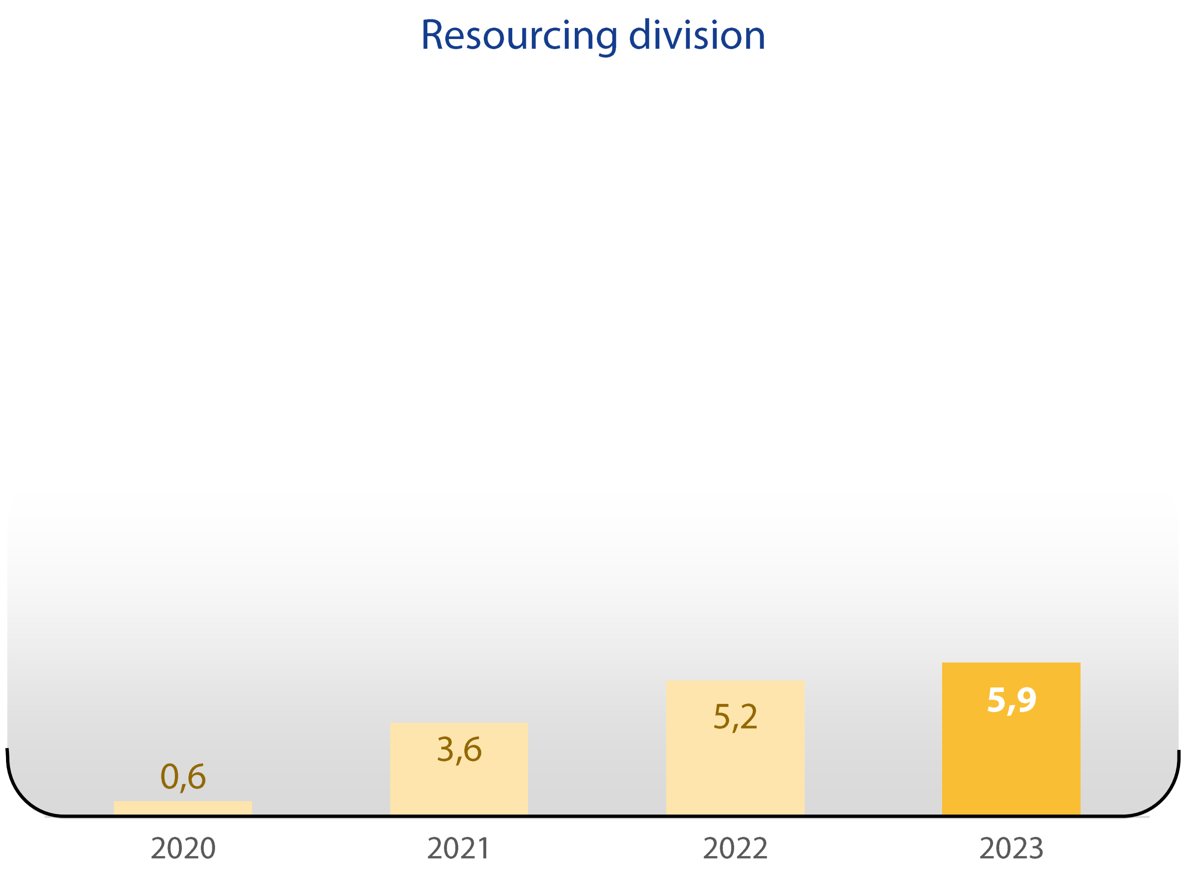
- Operating leverage resulting from enrolment growth
- Continued focus on efficiency improvements



DIVISIONAL OPERATING MARGINS

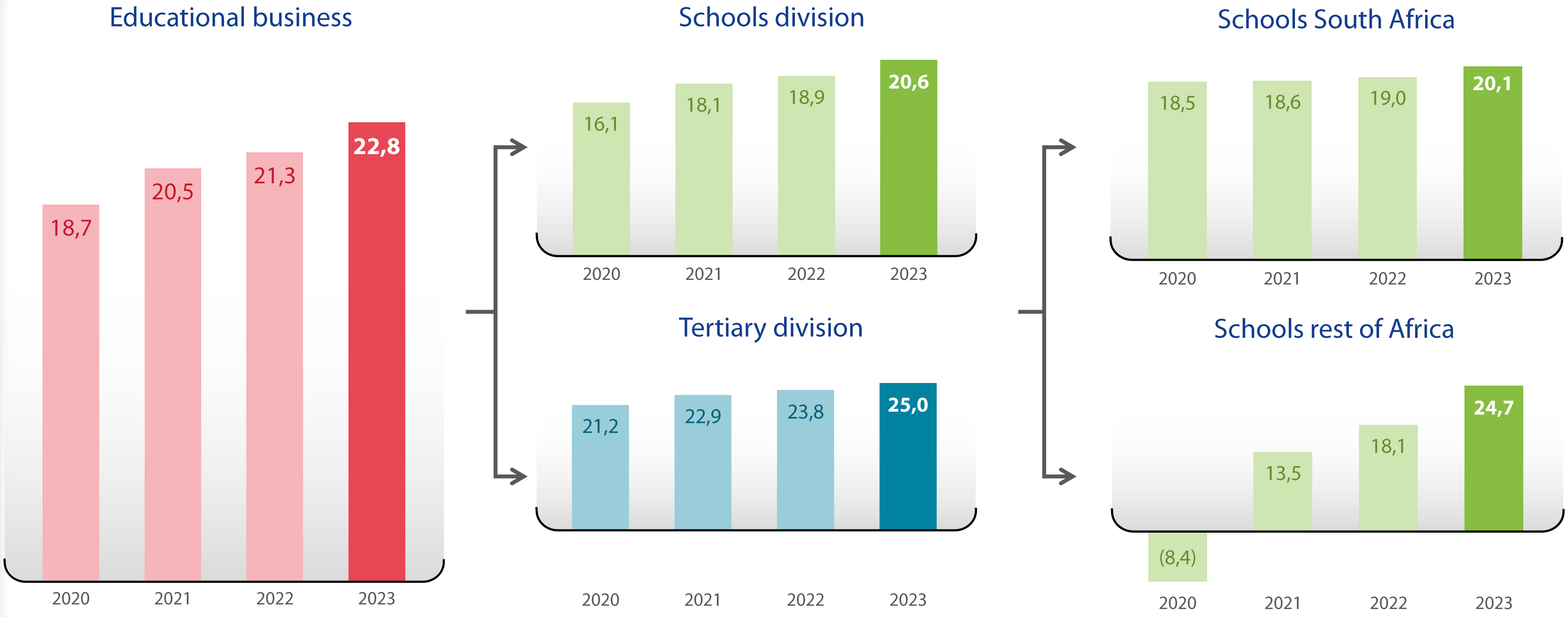
Operating leverage and efficiency driven





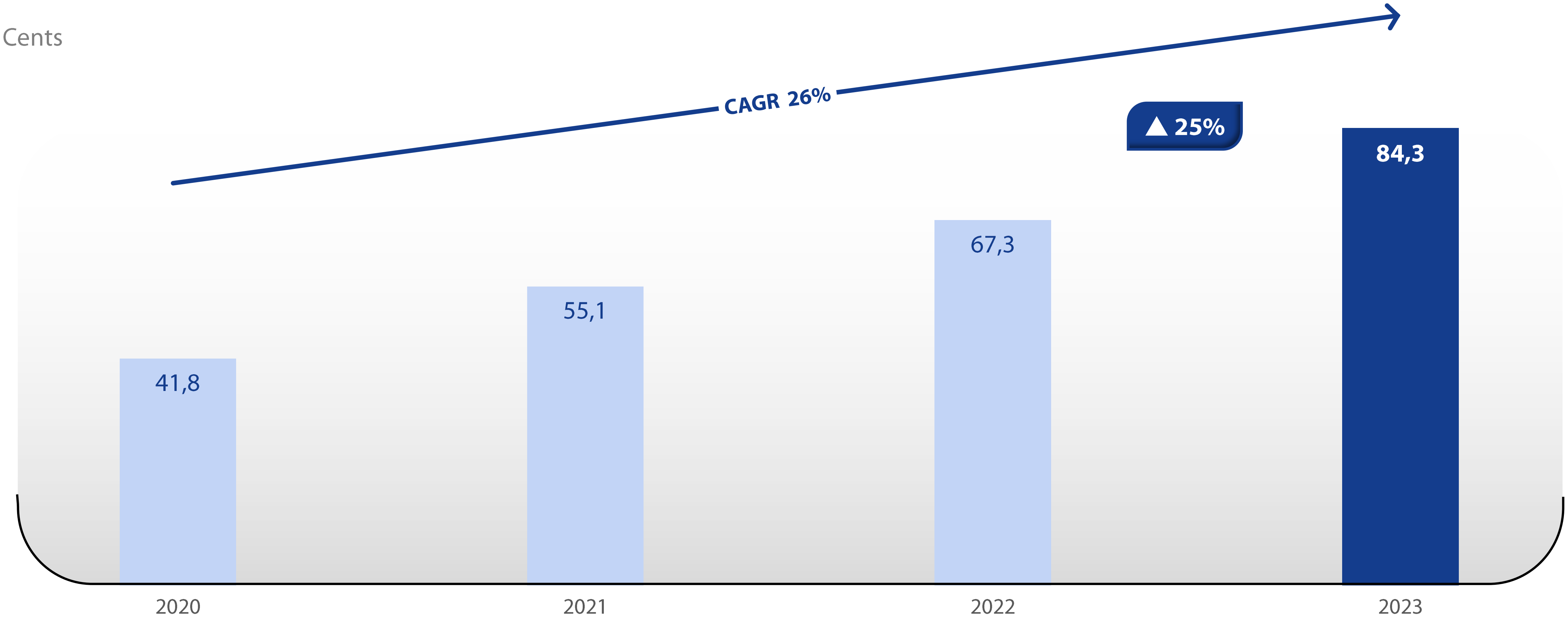
IMPROVED OPERATING MARGINS (%)

All businesses delivered margin improvements



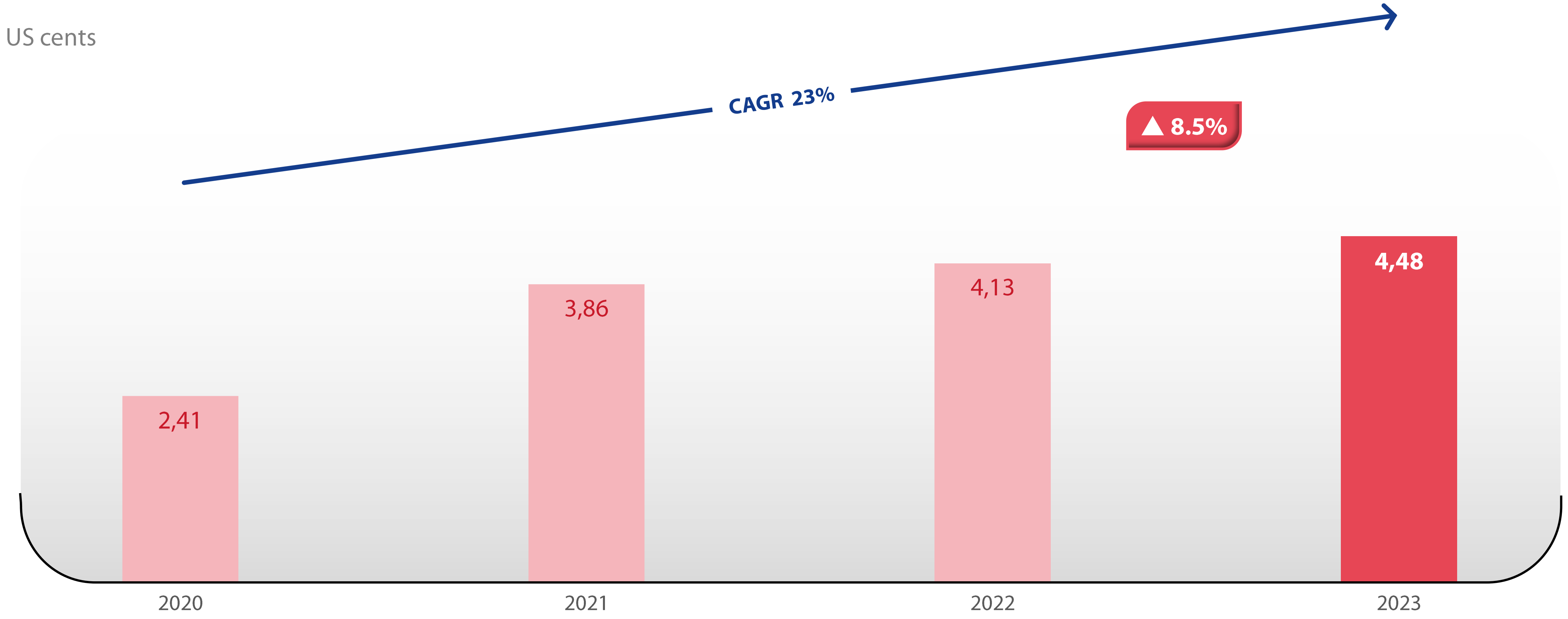
NORMALISED EARNINGS PER SHARE

Consistent earnings growth demonstrates the successful execution of our strategy



NORMALISED EARNINGS PER SHARE – US$

Resilient dollar returns



SCHOOLS DIVISION

Revenue contribution (for period under review)

41%
(2022: 41%)

R1.6 billion
(2022: R1.4 billion)

15% Revenue

25% Operating profit

Schools division

13% Revenue

20% Operating profit

26% Revenue

73% Operating profit

Schools South Africa

- All brands, including premium brands have shown growth
- Continued to win market share in a tough operating environment

Schools in the rest of Africa:

- Strong enrolment growth with commitment to quality education and efficiency gains
- Confidence for future expansion

COMPREHENSIVE BRAND PORTFOLIO

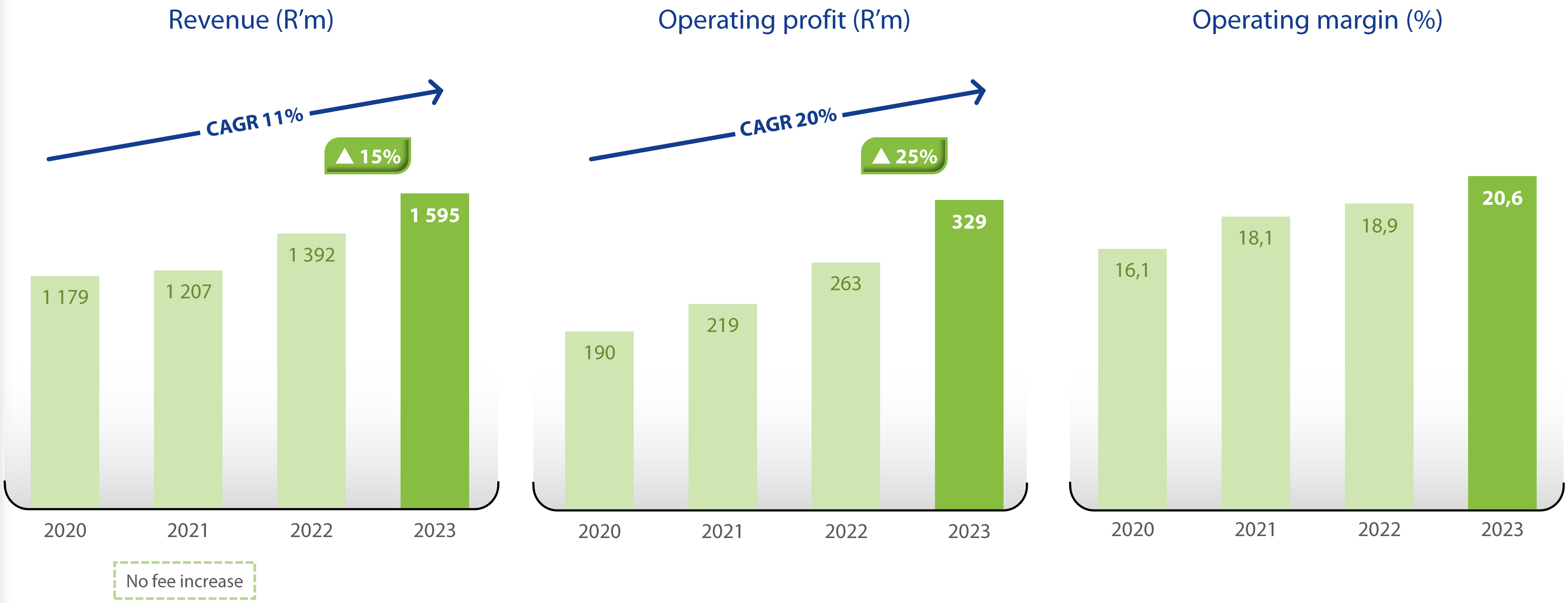
Schools division

Progressive / Modern	Traditional / Holistic	Specialised academic support and assisted learning	Mid-fee	Early childhood development	Online / homeschooling
Crawford International	TRINITYHOUSE Pre-Primary • Preparatory • High	THE BRIDGE ASSISTED LEARNING CENTRE; ABBOTTS COLLEGE HIGH SCHOOL	PINNACLE COLLEGES; Makini Schools Preschool | Primary | High	Junior COLLEGES EARLY LEARNING	evolve
27 Schools	20 Schools	8 Schools	47 Schools	5 Schools	3 Schools

SCHOOLS DIVISION

7% enrolment growth

Delivering sustainable long term competitive advantage balanced with improved operating efficiencies

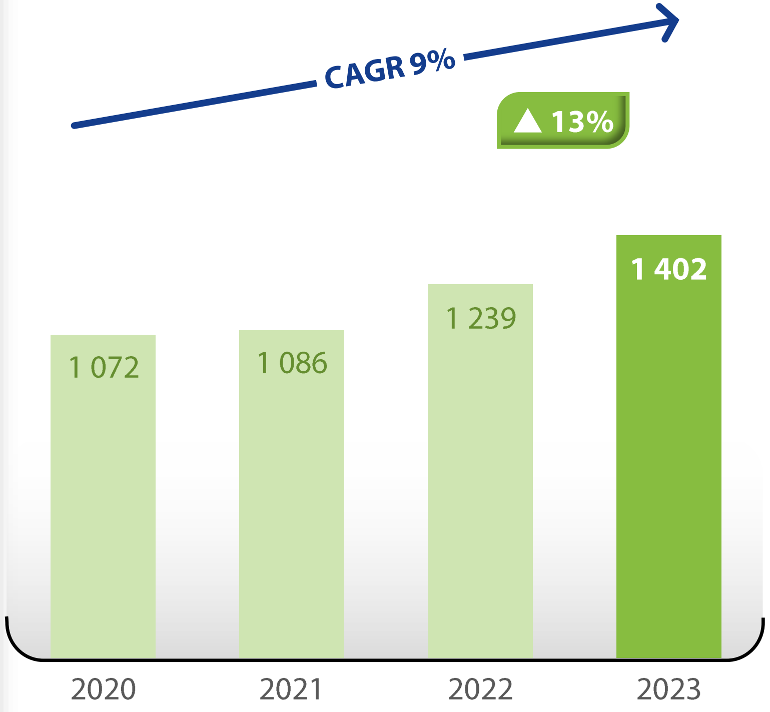


SCHOOLS – SOUTH AFRICA

6% enrolment growth

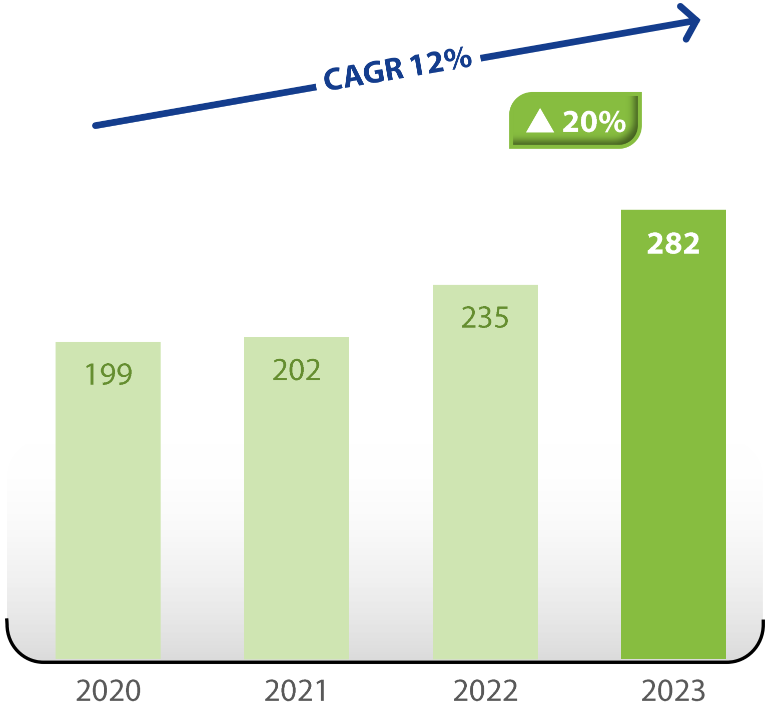
Enrolment growth, modest fee increases in line with CPI and improved operating efficiencies delivered good results

Revenue (R'm)

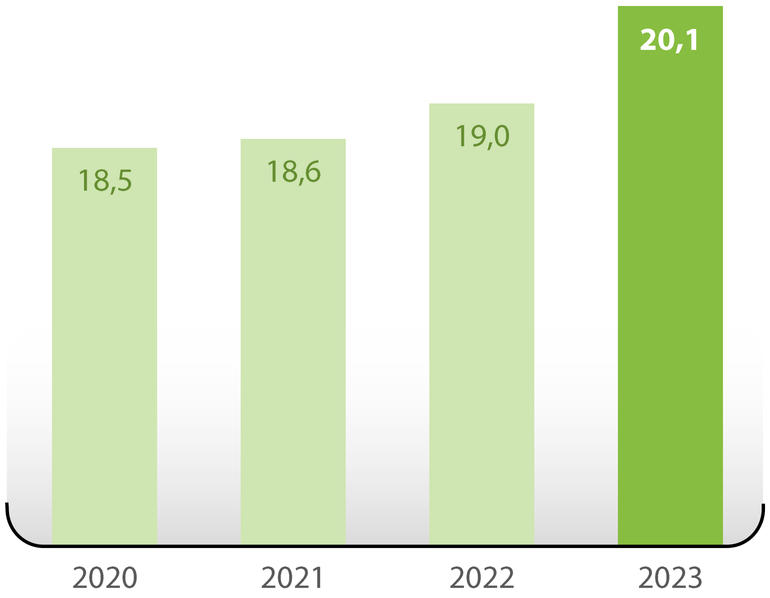


No fee increase

Operating profit (R'm)



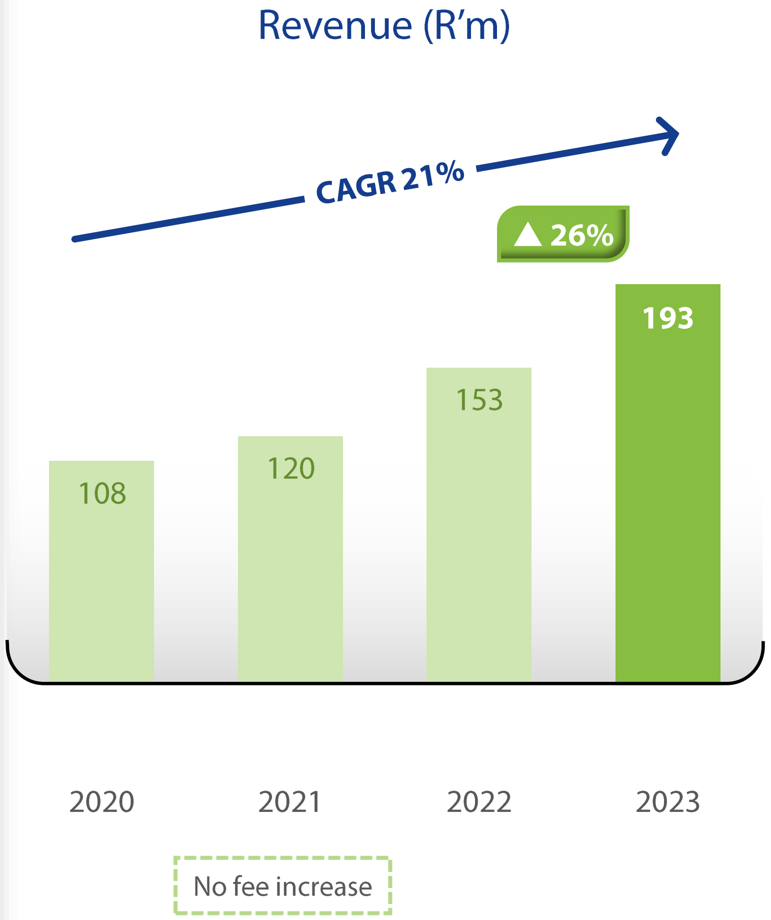
Operating margin (%)

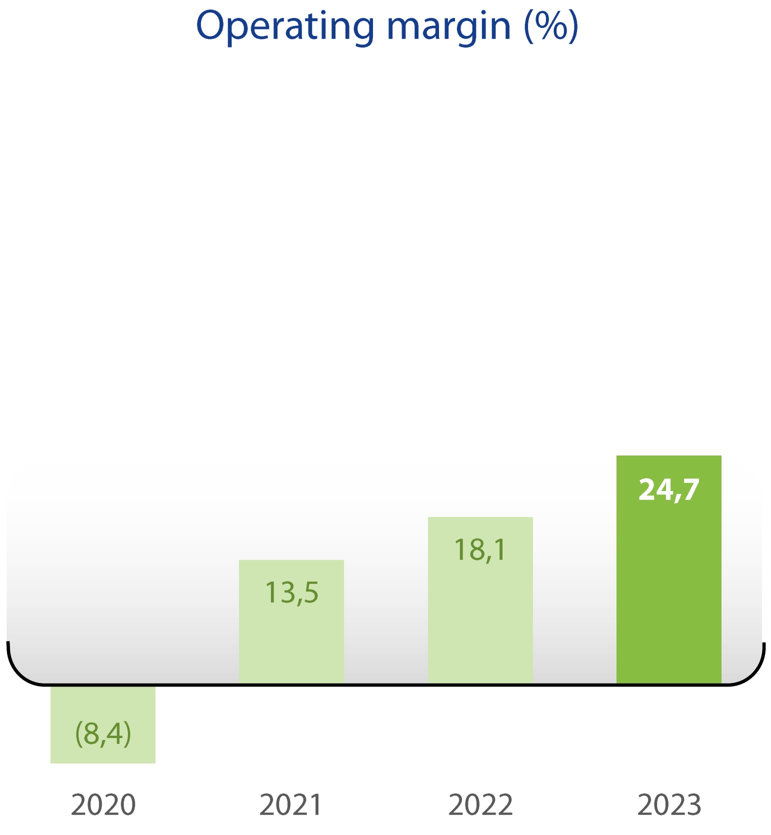


SCHOOLS – REST OF AFRICA

10% enrolment growth

Double digit enrolment growth and margin expansion demonstrates successful execution of our growth strategy





SCHOOLS ENROLMENT MOVEMENT

Impact of emigration

1. Percent change from 2022 to 2023

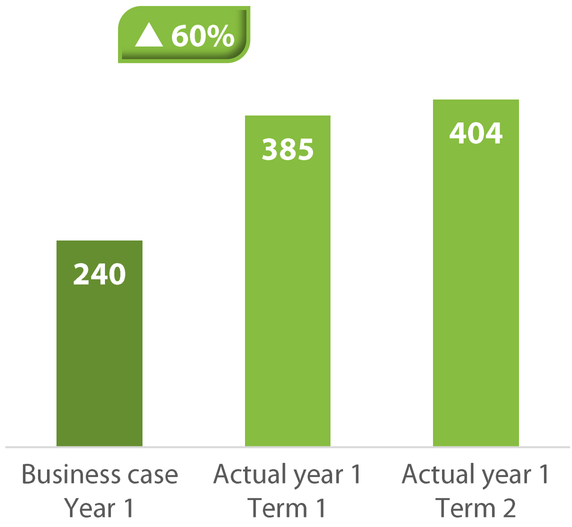
THE BRIDGE ASSISTED LEARNING SCHOOL EXPANSION

- Expanded its offering to a second school in Morningside, Johannesburg
- **Opening in January 2024**

ENROLMENTS EXCEED EXPECTATIONS

- Pinnacle Raslouw in Centurion, opened in January 2023
- Enrolments exceeded expectations necessitating the need to bring forward phase two of the project to 2023

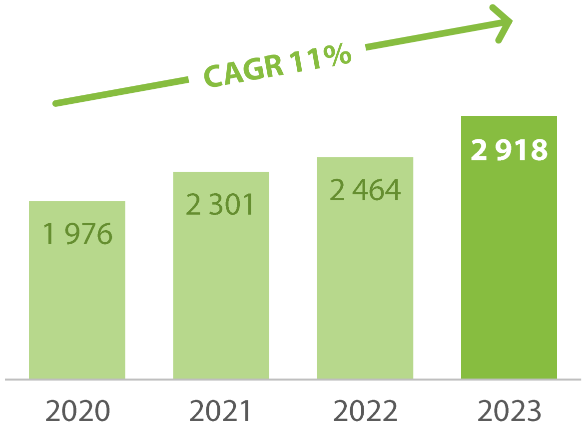
Enrolments



GABORONE INTERNATIONAL SCHOOL IS TRANSFORMED INTO A MEGA CAMPUS

- State of the art Science and Technology centre for high school completed (projectors in every classroom, laser cutter, and 3D printers)
- Sports facilities upgrade
- Continues to experience strong demand owing to their market leading academic offering

Enrolment growth



CRAWFORD INTERNATIONAL SCHOOL, KENYA

- Capacity increased
- Development of the next phase brought forward to meet enrolment growth

SCHOOLS BUILDING CAPACITY

Competitive advantage

	Feb 2019	Feb 2020	Feb 2021	Feb 2022	Feb 2023
Students enrolled (‘000)	30.8	32.4	33.9	36.8	39.3
Existing building capacity (‘000)	38.2	41.2	41.5	44.5	46.7
% Existing building capacity utilised	81%	79%	82%	83%	84%
Ultimate capacity	54.8	56.8	56.8	56.8	59.8
% of ultimate capacity utilised	56%	57%	60%	65%	66%

ARTIFICIAL INTELLIGENCE (AI) IN TEACHING AND LEARNING

AI in schools and tertiary

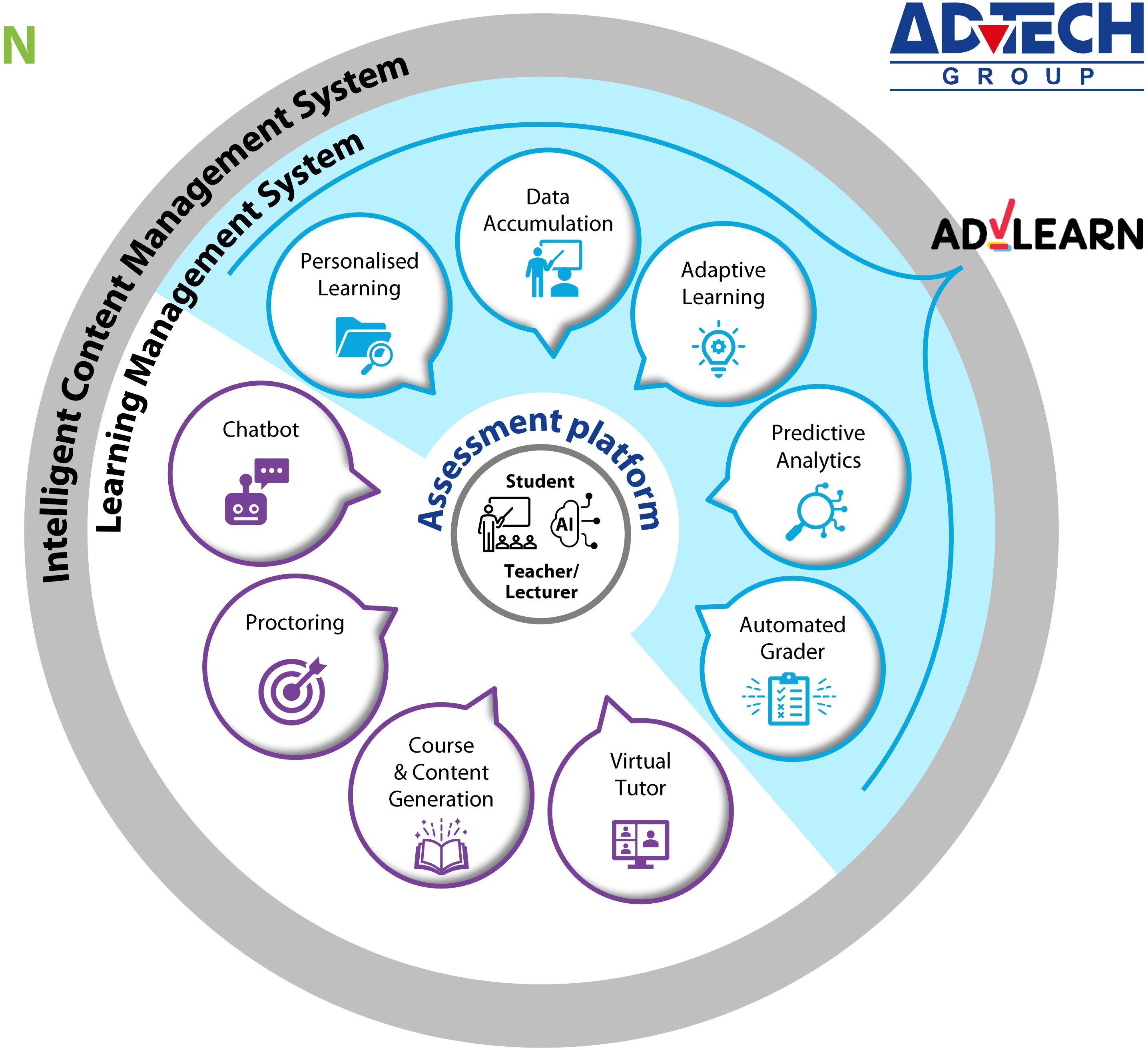
Leveraging AI in teaching and learning:

Personalised learning paths: meeting individual student needs

Improved student engagement: interactive and relevant content

Targeted support for struggling and **achieving students:** relevant interventions

Enhanced teacher/lecturer efficiency: automated grading and data analysis insights



USING ARTIFICIAL INTELLIGENCE FOR PERSONALISED LEARNING

Data Insights available from

AD✓LEARN

- **Tracks student homework** and usage.
- Provides **personal learning pathways** and assessments.
- Provides **teacher dashboard** to fill gaps.

- AI utilises data to build **personalised assessments.**

- AI provides **immediate dashboards with insights** into teaching and learning habits and trends.

DATA DASHBOARDS AND INSIGHTS

Helping teachers find the gaps so they can fill them

Chapter 10 – Sound and Ultrasound

Chapter 16 - Electrostatics

Areas of concern

More data available due to more usage!

DATA DASHBOARDS AND INSIGHTS

Putting vital data into the hands of ADvTECH management

Still in research and development

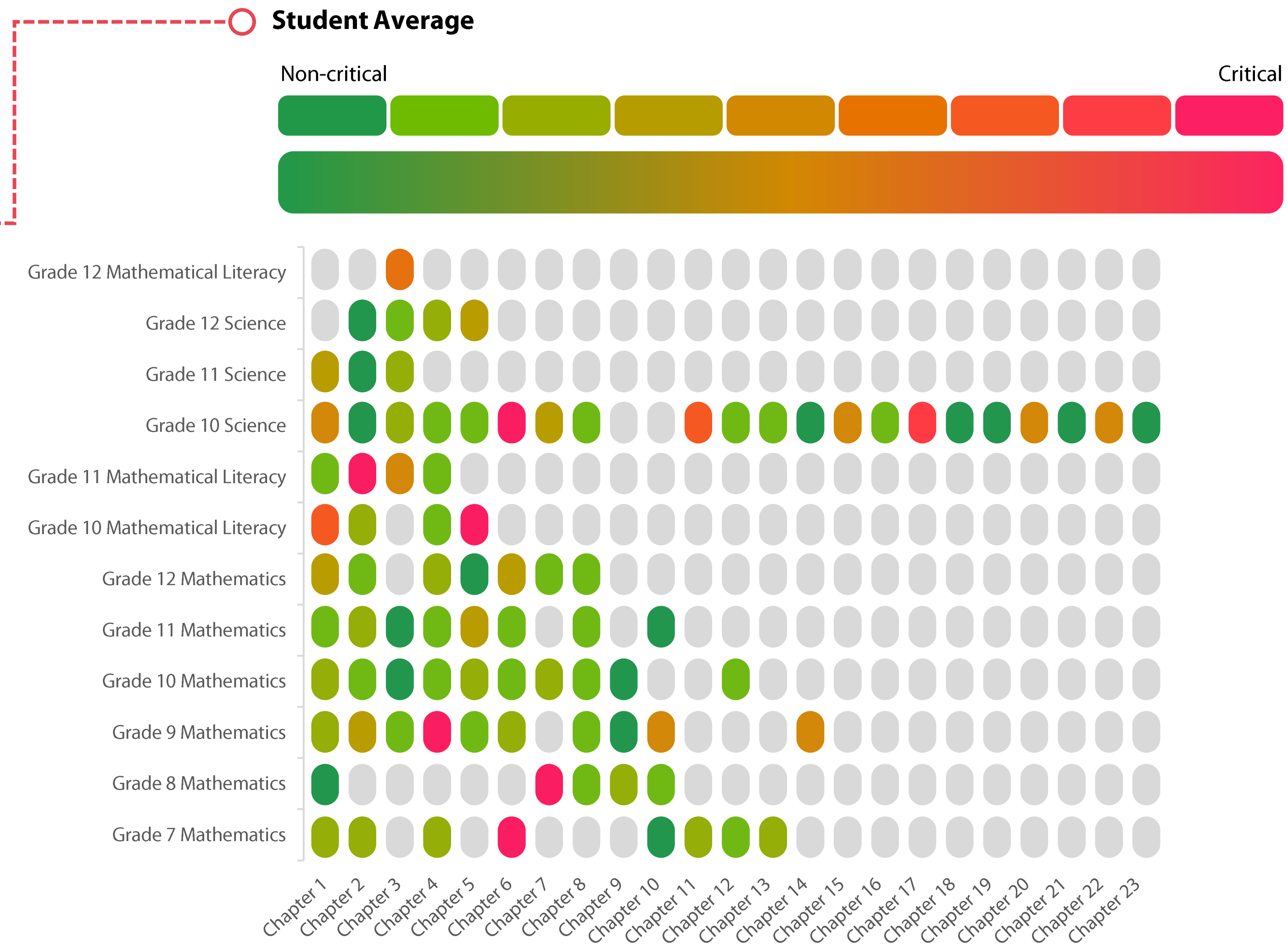
Gain **insights** into where the gaps are across all schools.

54.5%

Average homework progress

650

Number of daily active app users



TERTIARY DIVISION

Revenue contribution

38%
(2022: 39%)

R1.5 billion
(2022: R1.3 billion)

32
Campuses (2022: 32)

13% Revenue

19% Operating profit

- Continuing the trend of good performance
- Quality academic offering with multi-channel modes of delivery

WELL ESTABLISHED BRAND PORTFOLIO

Tertiary division

Varsity College / MSA

- Postgrad to masters
- Degrees
- Diplomas
- Higher certificates

- Face-to-face
- Online
- Blended
- Part-time
- 9 campuses

Rosebank College

- Degrees
- Diplomas
- Higher certificates

- Face-to-face
- Online
- Blended
- Part-time
- 9 campuses

Vega School — Design • Brand • Business

- Postgrad to doctoral
- Degrees
- Diplomas
- Higher certificates

- Face-to-face
- Online
- Blended
- Part-time
- SLP
- 4 campuses

Capsicum Culinary Studio / School of Hospitality & Service Management

- Degrees
- Diplomas
- Advanced diploma
- Higher certificates
- Vocational

- Face-to-face
- Online
- Blended
- Part-time
- SLP
- 8 campuses

Oxbridge Academy — effortless excellence in education

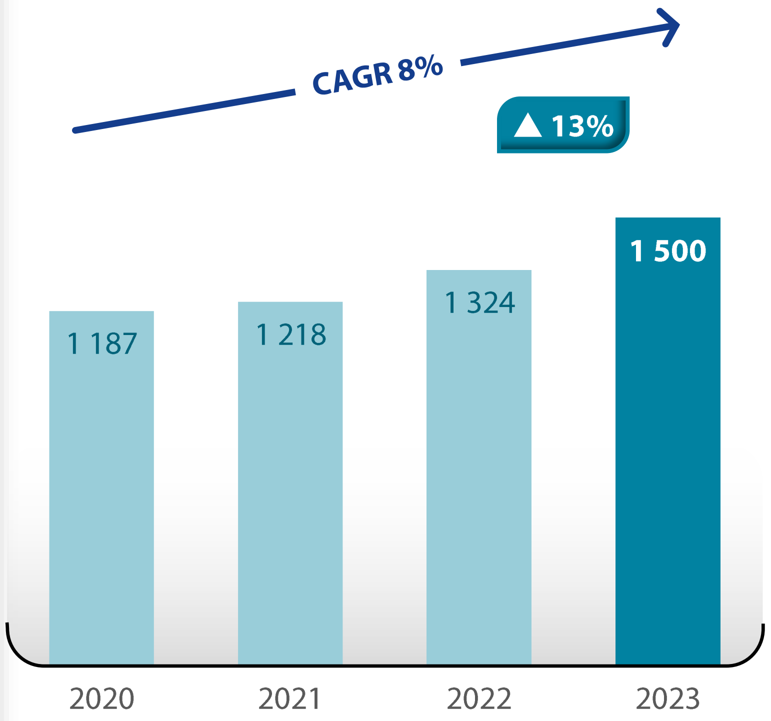
- Vocational
- Higher certificates
- Diplomas
- SLP

- Distance

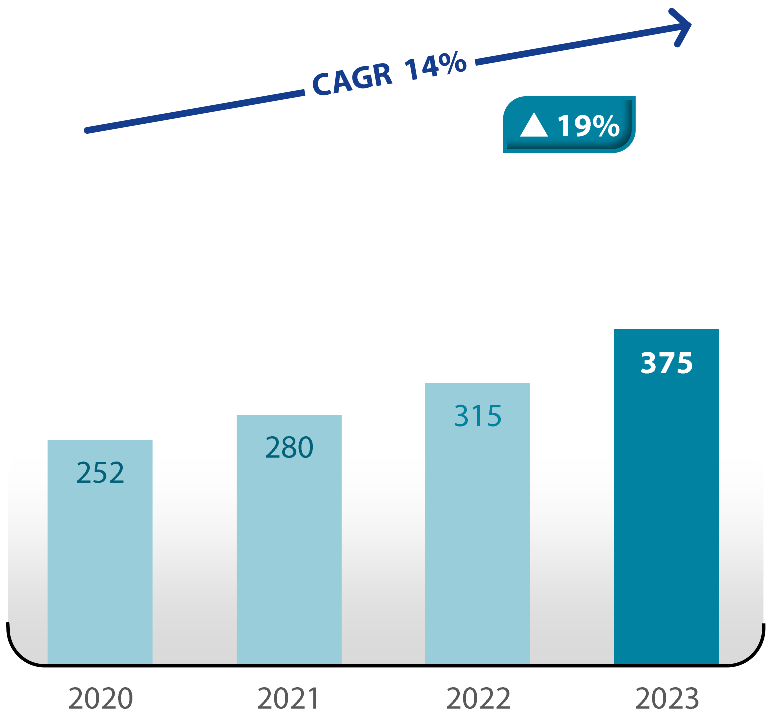
TERTIARY DIVISION

Performed well and continue to grow

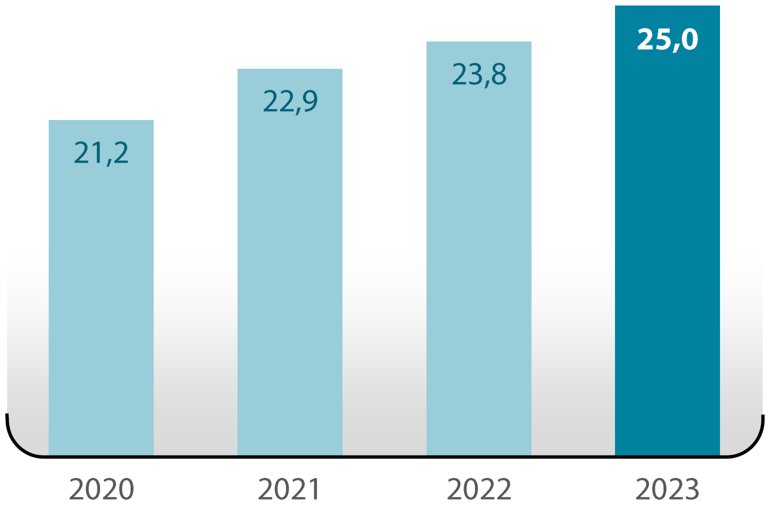
Revenue (R'm)



Operating profit (R'm)

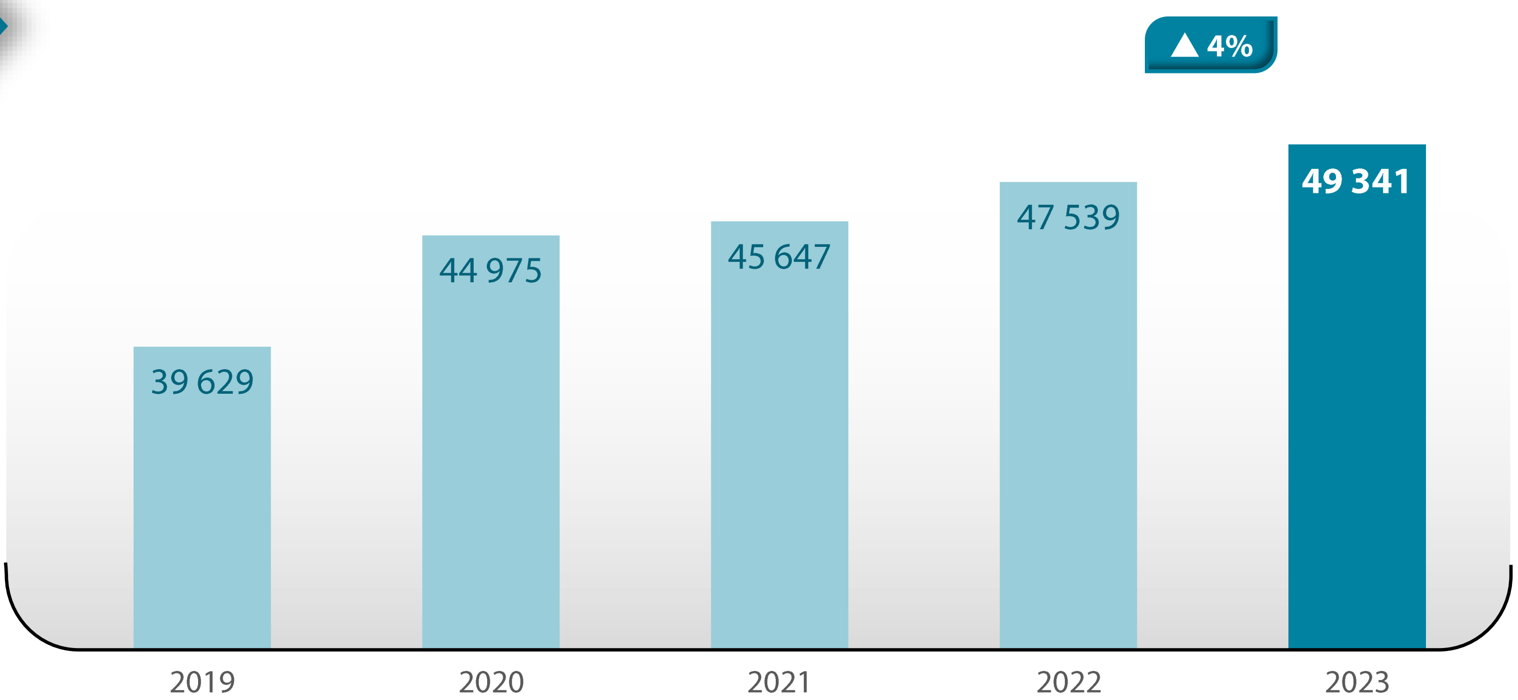


Operating margin (%)



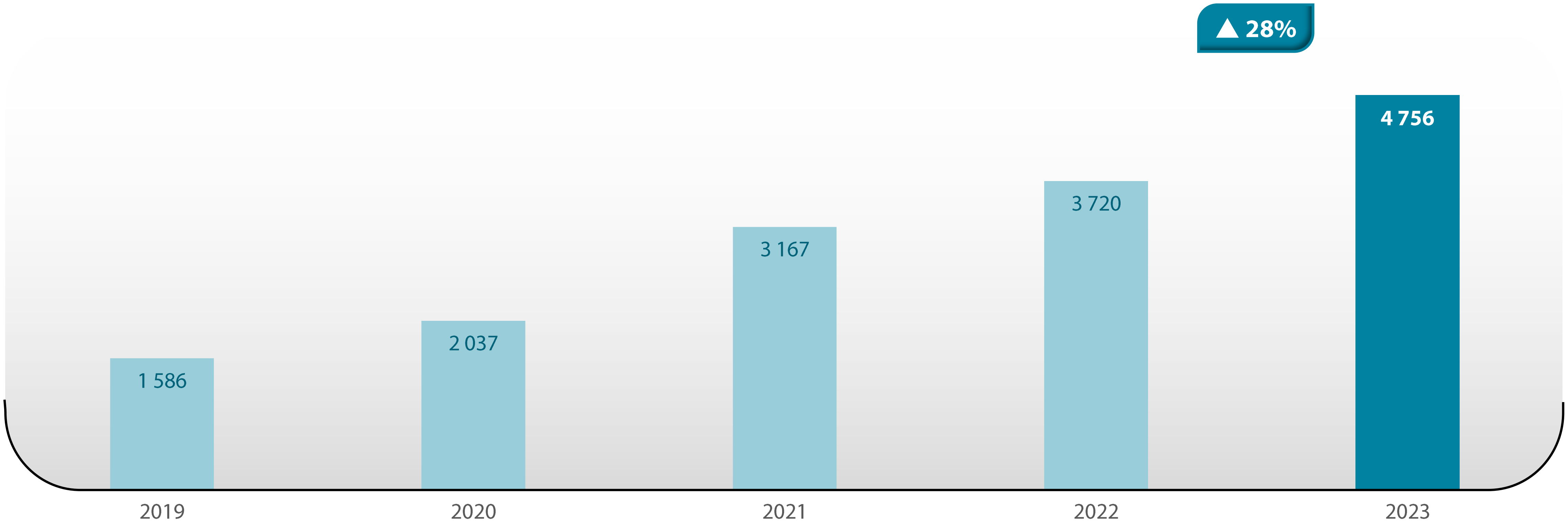
TERTIARY:
FULL QUALIFICATION STUDENT ENROLMENTS

Expanded our academic offering



TERTIARY ENROLMENTS

IIE online distance students



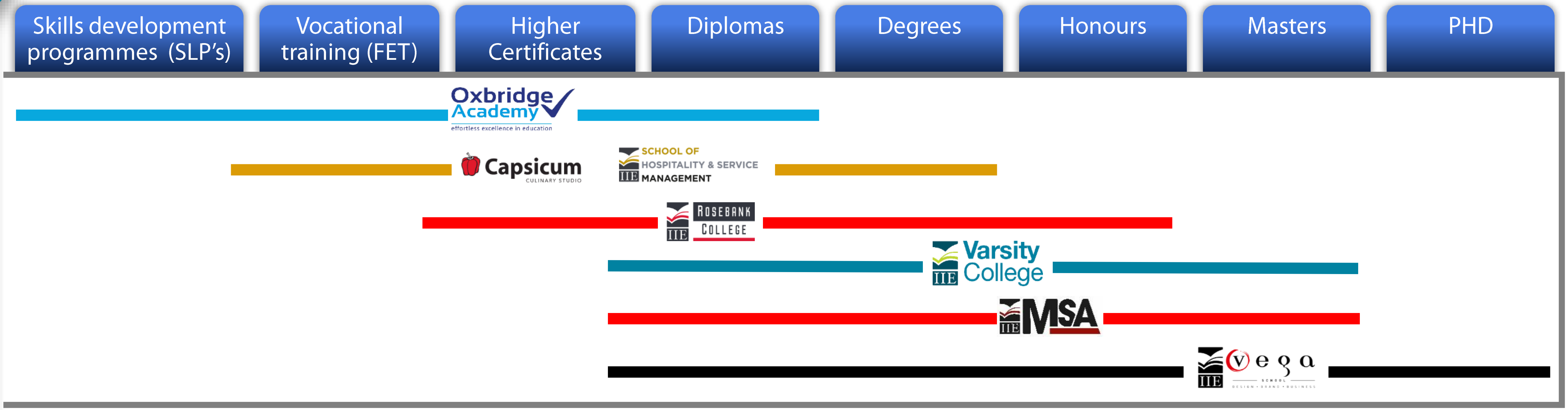
TERTIARY DIVISION / 'PRIVATE UNIVERSITY'

Faculties

THE INDEPENDENT INSTITUTE OF EDUCATION

- Faculty of Finance and Accounting
- Faculty of Commerce
- Faculty of Information and Communications Technology
- Faculty of Humanities and Social Sciences
- Faculty of Law
- Faculty of Education
- Faculty of Engineering, Science and Health

COMPREHENSIVE RANGE OF QUALITY QUALIFICATIONS



Multi-channel modes of delivery available any time & at any place

Pack & Post
- Oxbridge

Online
- Oxbridge
- Rosebank College
- Varsity College
- Vega
- IIE HSM

Part-time
- All brands

Blended
- Rosebank College
- Varsity College
- Vega

Full-time
- Capsicum
- Rosebank College
- Varsity College
- Vega
- IIE MSA
- IIE HSM

QUALIFICATION PIPELINE

233 registered and accredited qualifications

7 Faculties

- Finance and Accounting
- Commerce
- Information and Communications Technology
- Humanities and Social Sciences
- Law
- Engineering, Science and Health
- Education

	National Certificates	Higher Certificate	Advanced Certificate	Diploma	Advanced Diploma	Degree	Postgraduate Diplomas	Honours	Masters	Doctorate	=	Total
233 Accredited Programmes	76	37	3	34	3	42	15	14	8	1	=	233
Pipeline	1	6		6	2	13	7	8	7	1	=	51

ROSEBANK COLLEGE – MBOMBELA

- Digitally enabled campus, in a provincial node
- Intention to open in January 2024, pending Council of Higher Education (CHE) site accreditation

RESOURCING DIVISION

Revenue contribution

21%
(2022: 20%)

R0.8 billion
(2022: R0.7 billion)

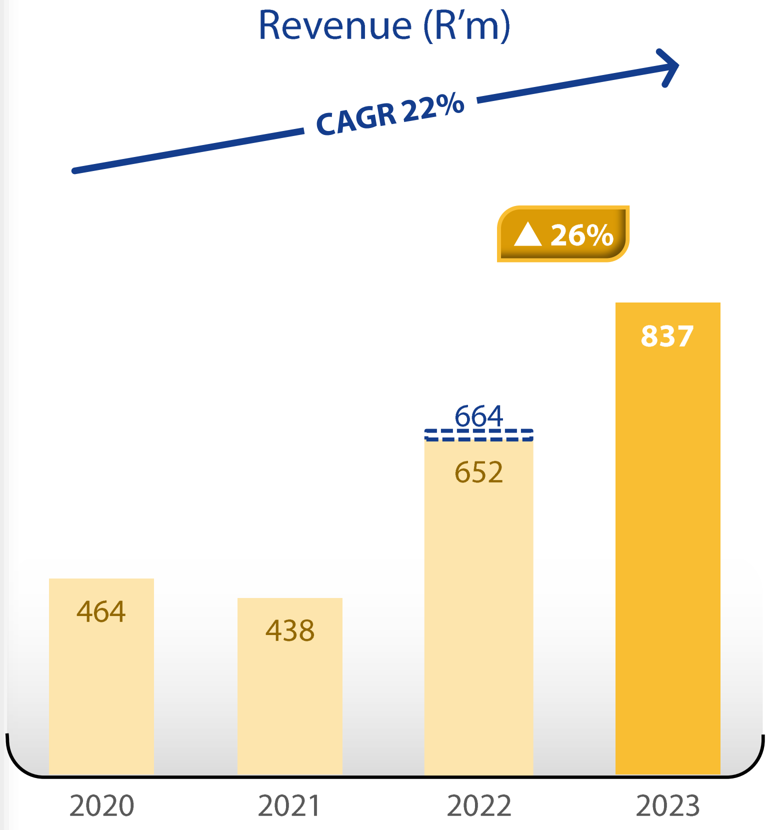
26%
Revenue

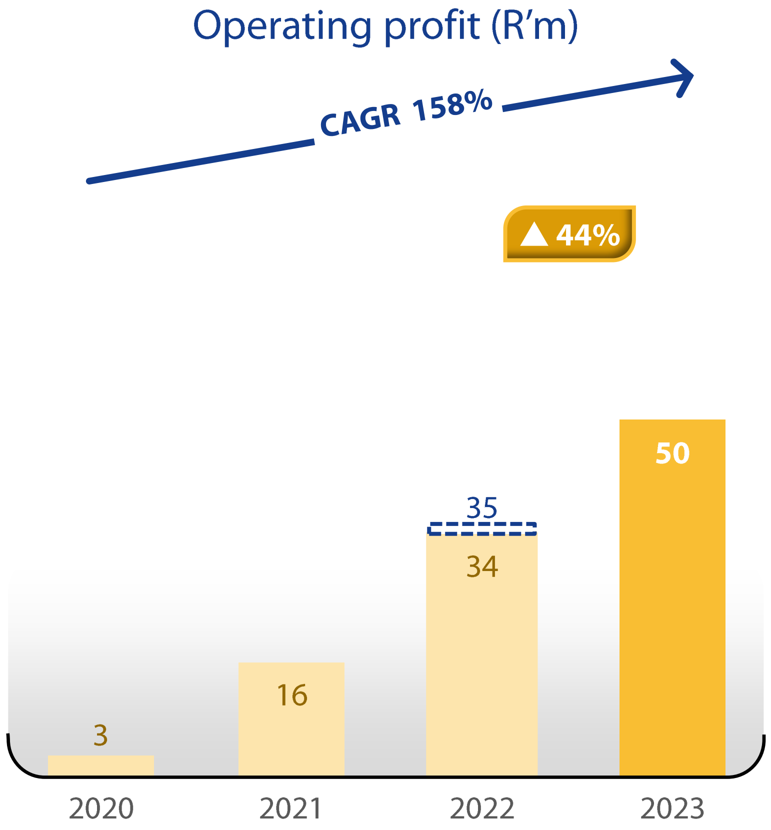
44%
Operating profit

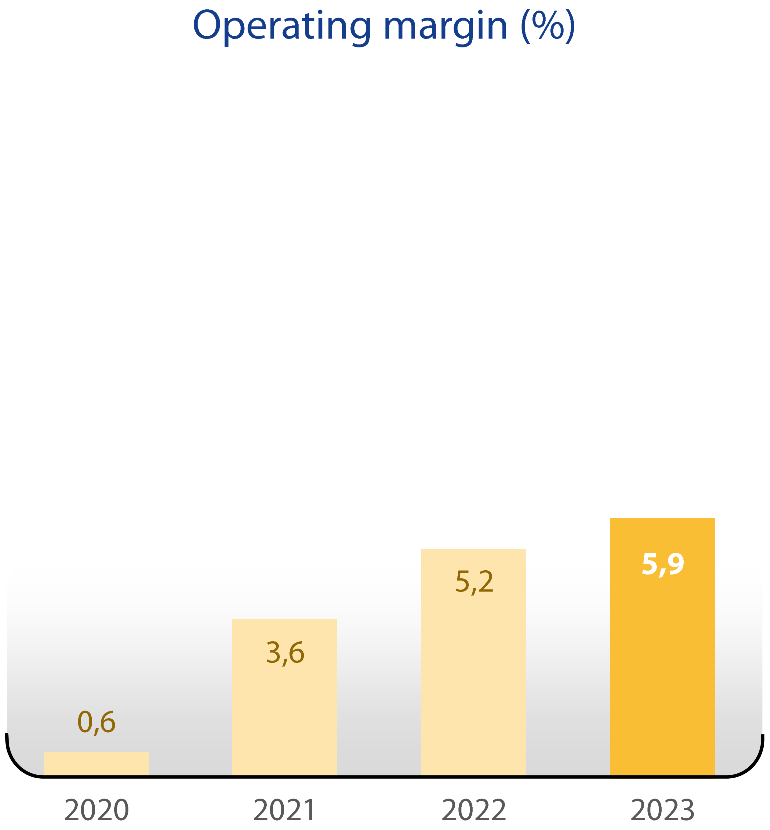
- **Strong overall performance lead by outstanding performance in the rest of Africa**
- Strategy to expand into the rest of Africa delivers good results
- Increased market share in the rest of Africa
- Maintain market share in SA in a tough environment

RESOURCING DIVISION

Continuing operations grow by 6% and accelerated growth in rest of Africa
Disposal of Contract Accountants during H2 '22 impacting results



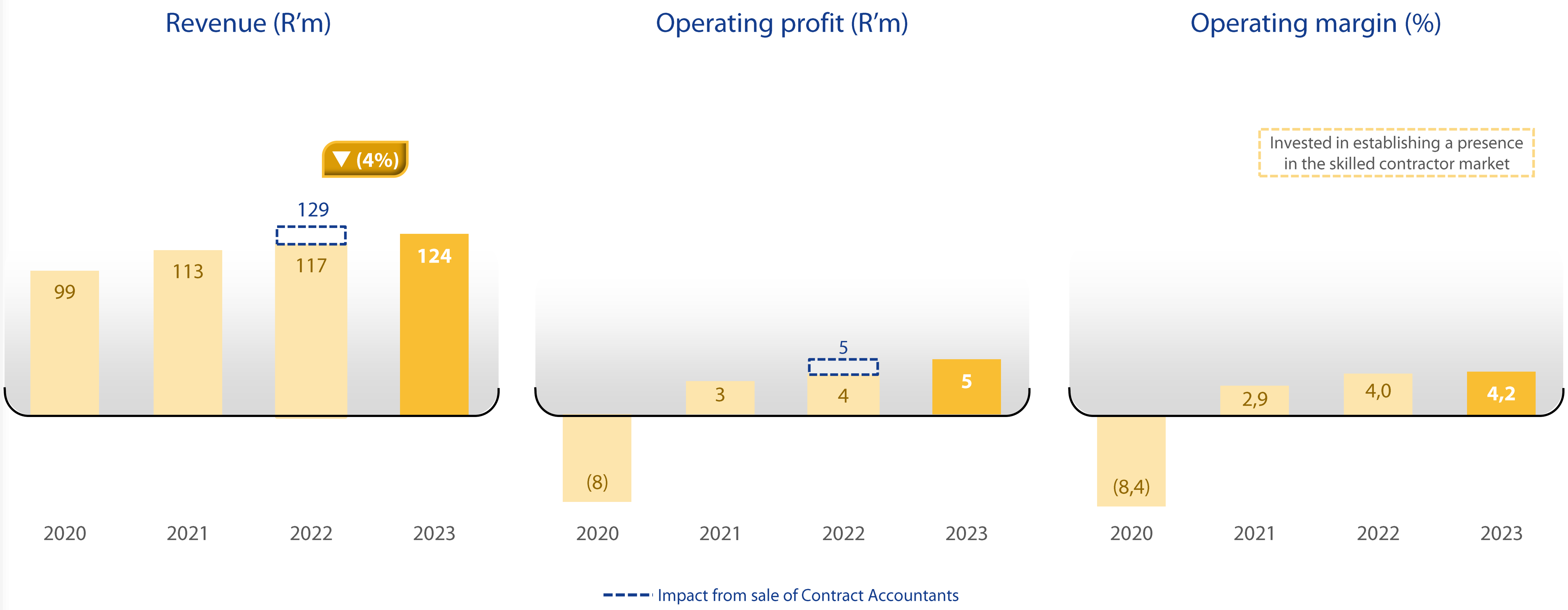




Impact from sale of Contract Accountants

RESOURCING SOUTH AFRICA

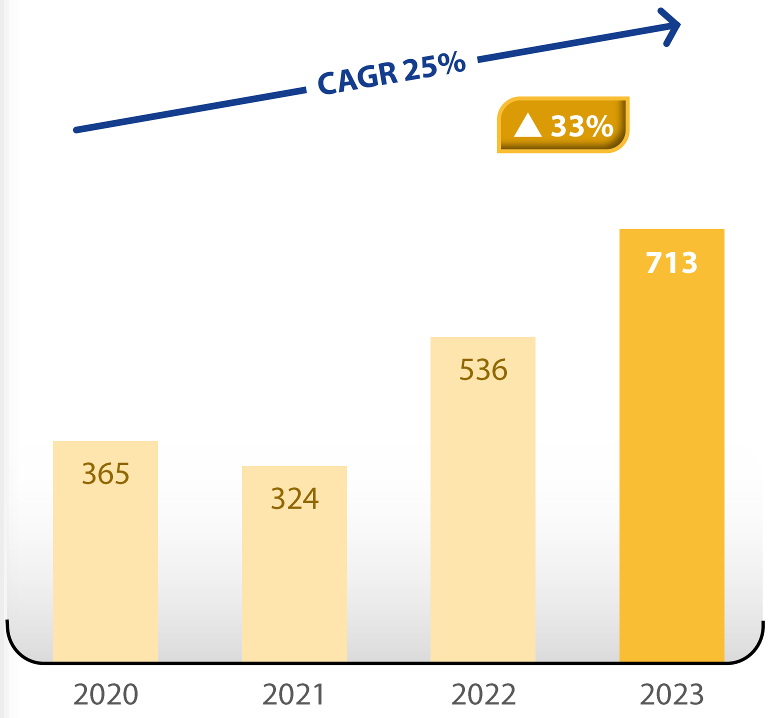
Disposal of Contract Accountants during H2 '22 impacting results



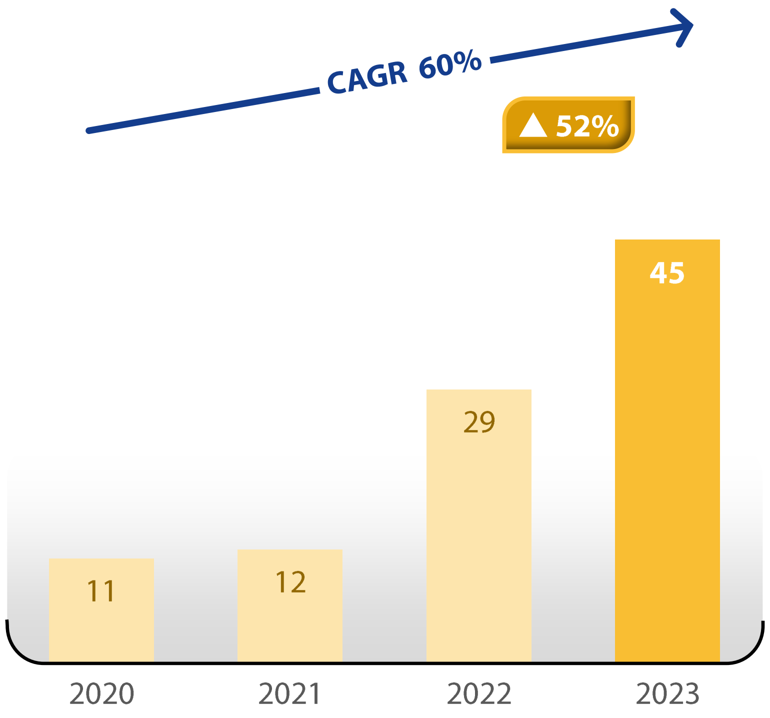
RESOURCING REST OF AFRICA

Pivot to rest of Africa demonstrates our ability to successfully execute outside SA

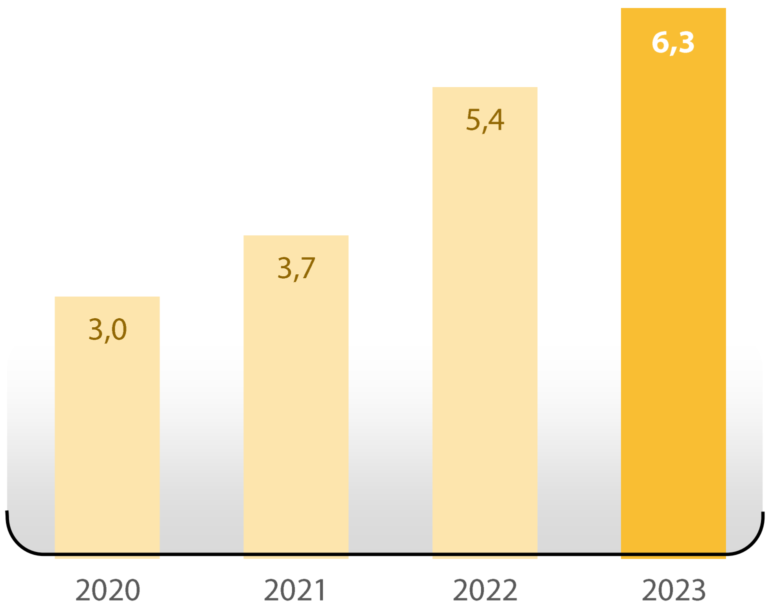
Revenue (R'm)



Operating profit (R'm)



Operating margin (%)



SOUND BALANCE SHEET

DEBTORS BREAKDOWN

R'm	30 June 2023				30 June 2022			
	Group total	Schools	Tertiary	Resourcing	Group total	Schools	Tertiary	Resourcing
Trade receivables	906.1	166.7	694.2	45.2	752,4	131.6	573.0	47.8
Loss allowance	(548.6)	(86.2)	(460.3)	(2.1)	(417.1)	(80.7)	(335.0)	(1.4)
	357.5	80.5	233.9	43.1	335.3	50.9	238.0	46.4
Coverage of debtors' balance	61%	52%	66%	5%	55%	61%	58%	3%
Credit losses	118.9	30.4	88.7	(0.2)	111.9	39.8	71.9	0.2
Credit losses as % of revenue	3%	2%	6%	0%	3%	3%	5%	0%

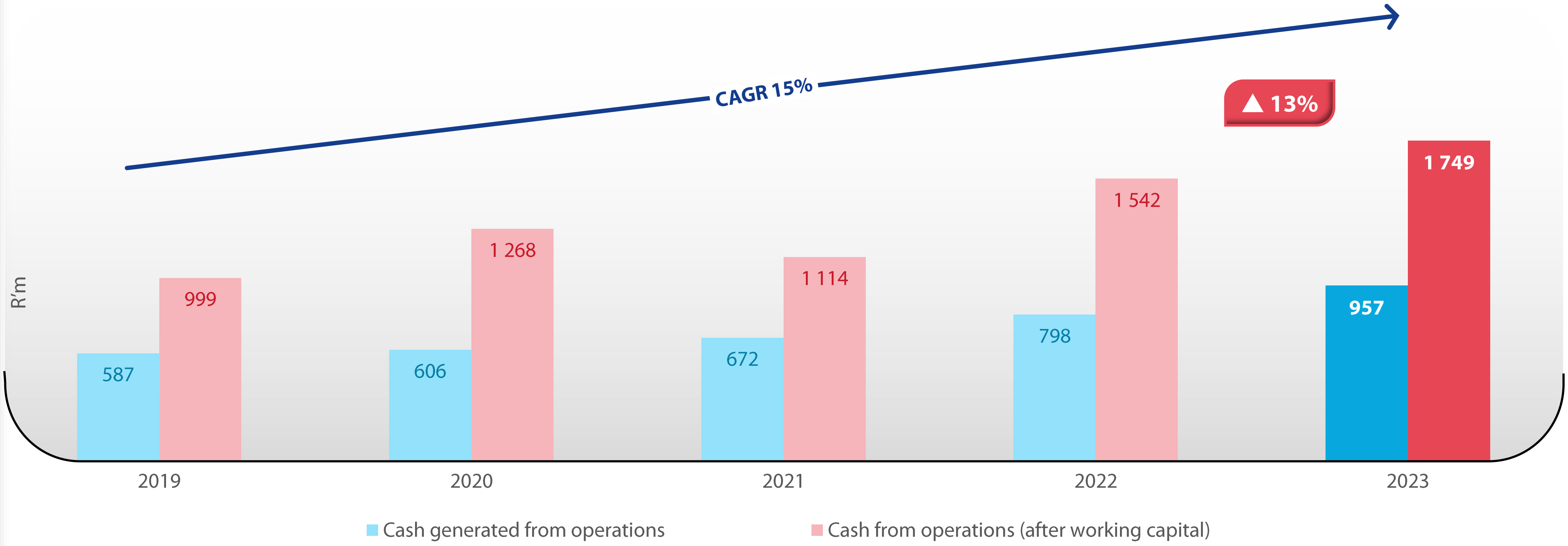
DEBTORS BREAKDOWN

Normalisation of tertiary division trade receivables

	Tertiary as at 31 December 2022 R'm
Trade receivables	669.5
Loss allowance	(380.2)
	289.3
Collections to 30 June 2023	281.0
Net debtors remaining	8.3

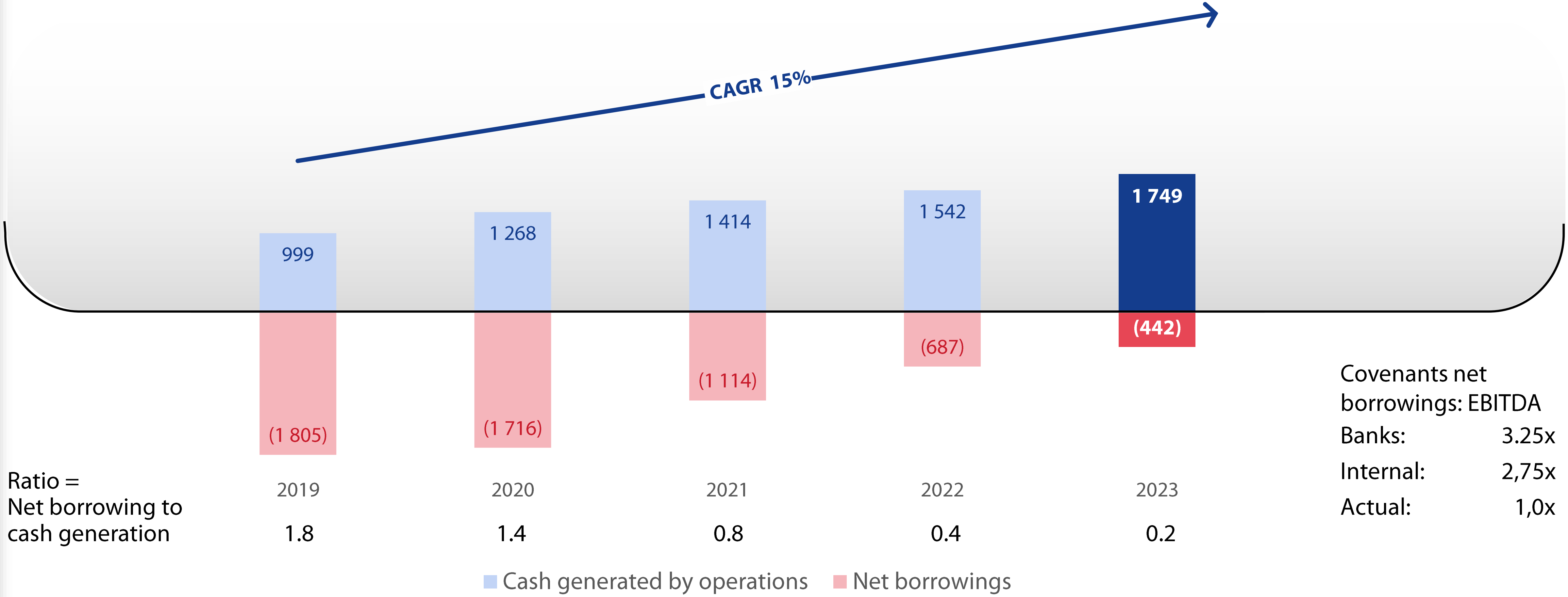
CASH FLOW GENERATION FROM OPERATIONS

Demonstrates the inherent cash generating ability of our business



CASH VS NET BORROWINGS

Strong cash generation, sound balance sheet and reduced borrowings

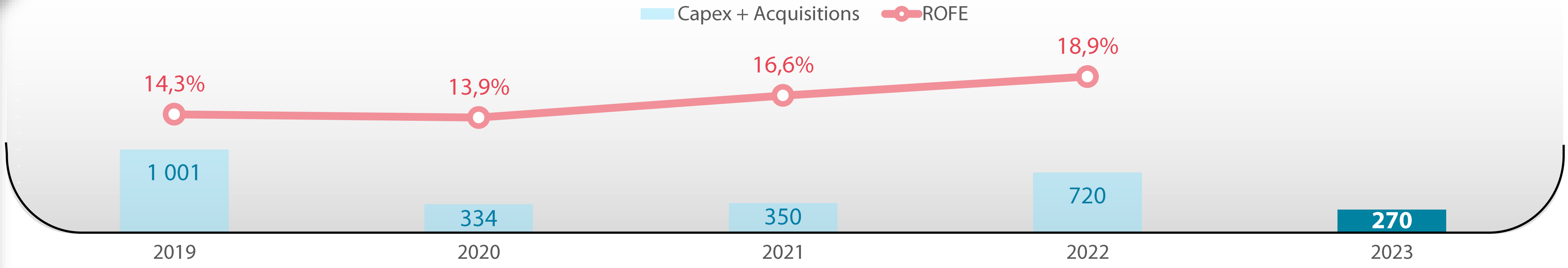


Ratio = Net borrowing to cash generation	2019	2020	2021	2022	2023
	1.8	1.4	0.8	0.4	0.2

Covenants net borrowings: EBITDA

Banks:	3.25x
Internal:	2,75x
Actual:	1,0x

IMPROVING RETURNS ON FUND EMPLOYED



2019

Acquired:
Summit College (Rebranded Pinnacle College Kyalami)
Opened:
Pinnacle College Founders Hill

Acquired:
Capsicum Culinary Studio
Oxbridge Academy
Opened:
Rosebank College Polokwane Connected Campus

2020

Acquired:
Glenwood House
Greenwood Bay College
Elkanah House - Western Cape
Opened:
Pinnacle College Copperleaf

Acquired:
The Private Hotel School

2021

Acquired:
Makini schools
Opened:
Crawford International School Kenya

Opened:
RC Bloemfontein Connected Campus
RC Pietermaritzburg Connected Campus
RC Durban Mega Campus

2022

Opened:
The Bridge Assisted Learning School

Acquired:
IIE MSA (Monash SA)

Opened:
Trinityhouse Glenvista
Pinnacle College Linden
Pinnacle College Waterfall

Opened:
Rosebank College Cape Town
Rosebank College Nelson Mandela Bay

2023

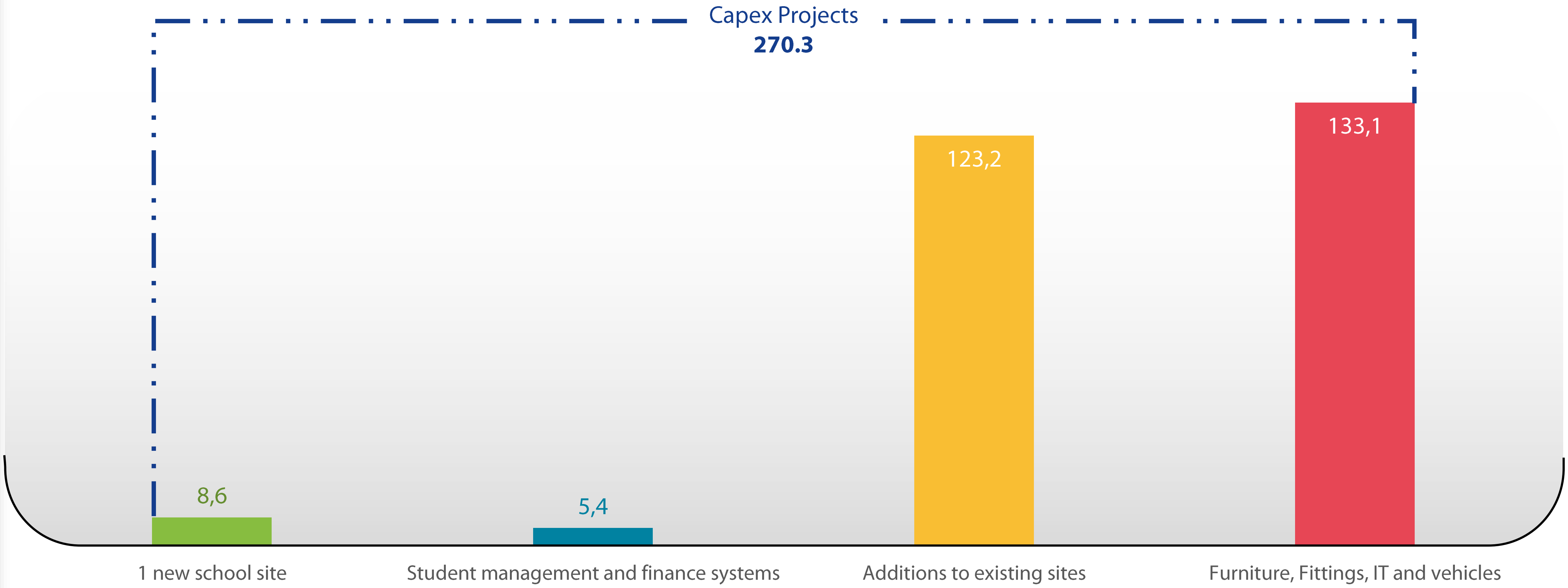
Opened:
Evolve Online School

Opened:
Pinnacle College Raslouw

Schools
Tertiary

CAPEX

Capex expected between R650 – R750 million



Inherent underlying demand for quality education

- SA driven by poor public offerings
- Africa: attractive growth prospects

Robust, flexible business model

- Ability to leverage scale
- Agile and responsive
- Multi modes of delivery
- Significant resource capability
  - People
  - Systems and technology
  - Intellectual property

Quality asset base

- Well established brand portfolio
- Significant free cash generation
- Sound balance sheet
- Good financial controls

ADvTECH subscribes to relevant ESG principles

INVESTMENT CASE

DELIVERING SUPERIOR SHAREHOLDER RETURNS

Strong cash generation and sound balance sheet

30.00

cents per share

- Confidence in the robustness and sustainability of our business
  - Current performance makes the dividend prudent and affordable
    - Dividend ▲30% from comparative period

THANK YOU

ADTECH GROUP