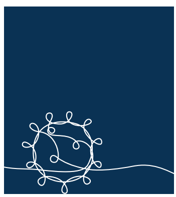







Summarised audited Group results

for the year ended **30 September 2021,** and cash dividend declaration

Life Healthcare

Our purpose

Making life better

International healthcare provider	Diversified offering	Clinical excellence, analytics and technology

Our vision

Our **vision** is to be an **international** healthcare provider delivering measurable **clinical quality** through a **diversified** offering and **people-centred** approach.

Our mission

We improve the lives of people through the delivery of high-quality, cost-effective care.

Our core values

We aim to leave a lasting impression of understanding and meeting our patients' needs. We achieve this by focusing on our core values.

Passion for people	Qe	Performance pride	Personal care	Lifetime partnerships
those that are the life of our business	quality to the power of **e** (ethics, excellence, empowerment, empathy, energy)	we act for the right reasons, with quality in mind	adding the human touch	with our patients at the very centre

Highlights

Revenue
from continuing operations
+12.7%
to R26.9 billion

Normalised EBITDA* from continuing operations of
+21.6%
to R5.1 billion

Cash generated from operations of
R5.7 billion

Normalised earnings per share (NEPS)*
from continuing operations
+88.3%
to 109.8 cents

Completed disposal of **Scanmed** for a total cash consideration of
R733 million

Strong financial position with available undrawn facilities of
R6.6 billion

** Non-IFRS measures.*

Summarised consolidated statement of profit or loss

for the year ended 30 September 2021

	Notes	2021 R'm	Change %	2020[1] R'm
Continuing operations				
Revenue		**26 885**	12.7	23 851
Other income and retirement benefit asset and post-employment medical aid income		**286**		217
Operating expenses		**(24 191)**		(21 947)
Operating profit before items below		**2 980**	40.5	2 121
Fair value gain/(loss) on financial instruments		**32**		(5)
Gain on derecognition of lease asset and liability		**–**		75
Impairment of assets and investments		**(14)**		(5)
Profit on remeasuring previously held interest in associate to fair value		**28**		–
Loss on disposal of property, plant and equipment		**(17)**		(6)
Transaction costs relating to acquisitions and disposals		**(3)**		(8)
Finance income		**169**		85
Finance cost		**(791)**		(878)
Share of associates' and joint ventures' net profit after tax		**25**		14
Profit before tax		**2 409**	72.9	1 393
Tax expense		**(642)**		(556)
Profit after tax from continuing operations		**1 767**	>100	837
Discontinued operation				
Profit/(loss) from discontinued operation	2	**87**		(799)
Profit after tax		**1 854**	>100	38
Profit after tax attributable to:				
Ordinary equity holders of the parent		**1 754**	>100	(93)
Non-controlling interest		**100**		131
		1 854	>100	38
Earnings/(loss) per share (cents)				
From continuing operations				
Basic		**114.6**	136.3	48.5
Diluted		**114.3**	136.2	48.4
From continuing and discontinued operations				
Basic		**120.6**	>100	(6.4)
Diluted		**120.3**	>100	(6.4)

[1] *Prior period re-presented. Scanmed S.A. (Scanmed) was disposed of on 26 March 2021 and is included under discontinued operation. Refer note 2.*

Summarised consolidated statement of comprehensive income

for the year ended 30 September 2021

	2021 R'm	Change %	2020 R'm
Profit after tax	**1 854**	>100	38
Other comprehensive income			
Items that may be reclassified to profit or loss			
Movement in foreign currency translation reserve (FCTR) of continuing foreign operations	**(765)**		1 668
Movement in FCTR of discontinued operation, net of tax (refer note 2)	**(143)**		165
Items that will not be reclassified to profit or loss			
Retirement benefit asset and post-employment medical aid, net of tax[1]	**44**		(13)
Total comprehensive income for the year	**990**	(46.7)	1 858
Total comprehensive income attributable to:			
Ordinary equity holders of the parent	**918**	(46.3)	1 708
Non-controlling interest	**72**		150
	990	(46.7)	1 858
Total comprehensive income attributable to ordinary equity holders of the parent arises from:			
Continuing operations	**974**	(58.4)	2 342
Discontinued operation	**(56)**		(634)
	918	(46.3)	1 708

[1] Includes tax of R17 million

Headline earnings per share

for the year ended 30 September 2021

	2021	Change %	2020
Weighted average number of shares in issue (million)	**1 454**	(0.1)	1 455
From continuing and discontinued operations			
Headline earnings per share (cents)	**111.1**	128.1	48.7
Diluted headline earnings per share (cents)	**110.7**	128.2	48.5
Headline earnings (R'm)			
Profit/(loss) attributable to ordinary equity holders	**1 754**		(93)
Adjustments (net of tax):			
Exchange gain reclassified to profit or loss on disposal of discontinued operation	**(147)**		–
Impairment of assets and investments from continuing operations	**14**		5
Impairment of investment from discontinued operation	**–**		793
Profit on remeasuring previously held interest in associate to fair value	**(28)**		–
Loss on disposal of property, plant and equipment	**10**		3
Loss on disposal of discontinued operation (after withholding tax)	**12**		–
Headline earnings from continuing and discontinued operations	**1 615**	128.1	708

Summarised consolidated statement of financial position

as at 30 September 2021

	Notes	2021 R'm	2020 R'm
ASSETS			
Non-current assets		**33 367**	35 328
Property, plant and equipment		**14 695**	15 361
Intangible assets[1]		**16 383**	18 238
Deferred tax assets		**1 698**	1 162
Other non-current assets	4	**591**	567
Current assets		**7 414**	7 377
Cash and cash equivalents		**2 672**	2 279
Other current assets		**4 742**	5 098
Total assets		**40 781**	42 705
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital		**13 565**	13 531
Reserves		**4 501**	3 527
Non-controlling interest		**1 105**	1 220
Total equity		**19 171**	18 278
LIABILITIES			
Non-current liabilities		**13 723**	14 535
Interest-bearing borrowings	3	**10 914**	12 034
Deferred tax liabilities		**1 730**	1 450
Other non-current liabilities	4	**1 079**	1 051
Current liabilities		**7 887**	9 892
Bank overdrafts		**325**	2 181
Interest-bearing borrowings	3	**1 811**	2 180
Other current liabilities	4	**5 751**	5 531
Total liabilities		**21 610**	24 427
Total equity and liabilities		**40 781**	42 705
GBP:ZAR		**20.35**	21.81

[1] *Intangible assets decreased mainly as a result of a R1.2 billion foreign currency movement and the disposal of Scanmed (refer to note 2).*

Summarised consolidated statement of changes in equity

for the year ended 30 September 2021

	Total capital and reserves R'm	Non-controlling interest R'm	Total equity R'm
Balance at 1 October 2020	**17 058**	**1 220**	**18 278**
Total comprehensive income for the year	**918**	**72**	**990**
Profit for the year	**1 754**	**100**	**1 854**
Other comprehensive loss	**(836)**	**(28)**	**(864)**
Transactions with non-controlling interests	**14**	**(16)**	**(2)**
Net movement in treasury shares for staff benefit schemes	**(20)**	**–**	**(20)**
Distributions to shareholders	**–**	**(171)**	**(171)**
Share-based payment charge for staff benefit schemes	**96**	**–**	**96**
Balance at 30 September 2021	**18 066**	**1 105**	**19 171**
Balance at 1 October 2019[1]	16 188	1 303	17 491
Total comprehensive income for the year	1 708	150	1 858
(Loss)/profit for the year	(93)	131	38
Other comprehensive income	1 801	19	1 820
Transactions with non-controlling interests	(108)	(34)	(142)
Net movement in treasury shares for staff benefit schemes	(40)	–	(40)
Distributions to shareholders	(778)	(199)	(977)
Share-based payment charge for staff benefit schemes	88	–	88
Balance at 30 September 2020	17 058	1 220	18 278

[1] *There was no net impact on retained earnings on 1 October 2019 as a result of adopting IFRS 16.*

Summarised consolidated statement of cash flows

for the year ended 30 September 2021

	Notes	2021 R'm	Change %	2020 R'm
Cash generated from operations		**5 687**	24.7	4 562
Transaction costs paid relating to acquisitions and disposals		**–**		(17)
Finance income received		**169**		93
Tax paid		**(714)**		(597)
Net cash generated from operating activities		**5 142**	27.2	4 041
Capital expenditure		**(1 899)**		(1 964)
Acquisition of subsidiaries (net of cash acquired) and contingent considerations paid	2	**(167)**		(43)
Proceeds from disposal of discontinued operation (net of cash disposed)	2	**573**		–
Other		**23**		13
Net cash utilised in investing activities		**(1 470)**		(1 994)
Proceeds from interest-bearing borrowings		**5 221**		12 766
Repayment of interest-bearing borrowings		**(5 568)**		(13 525)
Contingent considerations paid		**–**		(37)
Dividends paid to Company's shareholders		**–**		(778)
Finance cost paid		**(710)**		(823)
Other		**(198)**		(381)
Net cash utilised in financing activities		**(1 255)**		(2 778)
Net increase/(decrease) in cash and cash equivalents		**2 417**		(731)
Cash and cash equivalents – beginning of the year		**98**		677
Effect of foreign currency rate movements		**(168)**		152
Cash and cash equivalents at the end of the year[1]		**2 347**		98

[1] *Cash and cash equivalents at the end of the year are net of bank overdrafts.*

For cash flows of discontinued operation refer to note 2.

Segmental information

for the year ended 30 September 2021

IFRS 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and to assess their performance.

The Group's segments are aligned to those business units that are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance.

In southern Africa, the hospitals and complementary services segment comprises all the acute hospitals and complementary services which include mental health, acute rehabilitation, renal dialysis and oncology. The healthcare services segment comprises Life Esidimeni and Life Employee Health Solutions.

International comprises diagnostic services (Alliance Medical Group (AMG)) across Europe and the United Kingdom (UK). The international healthcare services (Scanmed) segment was sold effective from 26 March 2021. The segment information that follows does not include any amounts for Scanmed, which is treated as a discontinued operation. Information about this discontinued segment is provided in note 2.

Growth initiatives include the new outpatient business model, developing the imaging services opportunity, investing in data analytics and clinical quality products within South Africa and product development (LMI) internationally.

The corporate segment is a non-operating segment.

The operating businesses have been aggregated into different segments based on the similar nature of products and services, similar economic characteristics, similar types of customers and operating in a similar regulatory environment.

Inter-segment revenue of R27 million (2020: R5 million) is eliminated of which R6 million relates to revenue between Life Employee Health Solutions and the southern Africa business and R21 million between LMI and AMG.

	2021 R'm	2020 R'm
Revenue[1]		
Southern Africa		
Hospitals and complementary services	**17 567**	15 899
Healthcare services	**1 456**	1 346
International		
Diagnostic services	**7 474**	6 286
Growth initiatives	**388**	320
	26 885	23 851

[1] *Revenue of approximately 33% (2020: 31%) is derived from two (2020: two) external customers. The revenue is attributed to the southern Africa segment.*

Segmental information continued
for the year ended 30 September 2021

	2021 R'm	2020 R'm
Normalised EBITDA[1, 3]		
Southern Africa		
Hospitals and complementary services	**2 743**	2 583
Healthcare services	**195**	135
International		
Diagnostic services	**1 812**	1 311
Growth initiatives	**(19)**	(60)
Corporate		
Recoveries	**1 330**	1 205
Corporate costs	**(1 010)**	(1 019)
	5 051	4 155
Depreciation		
Southern Africa		
Hospitals and complementary services	**(663)**	(636)
Healthcare services	**(23)**	(24)
International		
Diagnostic services	**(784)**	(732)
Growth initiatives	**(15)**	(17)
Corporate	**(86)**	(67)
	(1 571)	(1 476)
EBITA[2, 3]		
Southern Africa		
Hospitals and complementary services	**2 080**	1 947
Healthcare services	**172**	111
International		
Diagnostic services	**1 028**	579
Growth initiatives	**(34)**	(77)
Corporate	**234**	119
	3 480	2 679

[1] *Normalised EBITDA is defined as operating profit before depreciation on property, plant and equipment, amortisation of intangible assets and non-trading-related costs or income. Normalised EBITDA of the discontinued operation was excluded. Refer to note 2.*

[2] *EBITA is defined as normalised EBITDA less depreciation.*

[3] *The presentation of normalised EBITDA and EBITA is not an IFRS requirement, nor a JSE Listings Requirement and is a measurement used by the CODM. Investors should not consider normalised EBITDA and EBITA in isolation or as an alternative to operating profit, profit after tax or any other measure of financial performance presented. Normalised EBITDA and EBITA as disclosed above may not be comparable to other similarly titled measures of performance of other companies.*

	2021 R'm	2020 R'm
Amortisation of intangible assets		
Southern Africa		
Hospitals and complementary services	**(20)**	(64)
International		
Diagnostic services	**(449)**	(466)
Growth initiatives	**(20)**	(20)
Corporate	**(44)**	(40)
	(533)	(590)
Operating profit before retirement benefit asset and post-employment medical aid[1]		
Southern Africa		
Hospitals and complementary services	**2 060**	1 883
Healthcare services	**172**	111
International		
Diagnostic services	**579**	113
Growth initiatives	**(54)**	(97)
Corporate	**190**	79
	2 947	2 089
Retirement benefit asset and post-employment medical aid income	**33**	32
Operating profit before items below	**2 980**	2 121
Fair value gain/(loss) on financial instruments	**32**	(5)
Gain on derecognition of lease asset and liability	**–**	75
Impairment of assets and investments	**(14)**	(5)
Profit on remeasuring previously held interest in associate to fair value	**28**	–
Loss on disposal of property, plant and equipment	**(17)**	(6)
Transaction costs relating to acquisitions and disposals	**(3)**	(8)
Finance income	**169**	85
Finance cost	**(791)**	(878)
Share of associates' and joint ventures' net profit after tax	**25**	14
Profit before tax	**2 409**	1 393

[1] *Operating profit before retirement benefit asset and post-employment medical aid includes the segment's share of shared services and rental costs. These costs are all at market-related rates.*

Segmental information continued

for the year ended 30 September 2021

	2021 R'm	2020 R'm
Total assets before items detailed below		
Southern Africa (including growth initiatives)	**16 308**	14 659
International (including growth initiatives)	**22 306**	24 265
Discontinued operation	**–**	2 067
	38 614	40 991
Employee benefit assets	**418**	379
Deferred tax assets	**1 698**	1 162
Derivative financial assets	**4**	–
Income tax receivable	**47**	173
Total assets per the balance sheet	**40 781**	42 705
Net debt[1]		
Southern Africa (including growth initiatives)	**3 299**	5 366
International (including growth initiatives)	**7 079**	7 975
Discontinued operation	**–**	775
	10 378	14 116
Cash and cash equivalents (net of bank overdrafts)		
Southern Africa (including growth initiatives)	**1 344**	(1 463)
International (including growth initiatives)	**1 003**	1 398
Discontinued operation	**–**	163
	2 347	98

[1] *Net debt is a key measure for the Group, which comprises all interest-bearing borrowings, overdraft balances and cash and cash equivalents. Net debt is not an IFRS requirement, nor a JSE Listings Requirement.*

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding employee benefit assets and deferred tax assets) by geographical locations are:

	Revenue from external customers		Non-current assets	
	2021 R'm	2020 R'm	**2021 R'm**	2020 R'm
Southern Africa	**19 023**	17 245	**11 568**	10 595
International	**7 474**	6 286	**18 981**	20 763
UK	**3 918**	3 278	**15 939**	17 572
Italy	**2 120**	1 823	**2 076**	2 240
Ireland	**765**	562	**407**	419
Other	**671**	623	**559**	532
Growth initiatives	**388**	320	**702**	784
Southern Africa	**1**	1	**5**	9
UK	**30**	43	**669**	743
Italy	**5**	5	**–**	–
Other	**352**	271	**28**	32
Total – continuing operations	**26 885**	23 851	**31 251**	32 142
Employee benefit assets			**418**	379
Deferred tax assets			**1 698**	1 162
Discontinued operation			**–**	1 645
Total as per income statement and balance sheet	**26 885**	23 851	**33 367**	35 328

Notes

1. REVENUE

The table below illustrates the disaggregation disclosure by primary geographical areas, type of customer and timing of revenue recognition, including a reconciliation of how the disaggregated revenue ties in to the segmental report (refer page 7).

Management believes that both disaggregations depict how the nature, amount, timing and uncertainty of the Group's revenue and cash flows are affected by economic factors.

Segments	Hospitals and comple-mentary services R'm	Healthcare services R'm	Diagnostic services R'm	Growth initiatives R'm	Total R'm
2021					
Primary geographical areas					
Southern Africa	17 567	1 456	–	1	19 024
International	–	–	7 474	387	7 861
UK	–	–	3 918	30	3 948
Italy	–	–	2 120	5	2 125
Ireland	–	–	765	–	765
Other	–	–	671	352	1 023
	17 567	1 456	7 474	388	26 885
Type of customer					
Contract from customers					
Private (including private medical aids and cash paying patients)	17 143	–	959	1	18 103
Government and public healthcare facilities	321	619	5 158	–	6 098
Corporate institutions	–	837	1 357	387	2 581
Rental revenue					
Rental income related to auxiliary services	103	–	–	–	103
	17 567	1 456	7 474	388	26 885
Timing of revenue recognition					
Over time	13 134	1 456	–	–	14 590
At a point in time	4 433	–	7 474	388	12 295
	17 567	1 456	7 474	388	26 885

1. REVENUE continued

Segments	Hospitals and complementary services R'm	Healthcare services R'm	Diagnostic services R'm	Growth initiatives R'm	Total R'm
2020					
Primary geographical areas					
Southern Africa	15 899	1 346	–	1	17 246
International	–	–	6 286	319	6 605
UK	–	–	3 278	43	3 321
Italy	–	–	1 823	5	1 828
Ireland	–	–	562	–	562
Other	–	–	623	271	894
	15 899	1 346	6 286	320	23 851
Type of customer					
Contract from customers					
Private (including private medical aids and cash paying patients)	15 465	–	719	1	16 185
Government and public healthcare facilities	351	568	4 242	–	5 161
Corporate institutions	–	778	1 325	319	2 422
Rental revenue					
Rental income related to auxiliary services	83	–	–	–	83
	15 899	1 346	6 286	320	23 851
Timing of revenue recognition					
Over time	11 928	1 346	–	–	13 274
At a point in time	3 971	–	6 286	320	10 577
	15 899	1 346	6 286	320	23 851

2. ACQUISITIONS AND DISPOSALS

◆ **Transactions with non-controlling interests**

Increases and decreases in ownership interest in subsidiaries

The Group had marginal increases and decreases in its percentage shareholdings in some of its southern Africa subsidiary companies due to transactions with minority shareholders. The individual transactions are immaterial.

Notes

2. ACQUISITIONS AND DISPOSALS continued

◆ Acquisitions that resulted in business combinations

	North West Dialysis Centre	ZAG Zyklotron AG (ZAG)	Monza Medicina SRL*
Acquirer	East Rand Dialysis Incorporated	AMG	AMG
Country of incorporation	South Africa	Germany	Italy
Acquisition date	1 Nov 2020	1 Jan 2021	30 Jun 2021
Total purchase consideration	R14 million	R90 million	R14 million
Goodwill recognised	R11 million	R59 million	R9 million
Percentage voting equity interest acquired	100%	100%	100%
Primary reasons for business combination	This is in line with Life Healthcare's strategy to grow its non-acute businesses.		
Qualitative factors that make up goodwill recognised	Attributable to the acquired workforce and expected synergies from combining the acquired operations within the existing southern Africa and international operations.		
Contingent liabilities at acquisition	None		

** The acquisitions have been provisionally accounted for in terms of IFRS 3 "Business combinations".*

None of the goodwill recognised is expected to be deductible for income tax purposes.

The acquisitions qualify as a business as defined in IFRS 3.

The aggregated fair values of the assets and liabilities arising from all the acquisitions listed above are as follow:

	2021 R'm
Total purchase consideration	**(121)**
Cash portion	(118)
Contingent consideration	(3)
Fair value of net assets acquired	**42**
Property, plant and equipment	34
Customer relations	8
Trade and other receivables	15
Cash and cash equivalents	15
Inventories	13
Interest-bearing borrowings	(5)
Trade and other payables	(29)
Provisions	(9)
Goodwill	**79**

2. ACQUISITIONS AND DISPOSALS continued

◆ Acquisitions that resulted in business combinations continued

	2021 R'm
Aggregated cash outflow to acquire businesses, net of cash acquired	
Initial cash considerations	**(118)**
Less: Cash at acquisitions	**15**
	(103)
Aggregated impact on consolidated information from date of acquisitions	
Revenue	**50**
Net profit	**2**
Aggregated impact on consolidated information if the business combinations took place on 1 October 2020	
Revenue	**96**
Net profit	**2**

◆ Consolidated Aone Trade and Invest 12 Proprietary Limited (Consolidated Aone)

1. Disposal of investment in associate

The Group acquired the remaining 70% of the assets and liabilities of Consolidated Aone, resulting in Consolidated Aone becoming a wholly-owned subsidiary of the Group. The Group previously had an interest of 30% in Consolidated Aone, which was accounted for as an associate. The investment in associate was derecognised.

	R'm
Derecognition of investment in associate	
Effective date	**1 July 2021**
Previously interest held	**30.0%**
Total consideration received	**28**
Fair value of equity interest held before the acquisition	**28**
Carrying value of the associate	**–**
Profit on remeasuring previously held interest in associate to fair value	**28**

Notes continued

2. ACQUISITIONS AND DISPOSALS continued

◆ Consolidated Aone Trade and Invest 12 Proprietary Limited (Consolidated Aone) continued

2. Acquisition of assets and liabilities

The Group acquired the remaining 70% of the assets and liabilities of Consolidated Aone on 1 July 2021 for a total consideration of R92 million. Consolidated Aone is a property company and the acquisition was accounted for as an asset acquisition due to the absence of inputs and processes to contribute to the creation of outputs. The assets acquired are not a business as defined in IFRS 3.

	2021 R'm
Total purchase consideration	**(92)**
Cash portion	(64)
Fair value of equity interest held before the acquisition	(28)
Fair value of net assets acquired	**92**
Property, plant and equipment	150
Other liabilities	(3)
Interest-bearing borrowings	(52)
Trade and other payables	(3)

◆ Investment in joint venture (Altakassusi Alliance Medical LLC)

The Group acquired 45% of Altakassusi Alliance Medical LLC in Saudi Arabia on 10 November 2020. The amount invested was R5 million and was accounted for as an investment in joint venture.

◆ Discontinued operation and sale of Scanmed

Description

On 16 November 2020 the Group received an offer to dispose of its Polish operation, Scanmed. The related agreements were signed on 24 November 2020 and the transaction was subject to regulatory approvals. The sale proceeds per the agreements were lower than the carrying value of Scanmed at 30 September 2020. With the receipt of the offer, the Group considered it prudent and appropriate to impair the carrying value at 30 September 2020 to reflect the fair value less costs to sell. The impairment recognised in FY2020 amounted to R793 million.

The sale of Scanmed was concluded on 26 March 2021 and was reported as a discontinued operation. Scanmed met the criteria of a discontinued operation as Scanmed operated in a separate geographical area and was previously disclosed as a separate segment. Financial information relating to the discontinued operation for the period to the date of disposal is set out on next page.

2. ACQUISITIONS AND DISPOSALS continued

◆ **Discontinued operation and sale of Scanmed** continued

Financial performance and cash flow information

The results of the discontinued operation, which have been included in the profit for the year, were as follows:

	2021 R'm	2020 R'm
Revenue	**847**	1 535
Normalised EBITDA	**85**	191
Depreciation, amortisation, interest and other expense	**(34)**	(164)
Fair value adjustments to contingent consideration	**(9)**	(37)
Transaction costs	**–**	(9)
Impairment of investment	**–**	(793)
Profit/(loss) before tax	**42**	(812)
Tax expense	**(9)**	13
Profit/(loss) after tax from discontinued operation	**33**	(799)
Profit on disposal of Scanmed after income tax (refer page 18)	**54**	–
Profit/(loss) from discontinued operation	**87**	(799)
Basic earnings per share from discontinued operation	**6.0**	(54.9)
Diluted earnings per share from discontinued operation	**6.0**	(54.7)
Other comprehensive income		
Foreign currency differences on translation before disposal	**(129)**	165
Exchange gain reclassified to profit or loss on disposal	**(188)**	–
Tax on exchange gain reclassified to profit or loss on disposal	**41**	–
Reversal of previously recognised deferred tax	**133**	–
	(143)	165
The impact on the statement of cash flows relating to operational performance		
Net cash generated from operating activities	**87**	116
Net cash utilised in investing activities	**(23)**	(73)
Net cash utilised in financing activities	**(35)**	(69)
Net increase/(decrease) in cash and cash equivalents	**29**	(26)
The impact on the statement of cash flows after impact of disposal		
Net cash generated from operating activities	**35**	116
Net cash generated/(utilised) in investing activities	**550**	(73)
Net cash utilised in financing activities	**(35)**	(69)
Net increase/(decrease) in cash and cash equivalents	**550**	(26)

Notes continued

2. ACQUISITIONS AND DISPOSALS continued

◆ Discontinued operation and sale of Scanmed continued

Details of the sale

	2021 R'm
Total consideration received	**733**
Cash	**733**
Carrying value of net assets sold	**(725)**
Property, plant and equipment	**(1 021)**
Intangible assets	**(377)**
Cash and cash equivalents	**(160)**
Trade and other receivables	**(199)**
Inventories	**(37)**
Deferred tax liabilities	**3**
Interest-bearing borrowings	**797**
Trade and other payables	**260**
Contingent consideration liabilities	**9**
Profit on disposal before taxes, transaction costs and reclassification of FCTR	**8**
Withholding tax	**(20)**
Transaction costs	**(32)**
Exchange gain reclassified to profit or loss on disposal	**188**
Tax on exchange gain reclassified to profit or loss on disposal	**(41)**
Tax recognised as a result of assessed losses	**(49)**
Profit on disposal after taxes, transaction costs and reclassification of FCTR	**54**
Net cash inflow on disposal	
Cash consideration received	**733**
Less: cash and cash equivalents disposed of	**(160)**
	573

3. INTEREST-BEARING BORROWINGS

	2021 R'm
Total borrowings at 30 September 2020	14 214
Proceeds from interest-bearing borrowings	5 221
Repayment of interest-bearing borrowings	(5 568)
Additional lease liabilities recognised	625
Derecognition of lease liability	(56)
Arising on acquisition of subsidiaries	57
Disposal of subsidiary	(797)
Other movements	22
Effect of foreign currency movement	(993)
Total borrowings at 30 September 2021	**12 725**

4. FINANCIAL INSTRUMENTS

Fair value

Other non-current assets, as presented in the statement of financial position, include derivative financial instrument assets of R4 million (2020: Rnil) at fair value (through profit or loss).

Other non-current liabilities and other current liabilities, as presented in the statement of financial position, include contingent consideration liabilities of R631 million (2020: R642 million) and derivative financial instrument liabilities of R9 million (2020: R53 million) at fair value (through profit or loss).

The largest contingent consideration payable (R626 million) relates to a potential amount payable to the previous owners of LMI, acquired during June 2018. The decrease in the contingent consideration relating to LMI from 30 September 2020 (R629 million) relates to the movement in foreign currency rates (-R65 million), set off by the unwinding of the contingent consideration (+R62 million).The contingent consideration will become payable when the acquired business is generating a positive cash contribution, measured on a cumulative basis from the date of acquisition. The contingent consideration is a 50% share of pre-tax cash generated for a period of 10 years post-acquisition or a maximum amount payable of USD200 million. The amount included is the calculated payment, based on long-term forecasts adjusted for probabilities associated with the success of the product developed, discounted to present value using a discount rate of 13.37% (2020: 13.25%)

The fair value of interest rate swaps is calculated as the mark-to-market valuation, which represents the mid-market value of the instrument as determined by the financial institution at 30 September 2021.

The Group's financial instruments held at fair value are measured subsequent to their initial recognition and are grouped into levels 1 to 3 based on the significance of the inputs used in the valuation. All of the resulting fair value estimates for the derivative financial instruments used for economic hedging are included in level 2. The contingent considerations are included in level 3.

The fair value of forward exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to the present value, as determined by the financial institution at 30 September 2021.

There were no transfers between levels 1, 2 and 3 during the year.

5. EVENTS AFTER REPORTING PERIOD

No event which is material to the understanding of this report has occurred between year-end and the date of the annual financial statements, other than:

- the cash dividend distribution – refer page 33.

Notes continued

BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) Listings Requirements for preliminary reports, and the requirements of the South African Companies Act, 71 of 2008 (as amended) applicable to summarised consolidated financial statements. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the summarised consolidated financial statements are in terms of IFRS and are consistent with those applied in the prior year consolidated annual financial statements.

The summarised consolidated financial statements are prepared on a going concern basis. The Board is satisfied that the liquidity and solvency of the Company is sufficient to support the current operations for the next 12 months.

These summarised financial results have been prepared under the supervision of PP van der Westhuizen (CA(SA)), the Group Chief Financial Officer.

Non-IFRS measures and *pro forma* information

To provide a more meaningful assessment of the Group's performance for the year, non-IFRS measures (normalised EBITDA, EBITA, normalised earnings and net debt) and *pro forma* information have been included. *Pro forma* information includes H2-2021 and H2-2020 results. The non-IFRS measures and *pro forma* information are the responsibility of the Group's directors. *Pro forma* financial information is presented for illustrative purposes only. Due to its nature, the non-IFRS measures and *pro forma* information may not fairly present the Group's financial position, results of operations, changes in equity or cash flows for the year ended 30 September 2021.

The non-IFRS measures and *pro forma* information are not an IFRS requirement.

Deloitte.

Private Bag X6
Gallo Manor 2052
South Africa

Deloitte & Touche
Registered Auditors
Audit & Assurance
Deloitte
5 Magwa Crescent
Waterfall City
Waterfall
Docex 10 Johannesburg

Tel: +27 (0)11 806 5000
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT ON SUMMARISED FINANCIAL STATEMENTS

TO THE SHAREHOLDERS OF LIFE HEALTHCARE GROUP HOLDINGS LIMITED

Opinion

The summarised consolidated financial statements of Life Healthcare Group Holdings Limited, set out on pages 02 to 20, which comprise the summarised consolidated statement of financial position as at 30 September 2021, the summarised consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes as set out on pages 07 to 20, are derived from the audited consolidated financial statements of Life Healthcare Group Holdings Limited for the year ended 30 September 2021.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Life Healthcare Group Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in the Basis of Presentation and Accounting Policies note to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

Other matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Life Healthcare Group Holdings Limited and the auditor's report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 17 November 2021. That report also includes the communication of key audit matters as reported in the auditor's report of the audited financial statements.

Directors' responsibility for the summarised consolidated financial statements

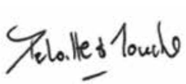
The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in the Basis of Presentation and Accounting Policies note to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and

Independent auditor’s report continued

Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

Auditor’s responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited 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.



Deloitte & Touche
Registered Auditors
Per: James Welch
Partner

17 November 2021

Deloitte.

Private Bag X6
Gallo Manor 2052
South Africa

Deloitte & Touche
Registered Auditors
Audit & Assurance
Deloitte
5 Magwa Crescent
Waterfall City
Waterfall
Docex 10 Johannesburg

Tel: +27 (0)11 806 5000
www.deloitte.com

TO THE DIRECTORS OF LIFE HEALTHCARE GROUP HOLDINGS LTD

REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors of Life Healthcare Group Holdings Limited (the entity/the Group) have disclosed financial information that is considered to be pro forma information per JSE Listings Requirements. The directors of the Company have prepared the following pro forma financial information for inclusion in the audited summarised consolidated financial statements, to be dated on or about 17 November 2021, in order to provide a more meaningful assessment of the Group's performance for the year:

- The pro forma H2-2021 numbers – these are unaudited and derived from deducting H1-2021 unaudited results from the full year audited results to 30 September 2021 (FY2021).
- The pro forma H2-2020 numbers – these are unaudited and derived from deducting H1-2020 unaudited results from the full year audited results to 30 September 2020 (FY2020).

We have completed our assurance engagement to report on the compilation of pro forma financial information of Life Healthcare Group Holdings Limited by the directors. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's audited summarised consolidated financial statements for the period ended 30 September 2021, on which an unmodified audit opinion was issued on 17 November 2021.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements.

Independent reporting accountant's assurance report continued

Our Independence and Quality Control
We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility
Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, which is applicable to an engagement of this nature*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Life Healthcare Group Holdings Limited for 2 years.

Deloitte & Touche

Deloitte & Touche
Registered Auditor
Per: James Welch
Partner

17 November 2021

Commentary

OVERVIEW

Life Healthcare had a strong trading performance for the twelve month period ended 30 September 2021 (FY2021, or the current period) driven by an exceptional performance in AMG and a good performance in SA.

During the current period, the Group experienced the full impact of two COVID-19 waves, whereas in the twelve months ended 30 September 2020 (FY2020, or the prior period) the Group experienced only one COVID-19 wave although the associated lockdowns were more severe in the prior period.

While the effects of the pandemic having now persisted for a full twelve month period, the Group has seen a pleasing improvement in its financial results for each successive six month period since 30 September 2020.

The Group announced the sale of Scanmed in Poland in November 2020 and this process was finally concluded on 26 March 2021. Scanmed has been presented as a discontinued operation in the current and prior period results. As a result, the prior period results have been re-presented.

In summary, the results for the Group are as follows:

- Revenue from continuing operations grew by 12.7% to R26.9 billion
- Normalised EBITDA from continuing operations increased by 21.6% and the normalised EBITDA margin improved to 18.8% (FY2020: 17.4%)
- An exceptional performance by AMG with overall imaging activities above pre-COVID-19 levels and revenue growing by 18.9% to R7.5 billion
- Southern African operations grew revenue by 10.3% to R19.0 billion and the normalised EBITDA margin grew to 17.1%
- Final cash dividend declaration of 25.0 cents per ordinary share
- Completed the sale of Scanmed with R681 million in net proceeds (after tax and costs)

Summarised financials	2021 R'm	2020 R'm	% change
Revenue from continuing operations	**26 885**	23 851	12.7
Normalised EBITDA from continuing operations	**5 051**	4 155	21.6
Normalised EBITDA margin (%)	**18.8**	17.4	
Attributable profit/(loss)	**1 754**	(93)	n/a

GROUP FINANCIAL PERFORMANCE

Group revenue from continuing operations increased by 12.7% to R26.9 billion (FY2020: R23.9 billion) consisting of a 10.3% increase in southern African revenue to R19.0 billion (FY2020: R17.2 billion), an 18.9% increase in international revenue from continuing operations to R7.5 billion (FY2020: R6.3 billion) and R388 million revenue contribution from growth initiatives (FY2020: R320 million).

Normalised EBITDA from continuing operations increased by 21.6% to R5.1 billion (FY2020: R4.2 billion). This pleasing growth in normalised EBITDA was largely driven by our International operations which saw normalised EBITDA growth of 38.2% to R1.8 billion (FY2020: R1.3 billion) while our southern African operations saw normalised EBITDA growth of 12.2% to R3.3 billion (FY2020: R2.9 billion).

OPERATIONAL REVIEW

International

International revenue only includes revenue from AMG's diagnostic services.

International	2021 R'm	H2-2021 (pro-forma)[1] R'm	H1-2021 R'm	2020 R'm	H2-2020 (pro-forma)[2] R'm	H1-2020 R'm	% change 2021 vs 2020	% change H2-2021 vs H2-2020	% change H1-2021 vs H1-2020
Revenue									
Diagnostic services	**7 474**	3 727	3 747	6 286	3 341	2 945	18.9	11.6	27.2
Normalised EBITDA									
Diagnostic services	**1 812**	882	930	1 311	686	625	38.2	28.6	48.8
Normalised EBITDA margin (%)	**24.2**	23.7	24.8	20.9	20.5	21.2			

AMG performed exceptionally well during the current period. Revenue increased by 18.9% to R7.5 billion (FY2020: R6.3 billion) and revenue, in pound sterling, grew by 21.1% to £367.8 million (FY2020: £303.9 million). This increase was driven by a number of factors, including the impact of additional COVID-19 solutions for the NHS, COVID-19 blood testing in Italy and a strong performance in Ireland. Excluding these COVID-19-related contracts, AMG saw strong growth in volumes within our imaging centres in the UK and Ireland following the easing of lockdown restrictions and pent-up demand for imaging services.

In the UK, Diagnostic Imaging (DI) volumes have returned to pre-COVID-19 levels. This was partly attributable to the COVID-19-related CT contracts entered into with the NHS as well as increased demand following the easing of COVID-19 restrictions in the UK. The COVID-19-related CT contracts initially ended on 31 March 2021 but were then extended for a further 6 months until 30 September 2021, albeit at reduced revenue per day compared with the initial contracts in the H1-2021 period. These contracts have now come to an end. For the FY2021 period, UK DI volume growth was 16.1% year-on-year. H2-2021 volumes were 44.1% higher than H2-2020 and 4.3% higher than H1-2021.

[1] *The pro forma H2-2021 numbers presented are unaudited and derived from deducting H1-2021 unaudited results from the full year audited results to 30 September 2021 (FY2021).*

[2] *The pro forma H2-2020 numbers presented are unaudited and derived from deducting H1-2020 unaudited results from the full year audited results to 30 September 2020 (FY2020).*

Commentary continued

PET-CT volumes have continued to grow strongly in H2-2021 and were 33.5% higher than H2-2020 volumes and 8.5% above H1-2021. For the FY2021 period PET-CT volume growth was 18.8% year-on-year.

In Italy DI volumes for the H2-2021 period were lower than H1-2021 but this represents typical pre-COVID seasonality. For the FY2021 period Italian DI volumes were higher than pre-COVID levels with growth 9.0% higher year-on-year. H2-2021 volumes were 10.2% higher than the H2-2020 period but down 7.1% on H1-2021 volumes.

The Irish business continued to benefit from a rebound in activity and increased public sector contracting. For the FY2021 period Irish volumes also exceeded pre-COVID levels and growth was 34.2% higher year-on-year. H2-2021 volumes were 51.7% higher than the H2-2020 period and 16.3% higher than the H1-2021 period.

AMG reported growth in normalised EBITDA of 38.2% to R1.8 billion (FY2020: R1.3 billion) while in pound sterling normalised EBITDA grew 40.7% to £89.2 million (FY2020: £63.4 million). The normalised EBITDA margin was 24.2% (FY2020: 20.9%). The margin uplift was driven by the benefit from COVID-19 solutions, higher volumes as described above, as well as the resolution of radiopharmacy supply issues following the opening of the fifth cyclotron site in Dinnington in January 2021.

AMG has worked closely with governments across the UK and Europe to provide high quality radiology services throughout the pandemic, often at short notice. While a number of AMG's COVID-19-related contracts have come to an end, AMG's proven ability to quickly mobilise scanning equipment and staff across multiple locations places AMG in a good position to continue securing public sector contracts.

Southern Africa

In southern Africa, the hospitals and complementary services segment comprises all the acute hospitals and complementary services which include mental health, acute rehabilitation, renal dialysis and oncology. The healthcare services segment comprises Life Esidimeni and Life Employee Health Solutions.

Southern Africa	2021 R'm	H2-2021 (pro-forma)[1] R'm	H1-2021 R'm	2020 R'm	H2-2020 (pro-forma)[2] R'm	H1-2020 R'm	% change 2021 vs 2020	% change H2-2021 vs H2-2020	% change H1-2021 vs H1-2020
Revenue									
Hospitals and complementary services	**17 567**	9 216	8 351	15 899	7 154	8 745	10.5	28.8	(4.5)
Healthcare services	**1 456**	720	736	1 346	689	657	8.2	4.5	12.0
	19 023	9 936	9 087	17 245	7 843	9 402	10.3	26.7	(3.4)
Normalised EBITDA									
Hospitals and complementary services	**2 743**	1 483	1 260	2 583	573	2 010	6.2	158.8	(37.3)
Healthcare services	**195**	73	122	135	64	71	44.4	14.1	71.8
Corporate									
Recoveries	**1 330**	693	637	1 205	582	623	10.4	19.1	2.2
Corporate costs	**(1 010)**	(501)	(509)	(1 019)	(551)	(468)	0.9	9.1	(8.8)
	3 258	1 748	1 510	2 904	668	2 236	12.2	161.7	(32.5)
Normalised EBITDA margin (%)	**17.1**	17.6	16.6	16.8	8.5	23.8			

Southern Africa experienced a severe second COVID-19 wave during December 2020 and January 2021, and then a larger and more prolonged third COVID-19 wave between July and August 2021. Both of these waves impacted our normal operating activities and resulted in increased operating costs including PPE procurement, increased agency nursing staff, absenteeism (through sickness and isolation), COVID-19-related screening and more recently our assistance in the national vaccine rollout at 25 of our facilities. These increased operational costs coupled with reduced operating activity levels have continued to place pressure on our profit margins.

The southern African business has typically seen a reduction in elective surgical demand, along with routine medical admissions, during COVID-19 waves, followed by a return of non-COVID-19 activities as COVID-19-related admissions decline after each wave peaks. Our management teams continue to learn, adapt and change to accommodate the evolving COVID-19 environment. The business has demonstrated an improved performance in each six month period since 31 March 2020, despite the more severe second and third COVID-19 waves.

Commentary continued

FY2021 revenue from southern Africa increased by 10.3% to R19.0 billion (FY2020: R17.2 billion). Normalised EBITDA increased by 12.2% to R3.3 billion (FY2020: R2.9 billion) and the normalised EBITDA margin for the period improved to 17.1% (FY2020: 16.8%).

Our hospitals and complementary services segment has been the most severely impacted by the COVID-19 pandemic, but has also seen pleasing sequential improvement in each six months period from H2-2020, through H1-2021, to H2-2021. FY2021 revenue from hospitals and complementary services increased by 10.5% to R17.6 billion (FY2020: R15.9 billion). H2-2021 revenue of R9.2 billion was 10.4% higher than H1-2021 revenue of R8.4 billion. H1-2021 revenue was 16.7% higher than the H2-2020 revenue of R7.2 billion, which was 18.2% lower than H1-2020 revenue of R8.7 billion (H1-2020 was mostly not impacted by COVID-19).

In FY2021 revenue growth for our acute hospitals was attributed to a 9.8% increase in revenue per paid patient day (PPD) and 0.2% growth in PPDs. The increase in revenue per PPD is made up of a 4.0% tariff increase and a 5.8% positive case mix change. This case mix change was influenced by increased COVID-19 admissions which led to a longer average length of stay of 4.07 days (FY2020: 3.74 days), while leading to a decline in normal medical admissions and surgical activity, as evidenced by a 4.0% decline year-on-year in theatre minutes in FY2021. For our acute hospitals the overall weighted occupancy for the period increased to 58.1% (FY2020: 57.8%). The H2-2021 weighted occupancy increased to 59.2%, versus 57% during H1-2021 and 50% occupancy during H2-2020.

Revenue from complementary services grew 8.0% over the prior period. Mental health and acute rehabilitation volumes have improved slowly since H2-2020, while renal dialysis and oncology volumes have remained resilient in 2021 and have seen positive growth year-on-year. For complementary services the overall weighted occupancy for the period was 63.4% (FY2020: 64.0%). The H2-2021 weighted occupancy increased to 65.4%, versus 61.4% during H1-2021 and 54.7% occupancy during H2-2020.

Revenue from healthcare services increased by 8.2% to R1.5 billion (FY2020: R1.3 billion). This positive result was due to additional COVID-19-related services and benefits offered through Life Employees Health Solutions, driving higher revenue per life covered as well as a resilient performance from Life Esidimeni. Some of these COVID-19 related benefits have reduced during the H2-2021 period, resulting in growth in the H2-2021 period of 4.5% versus H2-2020.

The Group continues to support the South African national vaccination programme. As part of this support, 22 Life Healthcare facilities across the country have been used as vaccination sites. Through these sites we have vaccinated c.380 000 people since May 2021. A large majority of Life Healthcare employees and doctors have been vaccinated. The Group has also announced a mandatory vaccination policy across the entire Group which will start taking effect on 1 December 2021.

Growth initiatives

The growth initiatives are aimed at broadening the Company’s exposure across the healthcare continuum, and include, in southern Africa, developing the imaging services opportunity, a new outpatient business model, investing in data analytics and clinical quality products. Progress continues to be made across each of these areas.

LMI is our primary international growth initiative. Following the approval of Biogen's Alzheimer's disease modifying drug (DMD) Aduhelm®, in June 2021, we have begun to invest in building up a commercial team within the US to drive NeuraCeq® sales. We have also signed agreements with our major US manufacturing partner, which will bolster our production capability in the US. During FY2021 this "Invest for Success" programme saw us committing to invest £7 million on headcount (opex) and £2 million on manufacturing equipment, intellectual property and technology transfers (capex), of which £1.0 million was spent during 2021.

At present, in the absence of Aduhelm® reimbursement agreements with payors, and diagnostic and treatment pathways for physicians and service providers, we have yet to see a ramp-up in commercial sales of NeuraCeq®. However, we have seen increased sales of NeuraCeq® for other DMD drug trials as other pharmaceutical companies increase the pace of their clinical trials.

Within southern Africa good progress has been made on our growth within the renal dialysis and oncology businesses. During September 2021 we received approval from the HPCSA to directly employ radiographers. This is a significant step forward and will enhance our ability to offer an integrated and cost-efficient imaging services in South Africa.

For the FY2021 period revenue from growth initiatives, largely from LMI, grew 21.3% to R388 million (FY2020: R320 million). The normalised EBITDA loss narrowed to R19 million (from a loss of R60 million in the prior period) and showed a profit of R3 million in the H2-2021 period (H2-2020: loss of R21 million).

EARNINGS PER SHARE (EPS), HEADLINE EARNINGS PER SHARE (HEPS) AND NORMALISED EARNINGS PER SHARE (NEPS)

EPS from continuing operations increased by 136.3% to 114.6 cents (FY2020: 48.5 cents) while EPS from continuing and discontinued operations increased to 120.6 cents (FY2020: loss of 6.4 cents). The growth in earnings was largely driven by the strong trading performance across the whole Group. In addition, 2021 earnings were positively impacted (+6.0 cents) by the profit from discontinued operations (net of tax) of R87 million (refer to note 2 on page 17), whereas the 2020 results were negatively impacted by COVID-19 during H2-2020 and the impairment of Scanmed, which reduced earnings by 54.5 cents.

HEPS from continuing and discontinued operations increased by 128.1% to 111.1 cents (FY2020: 48.7 cents).

NEPS from continuing operations, which excludes non-trading related items listed on page 32, increased by 88.3% to 109.8 cents (FY2020: 58.3 cents). NEPS from continuing and discontinued operations increased by 84.8% to 112.7 cents (FY2020: 61.0 cents). The presentation of normalised earnings is a non-IFRS measure.

Commentary continued

Reconciliation of Headline earnings (HEPS) and Normalised earnings (NEPS)[1]	2021 R'm	2020 R'm	% change	2021 cps	2020 cps	% change
Weighted average number of shares at the end of the year (millions)	**1 454**	1 455	(0.1)			
Profit/(loss) attributable to ordinary equity holders	**1 754**	(93)	n/a	**120.6**	(6.4)	n/a
(Profit)/loss from discontinued operation attributable to ordinary equity holders	**(87)**	799		**(6.0)**	54.9	
Profit from continuing operations attributable to ordinary equity holders	**1 667**	706	136.1	**114.6**	48.5	136.3
Adjustments (net of tax and non-controlling interest):						
Impairment of assets and investments	**14**	5		**0.9**	0.3	
Profit on remeasuring previously held interest in associate to fair value	**(28)**	–		**(1.9)**	–	
Loss on disposal of property, plant and equipment	**10**	3		**0.7**	0.2	
Headline earnings from continuing operations	**1 663**	714	132.9	**114.3**	49.0	133.3
Retirement benefit asset and post-employment medical aid income	**(24)**	(23)		**(1.7)**	(1.6)	
Gain on derecognition of lease asset and liability	**–**	(50)		**–**	(3.4)	
Transaction costs relating to acquisitions and disposals	**3**	8		**0.2**	0.6	
Unwinding of contingent consideration	**62**	66		**4.3**	4.5	
Fair value loss on equity investment	**12**	–		**0.8**	–	
Deferred tax raised on unrecognised exchange gain on inter-company loan	**–**	133		**–**	9.2	
Deferred tax raised previously not recognised and effective tax rate change	**(118)**	–		**(8.1)**	–	
Normalised earnings from continuing operations	**1 598**	848	88.4	**109.8**	58.3	88.3
Normalised earnings from discontinued operation[2]	**42**	40	5.0	**2.9**	2.7	7.4
Normalised earnings from continuing and discontinued operations	**1 640**	888	84.7	**112.7**	61.0	84.8

[1] *Non-IFRS measure.*

[2] *Calculated as follows (refer note 27):*

Profit/(loss) after tax from discontinued operation	***33***	*(799)*
Fair value adjustments to contingent consideration	***9***	*37*
Transaction costs	***–***	*9*
Impairment of investment	***–***	*793*
	42	*40*

CAPITAL EXPENDITURE

The Group continues to manage liquidity during the pandemic and has curtailed some capital expenditure. It has invested approximately R1.9 billion (FY2020: R2.0 billion), comprised mainly of maintenance capex for the period of R1.5 billion (FY2020: R1.2 billion) and growth capex of R357 million (FY2020: R759 million).

FINANCIAL POSITION AND LIQUIDITY

The Group is in a strong financial position with net debt to normalised EBITDA as at 30 September 2021 at 1.82 times (FY2020: 2.96). The net debt to normalised EBITDA position has improved due to the Scanmed disposal, improved trading across the Group, curtailed capital expenditure and good working capital management in the current period (driven by debt collection in southern Africa).

During 2020, the Group engaged with its lenders and received temporary relaxation on the measurement of covenants. These came to an end on 31 March 2021 and the Group reverted to its prior covenants (the main one being 3.5x net debt to normalised EBITDA).

The Group refinanced its term debt in the international operations during March 2020 and this extended the international debt maturities that were due in November 2020 to 2023 and 2025. During 2021 the Group refinanced R2.5 billion of South African debt, extending maturities that were due during the year.

Given the ongoing uncertainty around COVID-19 and the future impact that this may have on the Group, Life Healthcare has kept in place additional banking facilities that were put in place during 2020. The available undrawn facilities as at 30 September 2021 amounted to R6.6 billion.

CASH DIVIDEND DECLARATION

The Board approved a final gross cash dividend of 25.0 cents per ordinary share for the year ended 30 September 2021. The dividend has been declared from income reserves. The dividend is subject to South African dividend withholding tax of 20%, which will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 20.00000 cents per share.

The Company's total number of issued ordinary shares is 1 467 349 162 as at Wednesday, 17 November 2021. The Company's income tax reference number is 9387/307/15/1.

In compliance with the requirements of the JSE, the following salient dates are applicable:

◆ Last date to trade cum dividend	Tuesday, 7 December 2021
◆ Shares trade ex the dividend	Wednesday, 8 December 2021
◆ Record date	Friday, 10 December 2021
◆ Payment date	Monday, 13 December 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 December 2021 and Friday, 10 December 2021, both days inclusive.

Commentary continued

OUTLOOK

Life Healthcare continues to adopt a cautious approach due to the ongoing impact of COVID-19, particularly with regards to the southern African business and the uncertain impact that potential future COVID-19 waves may have on the business.

For our southern African operations, we are cautiously confident that we can deliver continued PPD growth, improved occupancy and normalised EBITDA margin expansion during 2022 while also anticipating ongoing negative impacts from potential fourth and fifth COVID-19 waves.

For AMG we expect to see continued good growth in demand for our scanning services in the UK and Ireland, although the ending of some COVID-19-related contracts will provide a headwind for AMG. We expect that reimbursement arrangements for Aduhelm® will be confirmed during early 2022, which should be positive for NeuraCeq® sales in the US, with similar approvals likely in Europe towards the end of 2022.

We expect continued progress in our SA growth initiatives, including radiology.

CHANGES TO THE BOARD OF DIRECTORS AND COMPANY SECRETARY

MA Brey retired from the Board as director and chairman with effect from 27 January 2021. Dr VL Litlhakanyane was appointed as the non-executive chairman of the Board from this date. The Board wishes to express its sincere thanks and appreciation to Mr Brey for his contribution to the Group for over a decade and wishes him the very best in his future endeavours.

Ms A Parboosing stepped down as the Group Company Secretary as at 28 February 2021 to assume the role of Chief People Officer within the Company. Ms J Ranchhod was appointed in the role with effect from 1 March 2021.

Ms Cindy Hess and Ms Caroline Henry were appointed as independent non-executive directors to the Board with effect from 1 September 2021. Ms Hess was appointed to the Company's Human Resources and Remuneration Committees as well as the Audit Committee, and Ms Henry was appointed to Company's Social, Ethics and Transformation Committee as well as the Audit Committee.

INVESTOR PRESENTATION

Shareholders are advised that the investor presentation for the twelve months ended 30 September 2021 has been published on Life Healthcare's website (www.lifehealthcare.co.za).

THANKS

The Company's ability to effectively respond to the pandemic and provide quality care to its patients in this time of crisis is largely due to the dedication and unwavering support of its employees and doctors. Life Healthcare would like to thank them for their unwavering support and courage, for their tireless work, and for the care they delivered under difficult circumstances. The Company extends its sincere condolences to those that have lost family, friends and loved ones to the pandemic.

Approved by the Board of Directors on 17 November 2021 and signed on its behalf:

Dr Victor Litlhakanyane
Chairman

Mr Peter Wharton-Hood
Group Chief Executive

Administration

Executive directors	Non-executive directors	Company secretary	Registered Office	Sponsors
Mr PG Wharton-Hood (Group Chief Executive), Mr PP van der Westhuizen (Group Chief Financial Officer)	Dr VL Litlhakanyane (Chairman), Mr PJ Golesworthy, Ms CM Henry, Ms CJ Hess, Prof ME Jacobs, Ms AM Mothupi, Mr JK Netshitenzhe, Dr MP Ngatane, Adv M Sello, Mr GC Solomon, Mr RT Vice	Ms J Ranchhod	Building 2, Oxford Parks, 203 Oxford Road (cnr Eastwood and Oxford Roads), Dunkeld, 2196 Private Bag X13, Northlands 2116	Rand Merchant Bank, a division of FirstRand Bank Limited.

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Any forward-looking statements or projections made by the Company, including those made in this announcement, are subject to risk and uncertainties that may cause actual results to differ materially from those projected, and have not been reviewed or reported on by the Group's external auditors.

LIFE HEALTHCARE GROUP HOLDINGS LIMITED

Registration number: 2003/002733/06
Income tax number: 9387/307/15/1
ISIN: ZAE000145892
Share code: LHC

Notes

Head Office
Building 2
Oxford Parks
203 Oxford Road
Cnr Eastwood and Oxford Roads
Dunkeld
2196

www.lifehealthcare.co.za