



# Summarised Group results

for the year ended **30 September 2024**  
and cash dividends declaration





## Leading provider of value-based care

Patient-centred care through innovative contracting and reimbursement models



## Diversified offering

With an expansion into integral diagnostic and adjacent lines of business



## People-centred and patient insight-driven

Positively impacting patient care through a focus on our employees, clinicians, and the utilisation of data analysis and technology

## Highlights

REVENUE FROM  
CONTINUING OPERATIONS

**+12.7%**

to R25.5 billion

Concluded a transaction  
to sub-license one of  
LMI's<sup>1</sup> early-stage novel  
products (RM2) for  
USD36 million (R665 million)

SOUTHERN AFRICAN ACUTE  
HOSPITAL PAID PATIENT  
DAYS (PPDs)

**+1.6%**<sup>2</sup>

FINAL DIVIDEND

**+14.8%**

to 31.0 cents per share

STRONG GROWTH IN  
NEURACEQ<sup>®</sup> DOSES SOLD

**+91.9%**

SPECIAL DIVIDEND OF

**70.0 cents**

per share

NORMALISED EARNINGS  
PER SHARE<sup>3</sup> (NEPS) FROM  
CONTINUING OPERATIONS

**+48.5%**

to 132.3 cents

TOTAL DISTRIBUTIONS TO  
SHAREHOLDERS

**R10.6 billion**

for the year

CONCLUDED DISPOSAL OF  
ALLIANCE MEDICAL GROUP  
(AMG) AND DISTRIBUTED  
**R8.8 BILLION** TO  
SHAREHOLDERS

<sup>1</sup> Life Molecular Imaging (LMI).

<sup>2</sup> On a like-for-like basis (LfL) as it excludes PPDs of facility closed in the prior year.

<sup>3</sup> Normalised earnings is a non-IFRS measure which excludes non-trading related costs or income.

# Commentary

Life Healthcare has delivered a strong operating performance for the year ended 30 September 2024 (FY2024, or the current year). Group revenue<sup>1</sup> grew by 12.7% versus the year ended 30 September 2023 (FY2023, or the prior year) driven by robust activity growth in southern Africa, excellent growth in NeuraCeq<sup>®</sup> doses sold and the conclusion of a transaction to sub-license one of LMI's products (RM2).

Highlights for the year include:

- A good H2-2024 performance from the acute and complementary businesses.
- Group normalised EBITDA<sup>1</sup> from continuing operations increased by 19.9%.
- The Group concluded the disposal of AMG on 31 January 2024 and received R10.2 billion in net cash proceeds after the settlement of all offshore debt and transaction costs. A special dividend of R6.0 per share (R8.8 billion) was paid on 8 April 2024 from these proceeds.
- The Board has declared a final cash dividend of 31.0 cents per share, an increase of 14.8% over prior year and a special dividend of 70.0 cents per share. Total distributions for the year, including special dividends amount to R10.6 billion.

## OPERATIONAL REVIEWS

### Summarised financials

|                                        | 2024<br>R'm   | 2023<br>R'm | %<br>change |
|----------------------------------------|---------------|-------------|-------------|
| <b>Revenue<sup>1</sup></b>             |               |             |             |
| <b>Southern Africa</b>                 | <b>23 674</b> | 21 985      | 7.7         |
| Hospitals                              | 20 299        | 19 053      | 6.5         |
| Complementary services                 | 2 045         | 1 612       | 26.9        |
| Healthcare services                    | 1 330         | 1 320       | 0.8         |
| <b>International</b>                   |               |             |             |
| Radiopharmaceutical products           | 1 845         | 656         | 181.3       |
|                                        | <b>25 519</b> | 22 641      | 12.7        |
| <b>Normalised EBITDA<sup>1,2</sup></b> |               |             |             |
| <b>Southern Africa</b>                 | <b>3 684</b>  | 3 637       | 1.3         |
| Hospitals                              | 3 132         | 3 087       | 1.5         |
| Complementary services                 | 448           | 388         | 15.5        |
| Healthcare services                    | 104           | 162         | (35.8)      |
| <b>International</b>                   |               |             |             |
| Radiopharmaceutical products           | 637           | (113)       | >100        |
| <b>Corporate</b>                       | <b>(11)</b>   | 70          | >(100)      |
| Recoveries                             | 1 703         | 1 601       | 6.4         |
| Corporate costs                        | (1 714)       | (1 531)     | (12.0)      |
|                                        | <b>4 310</b>  | 3 594       | 19.9        |
| <b>Normalised EBITDA margin</b>        | <b>16.9%</b>  | 15.9%       |             |

<sup>1</sup> From continuing operations.

<sup>2</sup> Life Healthcare defines normalised EBITDA as operating profit before depreciation on property, plant and equipment, amortisation of intangible assets and non-trading-related costs or income. Normalised EBITDA is a non-IFRS measure.

## SOUTHERN AFRICA

In southern Africa, the hospitals segment comprises all the acute hospitals while the complementary services segment includes mental health, acute rehabilitation, renal dialysis, oncology and imaging services. The healthcare services segment comprises Life Nkanyisa and Life Health Solutions.

|                                 | 2024             | 2023             | H2-2024      |                                    |                                    | H2-2023     |                    |                    | H1-2024      |                    |                    | H1-2023     |  |  |
|---------------------------------|------------------|------------------|--------------|------------------------------------|------------------------------------|-------------|--------------------|--------------------|--------------|--------------------|--------------------|-------------|--|--|
|                                 | (audited)<br>R'm | (audited)<br>R'm | %<br>change  | (pro<br>forma) <sup>1</sup><br>R'm | (pro<br>forma) <sup>2</sup><br>R'm | %<br>change | (unaudited)<br>R'm | (unaudited)<br>R'm | %<br>change  | (unaudited)<br>R'm | (unaudited)<br>R'm | %<br>change |  |  |
| <b>Revenue</b>                  |                  |                  |              |                                    |                                    |             |                    |                    |              |                    |                    |             |  |  |
| Hospitals                       | 20 299           | 19 053           | 6.5          | 10 601                             | 9 863                              | 7.5         | 9 698              | 9 190              | 5.5          |                    |                    |             |  |  |
| Complementary services          | 2 045            | 1 612            | 26.9         | 1 211                              | 839                                | 44.3        | 834                | 773                | 7.9          |                    |                    |             |  |  |
| Healthcare services             | 1 330            | 1 320            | 0.8          | 634                                | 685                                | (7.4)       | 696                | 635                | 9.6          |                    |                    |             |  |  |
|                                 | <b>23 674</b>    | <b>21 985</b>    | <b>7.7</b>   | <b>12 446</b>                      | <b>11 387</b>                      | <b>9.3</b>  | <b>11 228</b>      | <b>10 598</b>      | <b>5.9</b>   |                    |                    |             |  |  |
| <b>Normalised EBITDA</b>        |                  |                  |              |                                    |                                    |             |                    |                    |              |                    |                    |             |  |  |
| Hospitals                       | 3 132            | 3 087            | 1.5          | 1 681                              | 1 559                              | 7.8         | 1 451              | 1 528              | (5.0)        |                    |                    |             |  |  |
| Complementary services          | 448              | 388              | 15.5         | 272                                | 202                                | 34.7        | 176                | 186                | (5.4)        |                    |                    |             |  |  |
| Healthcare services             | 104              | 162              | (35.8)       | 10                                 | 79                                 | (87.3)      | 94                 | 83                 | 13.3         |                    |                    |             |  |  |
| <b>Corporate</b>                | <b>(11)</b>      | <b>70</b>        |              | <b>(48)</b>                        | <b>25</b>                          |             | <b>37</b>          | <b>45</b>          |              |                    |                    |             |  |  |
|                                 | <b>3 673</b>     | <b>3 707</b>     | <b>(0.9)</b> | <b>1 915</b>                       | <b>1 865</b>                       | <b>2.7</b>  | <b>1 758</b>       | <b>1 842</b>       | <b>(4.6)</b> |                    |                    |             |  |  |
| <b>Normalised EBITDA margin</b> | %                | %                |              | %                                  | %                                  |             | %                  | %                  |              |                    |                    |             |  |  |
| Hospitals                       | 15.4             | 16.2             |              | 15.9                               | 15.8                               |             | 15.0               | 16.6               |              |                    |                    |             |  |  |
| Complementary services          | 21.9             | 24.1             |              | 22.5                               | 24.1                               |             | 21.1               | 24.1               |              |                    |                    |             |  |  |
| Healthcare services             | 7.8              | 12.3             |              | 1.6                                | 11.5                               |             | 13.5               | 13.1               |              |                    |                    |             |  |  |
| Total southern Africa           | 15.5             | 16.9             |              | 15.4                               | 16.4                               |             | 15.7               | 17.4               |              |                    |                    |             |  |  |

<sup>1</sup> The pro forma southern African segment H2-2024 numbers – these are derived from deducting southern African segment H1-2024 unaudited results from the full year southern African segment audited results to 30 September 2024.

<sup>2</sup> The pro forma southern African segment H2-2023 numbers – these are derived from deducting southern African segment H1-2023 unaudited results from the full year southern African segment audited results to 30 September 2023.

The Group's southern African operations experienced robust demand for their services in the current year leading to higher utilisation of the Group's hospitals and complementary services with PPD growth of 1.2%<sup>3</sup> and occupancies of 69.0% (2023 68.2%). Revenue for southern Africa grew by 7.7% with a strong H2-2024 revenue growth of 9.3%. The strong H2-2024 revenue growth was based on an improved performance in the acute and complementary businesses with H2-2024 revenue growing by 10.4% vs prior year. Healthcare services revenue was negatively impacted with three Life Nkanyisa contracts ending, resulting in revenue for the full year growing by 0.8% vs prior year. Corporate costs for the year were impacted by increased provision for staff and management incentives, as a result of the strong performance of the Group.

Normalised EBITDA decreased by 0.9% year-on-year, resulting in a normalised EBITDA margin of 15.5% compared to 16.9% reported for FY2023. The normalised EBITDA margin was impacted by the lower margins in H1-2024 and the healthcare services contracts that ended as well as an increase in staff and management incentives. Numerous initiatives have been undertaken to improve the normalised EBITDA margin, with margins in the acute hospital business improving in H2-2024 vs both H1-2024 and prior year. Excluding incentives the southern Africa normalised EBITDA margin for H2-2024 was 18.1% (H2-2023: 17.8%) and H1-2024 17.1%.

<sup>3</sup> On a LfL basis as it excludes PPDs of two facilities closed in the prior year.

# Commentary continued

As part of our portfolio optimisation, we closed two facilities during the prior year: a small maternity facility in Gauteng and an acute rehabilitation facility in Bloemfontein. The PPDs of these facilities have been excluded to determine the PPD growth on a like-for-like basis.

In line with our strategy of growing the non-acute portion of our business:

- The Group completed a transaction to acquire the imaging equipment of an imaging practice located at Life Hilton Hospital and Hilton Health, effective 1 March 2024 for R55 million.
- The Group concluded the acquisition of 41 Fresenius Medical Care (FMC) renal dialysis clinics in South Africa. As a result of the transaction, the Group has improved its countrywide footprint of renal dialysis clinics which have increased to 71, as well as the number of renal dialysis stations which have increased from 445 to 1 012. This transaction was effective 1 April 2024. The consideration for the South African business amounted to R367 million. The Namibian and Eswatini transactions are expected to be concluded in FY2025. The total transaction value will be approximately R705 million of which about R280 million will be funded through debt.

In our southern African business, R1.4 billion was spent on capital expenditure (capex) during the current year (2023: R1.3 billion). A significant proportion of this capex (R1.2 billion in FY2024 and FY2023) was spent on maintenance capex for our existing facilities. We also deployed R201 million (2023: R175 million) into various growth projects, excluding acquiring the imaging practice in KwaZulu-Natal and the FMC renal clinics in South Africa as detailed above (also refer to note 27 of the AFS).

## Acute hospitals

Our acute hospitals delivered strong results in the current year with PPDs growing by 1.6%<sup>1</sup>, benefitting from the new network deals which commenced in January 2023. The robust PPD growth translated into higher occupancies across our acute hospital facilities, with a weighted average occupancy of 68.7% (2023: 67.7%). This improvement in occupancy continued into H2-2024 with occupancies of 70.7% (H2-2023: 70.3%).

Acute hospital revenue grew 6.5% year-on-year with H2-2024 revenue growing by 7.5%. Revenue per PPD increased by 4.7% with H2-2024 revenue per PPD increasing by 6.5%.

## Complementary services

Our complementary services continued to perform strongly in the current year with revenue growth of 26.9% year-on-year due to strong performances in the imaging and renal dialysis businesses.

Renal dialysis treatments, excluding FMC grew by 8.3% during FY2024, assisted by increased adoption of the Group's integrated renal care product by healthcare funders. Including FMC, renal dialysis treatments increased by 86.2%. Good progress is being made in embedding the FMC SA renal business into Life Healthcare and improving operational metrics.

Southern African imaging services delivered MRI/CT/PET-CT/SPECT-CT volumes growth of 17.0% year-on-year benefitting from the acquisitions in H2-2023 and H1-2024. On a like-for-like basis these volumes increased by 9.8%. Imaging services include the acquisition of the imaging practice in KwaZulu-Natal. The construction of the two cyclotrons in a joint venture with AXIM is proceeding and is expected to be operational in Q2-2025.

The complementary services business reported a decline in PPDs of 2.6%<sup>2</sup>. The mental health PPDs were 0.5% lower than the prior year and acute rehabilitation PPDs declined by 7.1%<sup>2</sup>. Occupancies for both mental health and acute rehabilitation remain above 70%, with mental health reporting a stronger H2-2024 occupancy of 74.8% versus H1-2024 of 70.3%. Acute rehabilitation occupancies were impacted by the stopping of treating road accident fund (RAF) cases.

## Healthcare services

Revenue from our healthcare services business increased by 0.8% to R1 330 million (2023: R1 320 million). Normalised EBITDA declined by 35.8% resulting in the normalised EBITDA margin of 7.8% (2023: 12.3%). This is due to three Life Nkanyisa's contracts coming to an end, as well as additional debtors provision raised.

The recovery of the Life Health Solutions business continued during the current year.

## INTERNATIONAL OPERATIONS

The Group's international segment only includes revenue from LMI's radiopharmaceutical products.

|                          | 2024<br>R'm | 2023<br>R'm | %<br>change |
|--------------------------|-------------|-------------|-------------|
| Revenue                  | 1 845       | 656         | 181.3       |
| Normalised EBITDA        | 637         | (113)       | >100        |
| Normalised EBITDA margin | 34.5%       | (17.2%)     |             |

<sup>1</sup> On a LfL basis as it excludes PPDs of facility closed in the prior year.

<sup>2</sup> On a LfL basis as it excludes PPDs of two facilities closed in the prior year.

LMI's NeuraCeq® remains the key revenue driver for LMI and continued to generate sales from the clinical trials of disease modifying drugs within the Alzheimer's disease field. The approval of Leqembi™ in the US during the prior year, and subsequent approval for reimbursement of both the drug and amyloid diagnostic testing needed prior to commencing treatment, are positive for LMI.

The business generated more than 100% growth in commercial volumes and sales of NeuraCeq® in FY2024 compared to the prior year, while NeuraCeq® volumes from ongoing clinical trials grew by 14.4%.

LMI's revenue grew 181.3% year-on-year to R1 845 million (2023: R656 million) driven by:

- continued demand for its pipeline of radioisotopes in ongoing clinical trials, as well as a greater contribution from commercial sales of NeuraCeq®
- sublicensing of LMI's RM2 product contributing R665 million

LMI's normalised EBITDA contribution was R637 million (2023: loss of R113 million), bolstered by the RM2 transaction referred to above and which contributed R665 million to revenue and R580 million to normalised EBITDA net of costs. In the prior period LMI had increased expenditure on sales and marketing headcount and setting up manufacturing arrangements. This headcount increase was required to prepare the business adequately to drive increased sales of NeuraCeq® following the approval of disease modifying drugs in the US, and potential approvals in other geographies during FY2024.

### DISCONTINUED OPERATIONS

AMG has been classified as a disposal group held for sale in terms of IFRS 5 and is disclosed as a discontinued operation in the Group's FY2024 and FY2023 results.

The disposal was concluded on 31 January 2024. A R2.8 billion once-off gain following completion of the AMG disposal, was recognised within the FY2024 results. The total net gain recognised in FY2023 and FY2024 is R1.8 billion. Refer note 28 in the consolidated AFS.

### GROUP FINANCIAL PERFORMANCE

Group revenue from continuing operations increased by 12.7% to R25.5 billion (2023: R22.6 billion) consisting of a 7.7% increase in southern African revenue to R23.7 billion (2023: R22.0 billion), and a 181.3% increase in international revenue to R1 845 million (2023: R656 million). Normalised EBITDA from continuing operations increased by 19.9% to R4.3 billion (2023: R3.6 billion).

### Earnings per share (EPS), headline earnings per share (HEPS) and normalised earnings per share (NEPS)

|              | 2024                                        | 2023 | 2024                       | 2023 |
|--------------|---------------------------------------------|------|----------------------------|------|
|              | From continuing and discontinued operations |      | From continuing operations |      |
|              | cps                                         | cps  | cps                        | cps  |
| EPS          | <b>328.8</b>                                | 18.3 | <b>137.8</b>               | 87.0 |
| Diluted EPS  | <b>328.8<sup>1</sup></b>                    | 18.2 | <b>137.8<sup>1</sup></b>   | 86.3 |
| HEPS         | <b>152.9</b>                                | 88.2 | <b>139.0</b>               | 87.5 |
| Diluted HEPS | <b>152.9<sup>1</sup></b>                    | 87.5 | <b>139.0<sup>1</sup></b>   | 86.7 |

<sup>1</sup> The diluted EPS and diluted HEPS for the current year is equal to the basic EPS and basic HEPS, as the potential ordinary shares outstanding do not have a dilutive effect on earnings per share.

Total EPS (from continuing and discontinued operations) increased mainly due to the R2.8 billion once-off gain recognised following the completion of the AMG disposal (2023: loss recognised of R990 million).

NEPS, which excludes non-trading related items, increased by 48.5% to 132.3 cents (2023: 89.1 cents). The presentation of normalised earnings metrics are non-IFRS measures.

# Commentary continued

A reconciliation of the movements between EPS and NEPS, including the various non-trading items, is shown below.

|                                                                                    | 2024<br>R'm | 2023<br>R'm | 2024<br>cps | 2023<br>cps | %<br>change |
|------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Profit attributable to ordinary equity holders                                     | 4 744       | 264         | 328.8       | 18.3        | >1 000      |
| (Profit)/loss from discontinued operations attributable to ordinary equity holders | (2 758)     | 990         | (191.0)     | 68.7        |             |
| Profit from continuing operations attributable to ordinary equity holders          | 1 986       | 1 254       | 137.8       | 87.0        | 58.4        |
| Adjustments (net of tax and non-controlling interest)                              |             |             |             |             |             |
| Retirement benefit asset and post-employment medical aid income                    | (26)        | (25)        | (1.8)       | (1.7)       |             |
| Fair value adjustments to contingent consideration                                 | 63          | 7           | 4.4         | 0.5         |             |
| Interest saving                                                                    | (170)       | –           | (11.8)      | –           |             |
| Gain on derecognition of lease asset and liability                                 | –           | (3)         | –           | (0.2)       |             |
| Impairment of assets                                                               | 18          | –           | 1.2         | –           |             |
| International tax refund                                                           | –           | (14)        | –           | (1.0)       |             |
| Loss on disposal of property, plant and equipment                                  | –           | 7           | –           | 0.5         |             |
| Retrenchment costs                                                                 | 20          | –           | 1.4         | –           |             |
| Transaction costs relating to acquisitions                                         | 15          | 12          | 1.0         | 0.8         |             |
| Unwinding of contingent consideration                                              | 78          | 62          | 5.4         | 4.3         |             |
| Fair value loss on equity instrument                                               | 1           | 4           | 0.1         | 0.3         |             |
| Special dividends distributed to participants in share schemes on unvested shares  | 77          | –           | 5.3         | –           |             |
| Dispute on contract interpretation                                                 | –           | 47          | –           | 3.3         |             |
| Deferred tax on losses previously not recognised (relating to LMI)                 | (153)       | –           | (10.6)      | –           |             |
| Deferred tax allocation between continuing and discontinued operations             | –           | (67)        | –           | (4.7)       |             |
| Normalised earnings from continuing operations                                     | 1 909       | 1 284       | 132.3       | 89.1        | 48.5        |
| Excluding impact of LMI sublicensing transaction                                   | 1 475       | 1 284       | 102.2       | 89.1        | 14.7        |
| Impact of LMI sublicensing transaction                                             | 434         | –           | 30.1        | –           |             |

## Capital expenditure

The Group invested R2.0 billion (2023: R1.6 billion) in capex on continuing operations in the current year, comprised of maintenance capex of R1.2 billion (2023: R1.2 billion) and growth capex of R806 million (2023: R442 million) including acquisitions.

## Financial position and liquidity

The Group is in a strong financial position as at 30 September 2024 with net debt to normalised EBITDA (as per bank covenant definitions) of 0.45 times, well within our covenant of 3.5 times (2.0 times reported at 30 September 2023).

Cash generated from continuing operations was R4.3 billion (2023: R3.7 billion) and represented 100.5% of normalised EBITDA from continuing operations (2023: 101.6%). The available undrawn bank facilities as at 30 September 2024 amounted to R2.3 billion.

## Cash dividend

### Final dividend

The Board approved a final gross cash dividend of 31.00 cents per ordinary share. The dividend has been declared from income reserves and 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 24.80 cents per share.

The Company's total number of issued ordinary shares is 1 467 349 162 as at 26 November 2024. 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, 10 December 2024   |
| Shares trade ex the dividend    | Wednesday, 11 December 2024 |
| Record date                     | Friday, 13 December 2024    |
| Payment date                    | Tuesday, 17 December 2024   |

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 December 2024 and Friday, 13 December 2024, both days inclusive.

## Special dividend

The Board approved a special gross cash dividend of 70.00 cents per ordinary share. The dividend has been declared from income reserves and 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 56.00 cents per share.

The Company's total number of issued ordinary shares is 1 467 349 162 as at 26 November 2024. 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:

|                                 |                           |
|---------------------------------|---------------------------|
| Finalisation date               | Monday, 30 December 2024  |
| Last date to trade cum dividend | Tuesday, 7 January 2025   |
| Shares trade ex the dividend    | Wednesday, 8 January 2025 |
| Record date                     | Friday, 10 January 2025   |
| Payment date                    | Monday, 13 January 2025   |

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 January 2025 and Friday, 10 January 2025, both days inclusive.

### 2025 Outlook

For the 12 months to 30 September 2025 (FY2025), the southern African business will continue to grow its underlying asset base adding 55 acute hospital beds, 24 acute rehabilitation beds and starting the build of a new Life Healthcare acute hospital in the Western Cape (140 beds). The Group will continue to grow its imaging business with further transactions expected to be completed in FY2025 and with further expansion in its nuclear medicine business. The Group will look to complete the FMC Namibia and Eswatini renal transactions in FY2025.

The southern African business will look to drive occupancies to 70% with PPD growth expected to be between 1% and 1.5%.

The southern African business will continue to optimise its underlying asset portfolio, further embed the FMC SA renal operations and focus on operational efficiencies.

For LMI, we expect sales of NeuraCeq® to continue to grow strongly (c. 50%) and LMI will continue to try and maximise the product pipeline as well as sustaining the research and development supplies and services business.

Capex for FY2025 is expected to be R2.6 billion.

### Audit opinion

The Company has issued its audited annual financial statements for the year ended 30 September 2024. Deloitte & Touche, the Group's independent auditor, has audited the consolidated and separate annual financial statements and has expressed an unmodified audit opinion thereon.

The financial information contained in this announcement is extracted from these audited results, however, the announcement itself is not audited. The directors are responsible for the accuracy of the extraction from the audited results. The summarised Group results have been prepared using the accounting policies in place for the year ended 30 September 2024.

### Pro forma information

To provide a more meaningful assessment of the Group's performance for the year, pro forma information has been included. Pro forma information includes H2-2024 and H2-2023 results. The directors are responsible for the pro forma financial information on the basis applicable to the criteria as detailed in paragraphs 8.15 to 8.34 of the Listings Requirements of the JSE Limited and the SAICA Guide on Pro forma Financial Information, revised and issued in September 2014 (applicable criteria). The pro forma information does not constitute financial information fairly presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The pro forma information has been prepared for illustrative purposes only and because of its nature, may not fairly present the Group's financial position, results of operations and cash flows. The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies in place for the year ended 30 September 2024. The Group's external auditor, Deloitte & Touche, has issued an unmodified reasonable assurance report on the pro forma information. Refer the annexure on pages 8 to 9 for the pro forma assurance opinion.

### Thanks

The Group's ability to effectively respond to operational challenges, while continuing to provide quality care to its patients, is largely due to the resilience, dedication and unwavering support of its employees, doctors and other healthcare professionals. Life Healthcare would like to thank them for their tireless work and for the care they deliver.

### Investor presentation

Shareholders are advised that the investor presentation for year ended 30 September 2024 has been published on Life Healthcare's website ([www.lifehealthcare.co.za](http://www.lifehealthcare.co.za)).

Approved by the board of directors on 25 November 2024 and signed on its behalf:

**Dr Victor Litlhakanyane**  
Chairman

**Mr Peter Wharton-Hood**  
Chief Executive

# Independent Auditor's report

The Directors  
Life Healthcare Holdings Limited  
Oxford Parks  
203 Oxford Road  
Cnr Eastwood and Oxford Roads  
Dunkeld  
2196

Dear Sirs/Mesdames

## **Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information Included in the Summarised Group Results**

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, as set out page 3 of the summarised Group results, to be dated on 25 November 2024, consists of:

- The pro forma southern African segment H2-2024 numbers – these are derived from deducting southern African segment H1-2024 unaudited results from the full year southern African segment audited results to 30 September 2024 (FY2024).
- The pro forma southern African segment H2-2023 numbers – these are derived from deducting southern African segment H1-2023 unaudited results from the full year southern African segment audited results to 30 September 2023 (FY2023).

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 annual financial statements for the period ended 30 September 2024, on which an unmodified audit opinion was issued on 25 November 2024.

## **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.

## **Our Independence and Quality Management**

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 Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or 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 the summarised Group results is solely to illustrate a six month split of the annual financial results for the southern African segment between the first and second half of the reported year.

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.

Signed by:  
 *James Welch*  
F6185D3EF8A946E...  
**Deloitte & Touche**  
Registered Auditor  
Per: James Welch  
Partner

25 November 2024

5 Magwa Crescent,  
Waterfall City,  
Johannesburg,  
South Africa

# Administration

## Executive directors

Mr PG Wharton-Hood (Chief Executive),  
Mr PP van der Westhuizen  
(Chief Financial Officer)

## Non-executive directors

Dr VL Litlhakanyane (Chairman),  
Dr MF Abdullah, Dr JE Bolger,  
Dr RA Campbell, Ms CM Henry,  
Mr LE Holmqvist, Prof ME Jacobs,  
Mr TP Moeketsi, Ms AM Mothupi,  
Mr JK Netshitenzhe, Adv M Sello, and  
Mr F Tonelli

## Company Secretary

Ms J Ranchhod

## Registered Office

Oxford Parks, 203 Oxford Road (cnr  
Eastwood and Oxford Roads), Dunkeld,  
2196

## Equity Sponsor

Rand Merchant Bank, a division of  
FirstRand Bank Limited

## Debt Sponsor

FirstRand Bank Limited

26 November 2024

### 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, are the responsibility of the directors and have not been reviewed or reported on by the Group's external auditors.

### LIFE HEALTHCARE GROUP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 2003/002733/06

Income tax number: 9387/307/15/1

ISIN: ZAE000145892

JSE and A2X share code: LHC

(Life Healthcare, the Group, or the Company)

### LIFE HEALTHCARE FUNDING LIMITED

(Incorporated in the Republic of South Africa with limited liability)

(Registration number 2016/273566/06)

LEI: 3789SJPQJZF8ZYXTZ394

Bond company code: LHFI



# Audited Group Annual Financial Statements 2024



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## Leading provider of value-based care

Patient-centred care through innovative contracting and reimbursement models



## Diversified offering

With an expansion into integral diagnostic and adjacent lines of business



## People-centred and patient insight-driven

Positively impacting patient care through a focus on our employees, clinicians, and the utilisation of data analysis and technology

# Administration

|                                           |                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Company name:</b>                      | Life Healthcare Group Holdings Limited                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Registration number:</b>               | 2003/002733/06                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Date of incorporation:</b>             | 7 February 2003                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Country of incorporation:</b>          | Republic of South Africa                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Registered business address:</b>       | Oxford Parks<br>203 Oxford Road<br>Cnr Eastwood and Oxford Roads<br>Dunkeld<br>2196                                                                                                                                                                                                                                                                                                                                        |
| <b>Composition of Board of Directors:</b> | VL Lithakanyane (Chairman)<br>PG Wharton-Hood (Chief Executive)<br>PP van der Westhuizen (Chief Financial Officer)<br>MF Abdullah (appointed 12 August 2024)<br>JE Bolger<br>RA Campbell (appointed 12 August 2024)<br>PJ Golesworthy (retired 22 February 2024)<br>CM Henry<br>LE Holmqvist<br>ME Jacobs<br>TP Moeketsi<br>AM Mothupi<br>JK Netshitenzhe<br>M Sello<br>GC Solomon (retired 22 February 2024)<br>F Tonelli |
| <b>Company Secretary:</b>                 | J Ranchhod                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Auditor:</b>                           | Deloitte & Touche (Deloitte)<br>Johannesburg                                                                                                                                                                                                                                                                                                                                                                               |

## Preparation of the annual financial statements

for the year ended 30 September 2024

These financial statements have been audited by our external auditor Deloitte. The preparation of the annual financial statements was done under supervision of the Chief Financial Officer, PP van der Westhuizen CA(SA).

# Statement of directors' responsibility

for the year ended 30 September 2024

The directors are responsible for the preparation, integrity and fair presentation of the consolidated and Company financial statements of Life Healthcare Group Holdings Limited (Company) and its subsidiaries, associates and joint ventures (Group) in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective for the Group's financial year, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee as well as the Financial Pronouncements as issued by Financial Reporting Standards Council and the South African Companies Act, No 71 of 2008 as amended (Companies Act).

The directors consider that the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the Company and Group financial statements and that all IFRS Accounting Standards that they consider to be applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the consolidated and separate financial position of Life Healthcare Group Holdings Limited at 30 September 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended. The directors are also responsible for reviewing the other information included in the integrated report and ensuring both its accuracy and its consistency with the financial statements.

The directors have responsibility for ensuring that accounting records are kept. The accounting records disclose, with reasonable accuracy, the financial position of the Group and the Company and enable the directors to ensure that the financial statements comply with the relevant legislation.

The Group operated in a well-established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are being controlled. The Group is committed to the continuous improvement of the control environment.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group and Company will not be a going concern in the foreseeable future, based on forecasts, available cash resources and available undrawn banking facilities (refer note 1.1 for assessment of going concern). These financial statements support the viability of the Group and Company.

The Code of Corporate Practices and Conduct has been adhered to.

The Group's external auditor, Deloitte, audited the Company and Group financial statements, and their unqualified audit report is presented on page 14.

## APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 11 to 13 and pages 18 to 125 were approved by the Board of Directors on 25 November 2024 and are signed by:

*Victor Litlhakanyane*

**VL Litlhakanyane**  
Chairman

Johannesburg

*Peter Wharton-Hood*

**PG Wharton-Hood**  
Chief Executive



# Statement of Chief Executive and Chief Financial Officer

for the year ended 30 September 2024

In terms of section 3.84(k) of the JSE Limited (JSE) Listings Requirements, each of the directors, whose names are stated below, hereby confirm that:

- the consolidated and Company financial statements set out on pages 11 to 13 and pages 18 to 125, fairly present in all material respects the financial position, financial performance and cash flows in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated and Company financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries have been provided to effectively prepare the consolidated and Company financial statements;
- the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated and Company financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

*Peter Wharton-Hood*

**PG Wharton-Hood**  
Chief Executive

*Pieter van der Westhuizen*

**PP van der Westhuizen**  
Chief Financial Officer

# Statement of Company Secretary

for the year ended 30 September 2024

In terms of the Companies Act, all returns submitted as required by the Companies Act are true, correct and up to date and have been lodged with the Registrar.

*Joshila Ranchhod*

**J Ranchhod**  
Company Secretary

# Report of the Audit and Risk Committee

## INTRODUCTION

In line with the requirements of King IV and the Companies Act, the Life Healthcare Group Holdings Limited's Audit and Risk Committee (the Committee) is pleased to present its report for the year ended 30 September 2024.

The Board, upon recommendation by the Nominations and Governance Committee, took a decision to dissolve the Risk, Compliance and IT Governance Committee in its previous form with effect from 21 May 2024. Upon dissolution the responsibility for, and oversight of the various areas of risk were delegated to the Board's various existing subcommittees, with majority of the risk matters being considered within the ambit of the Audit Committee. From the effective date, the Audit Committee is now called the Audit and Risk Committee.

Consequently, Audrey Mothupi and Paul Moeketsi were appointed as members of the newly constituted Audit and Risk Committee with effect from 1 July 2024. The Chairman of the Risk Committee, Joel Netshitenzhe, also joined the Audit and Risk Committee as a member with effect from 1 July 2024 to ensure smooth transition prior to his retirement from the Board at the 2025 Annual General Meeting (AGM).

This report covers a review of the activities conducted over the past year as well as providing information on various key audit and risk matters. We are pleased to confirm that the Committee has carried out its responsibilities in terms of its Terms of Reference.

## ROLE OF THE AUDIT AND RISK COMMITTEE

The Committee is an independent statutory committee constituted in terms of the Companies Act. Its primary role is to assist the Board in discharging its Group governance oversight responsibilities as enunciated in King IV, the Companies Act and the JSE Limited (JSE) Listings Requirements (LR). In accordance with the Committee's Terms of Reference, these responsibilities relate to:

- the safeguarding of assets by managing financial risks.
- monitoring the adequacy and effectiveness of the Group's systems and control environment, including that the Group has appropriate financial reporting procedures and that those procedures are operating as intended.
- oversight over the integrated annual report preparation and fairly presented the annual financial statements, in compliance with all applicable legal and regulatory requirements and accounting standards.
- review the financial performance and position of the Group and make recommendations to the Board in respect of distributions to shareholders of the Group, having considered the solvency and liquidity requirements of the Companies Act.
- overseeing the effectiveness of the Group's external and internal audit assurance functions.
- assisting the Board in setting the direction for how risk, compliance and IT governance are managed and addressed while adopting a stakeholder-inclusive approach.
- overseeing and ensuring that the Company has implemented an effective policy and plan for risk management and compliance encompassing the opportunities and associated risks to be considered when developing the Group's strategy and the potential positive and negative effects of the same risks on the achievement of the Group's strategic objectives.
- overseeing the IT strategy and risks.

The Committee provides oversight of the Group and performs the Companies Act prescribed functions on behalf of the relevant South African subsidiary companies.

Reports on the Committee's deliberations and decisions are provided to the Board on a regular basis.

## STRUCTURE OF THE COMMITTEE AND MEETINGS

The Committee members are nominated by the Board for election at the AGM. The individual members satisfy the requirements to serve as members of an audit committee, as provided in section 94 of the Companies Act, and they have the requisite level of knowledge, experience to fulfil their duties and are independent.

# Report of the Audit and Risk Committee continued

The Audit Committee's composition in the year, attendance as well as qualifications are set out below:

| Name                                                       | Qualifications                                              | Date appointed | Attendance |         | Regular invitees                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------|-------------------------------------------------------------|----------------|------------|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                            |                                                             |                | Scheduled  | Special |                                                                                                                                                                                                                                                                                                                                                                     |
| Peter Golesworthy<br>(Chairman until<br>22 February 2024)* | BA (Hons)<br>CA                                             | 10 Jun 2010    | 1/1        | 4/4     | <ul style="list-style-type: none"> <li>■ Chairman of the Board</li> <li>■ Chief Executive</li> <li>■ Chief Financial Officer</li> <li>■ Finance Executive</li> <li>■ Senior finance management</li> <li>■ Chief Audit Executive</li> <li>■ Head of Risk</li> <li>■ External Audit</li> <li>■ Chief Actuary and Risk Officer</li> <li>■ Company Secretary</li> </ul> |
| Caroline Henry                                             | BCom<br>BCompt Hons<br>CA (SA)                              | 1 Sep 2021     | 3/3        | 4/4     |                                                                                                                                                                                                                                                                                                                                                                     |
| Lars Holmqvist                                             | BA Economics<br>International Executive<br>Program (Insead) | 1 Aug 2022     | 2/3        | 2/4     |                                                                                                                                                                                                                                                                                                                                                                     |
| Fulvio Tonelli<br>(Chairman from<br>22 February 2024)      | BCom (Hons)<br>CA (SA)                                      | 1 Apr 2023     | 3/3        | 4/4     |                                                                                                                                                                                                                                                                                                                                                                     |
| Paul Moeketsi                                              | BCom (Hons)<br>CA (SA)                                      | 1 Jan 2024     | 2/2        | –       |                                                                                                                                                                                                                                                                                                                                                                     |

\* Peter Golesworthy retired from the Committee on 22 February 2024

Three (3) scheduled meetings and four (4) special meetings were held during the year.

The newly constituted Audit and Risk Committee's composition in the year, attendance as well as qualifications are set out below:

| Name                         | Qualifications                                              | Date appointed to Risk Committee | Attendance                                                                           |         | Regular invitees                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|-------------------------------------------------------------|----------------------------------|--------------------------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              |                                                             |                                  | Scheduled                                                                            | Special |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Fulvio Tonelli<br>(Chairman) | BCom (Hons)<br>CA (SA)                                      | 1 Jan 2024                       | 1/1                                                                                  | 1/1     | <ul style="list-style-type: none"> <li>■ Chairman of the Board</li> <li>■ Chief Executive</li> <li>■ Chief Financial Officer</li> <li>■ Finance Executive</li> <li>■ Senior finance management</li> <li>■ Chief Audit Executive</li> <li>■ Head of Risk</li> <li>■ Compliance Lead</li> <li>■ Chief Information Officer</li> <li>■ External Audit</li> <li>■ Chief Information Security Officer</li> <li>■ Chief Actuary and Risk Officer</li> <li>■ Company Secretary</li> </ul> |
| Caroline Henry               | BCom<br>BCompt Hons<br>CA(SA)                               | 1 Sep 2021                       | 1/1                                                                                  | 1/1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Lars Holmqvist               | BA Economics<br>International Executive<br>Program (Insead) | 1 Aug 2022                       | 1/1                                                                                  | 0/1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Paul Moeketsi                | BCom (Hons)<br>CA (SA)                                      | 23 Feb 2023                      | 1/1                                                                                  | 1/1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Audrey Mothupi               | BA (Hons)                                                   | 1 Jul 2024                       | 1/1 (Audit and Risk Committee)<br>3/3 (Risk, Compliance and IT Governance Committee) | 1/1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Joel Netshitenzhe            | Dip PolSci, PGDip, MSc                                      | 1 Jul 2024                       | 1/1 (Audit and Risk Committee)<br>3/3 (Risk, Compliance and IT Governance Committee) | 1/1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

In line with best practice, the internal and external auditors have unrestricted access to the Committee, where they can raise any matter that requires the Committee's attention, and they also have the opportunity to meet with the Committee without members of management being present.

The current members of the Committee continue to meet the independence requirements as assessed by the Nominations and Governance Committee, on behalf of the Board, in terms of the requirements of King IV and the Companies Act.

The current Committee members will be recommended to the shareholders at the next AGM for appointment for the financial year ending 30 September 2025.

### THE COMMITTEE'S MANDATE

The Committee's Terms of Reference, which are reviewed annually to ensure that they are aligned to any changes in the regulatory and operating environment, can be viewed on the Group's website at <https://www.lifehealthcare.co.za/investor-relations/results-and-reports/>.

The Committee has discharged its responsibilities in line with its Terms of Reference, which has included reporting of financial information to stakeholders in accordance with legislation and the JSE LR. More specifically, the main functions performed by the Committee during the year under review were as follows:

- Monitored the proper operation of adequate and effective systems of internal controls, including receiving and reviewing reports, from both internal and external auditors, concerning the effectiveness of the internal control environment. This included all the entities in the consolidated Group annual financial statements, to ensure that the Group had access to all financial information to effectively prepare and report on the financial statements of the Group.
- Considered whether there were significant weaknesses in the design or implementation of the internal financial controls.
- Considered and satisfied itself on the appropriateness of accounting policies and material estimates, assumptions and judgements used in the preparation of the annual financial statements and ensured that they were adequately disclosed.
- Considered the JSE's proactive monitoring of the annual financial statements report, as issued in 2024, and the applicability of the issues raised, with the view to improving disclosure where applicable.
- Considered the initiatives linked to ESG and reviewed the disclosure thereof.
- Considered the reports of management and the internal and external auditors regarding compliance with legal and regulatory requirements, as well as relevant findings of the Risk, Compliance and IT Governance Committee (for the period this Committee was in place).
- Reviewed legal matters that could have a material impact on the Group.
- Monitored the reporting processes and the preparation of fairly presented annual financial statements in compliance with the applicable legal and regulatory requirements and accounting standards, and recommended, for adoption by the Board, the financial information that is publicly disclosed, which for the year included the:
  - Interim results for the six months ended 31 March 2024
  - Annual results for the year ended 30 September 2024
  - Related SENS announcements for both interim and year-end, including trading updates and trading statements.
- Reviewed and confirmed the going concern status for the interim and annual financial statements.
- Reviewed publicly disclosed announcements regarding the sale of AMG.
- Made recommendations to the Board in relation to distributions to shareholders.
- Reviewed and recommended the integrated annual report for approval by the Board.
- Performed the functions required in terms of section 94(2) of the Companies Act on behalf of the Group's relevant South African subsidiary companies.
- Assisted the Board in setting the direction of how risk, compliance and IT governance are managed and addressed while adopting a stakeholder-inclusive approach.
- Confirmed that the Group had implemented an effective policy and plan for risk management and compliance encompassing the opportunities and associated risks to be considered when developing the Group's strategy and the potential positive and negative effects of the same risks on the achievement of the Group's strategic objectives.
- Considered whether there were significant weaknesses in the IT environment.

An external evaluation of the performance of the Committee was conducted as part of the Board and its committees' evaluation process. The evaluation found the performance of the Committee to be satisfactory.

# Report of the Audit and Risk Committee continued

## KEY MATTERS CONSIDERED

### Impairments

In light of the challenging trading conditions, the Committee particularly focused on the risk of impairments to the carrying value of goodwill and intangible assets. The detailed calculations were reviewed, with external advice being obtained in relation to WACC rates. The conclusion reached was that no material impairments were required in the southern African business or in Life Molecular Imaging (LMI).

### Disposal of Alliance Medical Group (AMG)

It was announced on 5 October 2023, subject to shareholder approval and other conditions, that the Company had entered into binding agreements to sell its interest in AMG. AMG was classified as an asset held for sale in terms of IFRS Accounting Standards and disclosed a discontinued operation in the 2023 annual financial statements. The Committee satisfied itself that this treatment was appropriate.

The carrying value of AMG was reduced to reflect the sale price less the costs to sell, resulting in an impairment charge of GBP43.5 million (R971m) including transaction costs of GBP30.5m (R681m).

The disclosures around AMG in the 2023 and 2024 annual financial statements were audited by the external auditors, Deloitte, and deemed appropriate.

The Committee reviewed the circular to shareholders regarding the disposal of AMG which constituted a Category 1 Transaction in terms of the JSE LR. This included a review of the carve out historical consolidated financial information of AMG and the pro forma financial information of the Company included in the circular. Deloitte were appointed as the Independent Reporting Accountant to provide the required assurance on the financial information and the Committee engaged with both Deloitte and management to confirm that the financial information was properly prepared in accordance with the relevant requirements.

### Contingent considerations

The Committee reviewed the assessment of the contingent considerations balance of R633m at year-end (2023: R521m), of which the LMI contingent consideration value of R534m comprised the bulk. The detailed calculations were reviewed which included the model and assumptions used in reassessing the value of the contingent considerations, with external advice being obtained in relation to WACC rates. The Committee also considered events which had an impact on contingent consideration. At 30 September 2024, a fair value adjustment to the LMI contingent consideration was largely due to the sub-licence of one of LMI's early-stage novel diagnostic products.

## ASSESSMENT OF THE APPROPRIATENESS OF THE EXPERTISE AND ADEQUACY OF RESOURCES AND EXPERIENCE OF THE FINANCE FUNCTION AND THE CHIEF FINANCIAL OFFICER

The Committee received regular reports on the key finance initiatives, which include aspects related to financial reporting, digital automation including robotics, improved controls and efficiencies. The finance team continues to explore optimal use of both SAP and Onestream systems implemented in previous years, to increase efficiencies in reporting.

In the course of the year, the Committee received reports on the structure and qualifications of the finance function. The finance team continues to operate using the hybrid working model, namely working from home as well as coming into the office on a regular basis, which is now business as usual.

The Committee considered the appropriateness and adequacy of resources and experience of the finance function and confirmed its satisfaction.

The Committee reviewed and was satisfied with the skills, qualifications, experience and expertise of the Chief Financial Officer (CFO).

## INTERNAL AUDIT AND INTERNAL CONTROLS

The internal audit function continues to provide a professional independent service, with due regard to the tenets of its charter, and has the full support of the Chief Executive and CFO.

The internal audit function is independent and has the necessary resources to enable it to fulfil its mandate. The Chief Internal Audit Executive reports functionally to the Committee's Chairman and administratively to the CFO. A co-sourced internal audit function operates across the Group, with PricewaterhouseCoopers (PwC) being the outsourced partner. The Chief Internal Audit Executive is responsible for coordinating the internal audit planning, implementing and reporting thereon. Given the various other services provided by PwC, care has been taken to ensure that the necessary policies are in place so that matters are objectively assessed by PwC.

The Committee:

- Reviewed the internal audit charter and recommended it to the Board for approval.
- Approved the risk-based internal audit plans for the 2024 financial year and changes thereto during the year to take account of changing circumstances.
- Considered the effectiveness and the performance of the internal audit function and the Chief Internal Audit Executive for the year under review; both were found to be satisfactory.
- Reviewed the combined assurance model and its effectiveness.
- Received risk updates, particularly in relation to matters concerning financial reporting.
- Reviewed and evaluated reports in relation to internal audit and risk management and the appropriateness and adequacy of management's responses in relation thereto, as well as progress in closing out matters identified by internal audit.
- Reviewed arrangements made by the Group to enable employees and outside whistle-blowers to report any concerns and the reports received from the Tip-Off line as well as the consequent corrective action implemented.
- Reviewed internal audit's assessment of the internal control environment.

## EXTERNAL AUDIT

Deloitte served as the Group's external auditor for a fifth year. The re-appointment was approved by shareholders at the 2024 AGM and Mr James Welch was approved as the designated partner.

For the year under review the Committee:

- Approved the auditor's remuneration for audit services and approved the terms of engagement and the scope of the audit. The external audit fee for the 2024 financial year as approved by the Committee was R38.9m (2023: R56.9m). The significant drop arises directly from the sale of AMG.
- Reviewed and approved the external audit plan and ensured no limitations were imposed on the scope of the external audit. Notwithstanding the continuing improvements made to the South African IT control environment, the IT control environment has not yet evolved to a standard for the full year where Deloitte was able to fully rely on the IT General Control environment and accordingly adopted a substantive audit approach.
- Reviewed the external auditor's report and confirmed that there were no material unresolved issues between the Group and the external auditor.
- Reviewed the key audit matters identified by Deloitte, as set out in its report.
- Obtained assurance from the external auditor that appropriate and adequate accounting records were being maintained.
- Reviewed the quality and effectiveness of the external audit function, including the audit process, which management, the Committee and Deloitte found to be satisfactory.
- Considered the external auditor's suitability in terms of paragraph 3.84 (g) (iii) of the JSE LR.
- Confirmed that Deloitte's independence was not impaired and received assurance that its internal governance processes supported and demonstrated its claim to independence.
- Reviewed and confirmed the non-audit services provided by Deloitte in terms of the approved non-audit services policy, which amounted to R0.6m, being 1.5% of the Group audit fee in the current year.
- Confirmed that no reportable irregularities had been identified or reported by the external auditor under the Auditing Profession Act.

The Committee resolved to recommend to the shareholders that Deloitte be appointed as the Group's registered external auditor for the 2025 financial year and Mr James Welch as the designated partner. Mr Welch will rotate off as the Company's external auditor after conclusion of the 2025 financial year.

## CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER ATTESTATION

The Chief Executive and CFO reviewed the controls over financial reporting with management and presented the findings to the Committee. This evaluation included:

- The identification and classification of risks, formulation of a risk assessment control matrix and the determination of materiality.
- Assessment of controls for material account balances and identification of material deficiencies in the design and implementation of internal controls.
- Review of internal audit reports relating to the 2024 financial year to further identify material weaknesses in internal controls.
- Consideration of control feedback provided by the external auditors and other assurance providers through the audit process.
- Obtaining control declarations from managers on the operating effectiveness of key controls, done on an annual basis.
- The use of experts where appropriate to provide assurance on certain judgements, estimates and assumptions.

# Report of the Audit and Risk Committee continued

Based on this evaluation, management identified certain deficiencies relating to the IT General Control environment, which included a number of high, medium and low risk areas. While there continues to be improvement there remains a number of material matters which are primarily dependent on the replacement of iMeds. With the iMeds project being completed we anticipate that these material matters will significantly reduce in the 2025 assessment. A remediation plan is in place and is being implemented by management in stages, especially as it relates to control improvements associated with control disciplines and the implementation of new computer systems. The evaluation also identified gaps in certain financial controls, but these were largely mitigated by compensating controls and did not lead to any material misstatements in the financial reporting process. The Committee received regular reports on the actions and mitigating controls and considered the impact on reporting.

This process has enabled the Chief Executive and CFO to conclude and sign-off on the effectiveness of the internal controls over financial reporting, in accordance with the JSE LR.

The Committee has reviewed the documented basis for management's conclusion, including discussions with the internal and external auditors as well as management. The Committee believes that the organisation's internal controls can be relied upon as a reasonable basis for the preparation of the annual financial statements.

## KEY OUTCOMES FOR 2024

The key focus areas for 2024 that were set out in last year's report are set out below with the objectives having been met.

|                                                                                                                                                                                         |                                                                                                                                                                                                               |                                                                                      |                                                                         |                                                                                        |                                                                                         |                                                                                                                    |                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Continued oversight of the key finance initiatives across the Group, particularly those that impact the efficiency of the finance function and the integrity of the reporting processes | The IT environment was continually evaluated in consultation with the Risk, Compliance and IT Governance Committee, especially in so far as such systems related to internal controls and financial reporting | The finalisation of the reporting on the disposal of AMG and the impact on the Group | Monitoring the impact of any changes as a result of the disposal of AMG | Revisiting the combined assurance model to ensure that it is appropriate and effective | Enhancing the value received from the internal audit function in improving the business | The progress on getting off legacy systems and ensuring the new systems have appropriate controls and efficiencies | Assessing the "tone" of the organisation, and particularly the finance function |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|

## FOCUS AREAS FOR 2025

For the 2025 financial year the Committee will continue to focus on the basics of ensuring a strong risk and control environment that supports the quality of financial reporting. Key areas of focus will include:

- Overseeing the assessment of the impact of the Pillar Two income taxes legislation on the Group's financial performance in all jurisdictions where it operates or where required.
- Monitoring the combined assurance model to ensure that it is appropriate and effective.
- Assessing the "tone" of the organisation, and particularly the finance function.
- The progress on getting off legacy systems and ensuring the new systems have appropriate controls and efficiencies.
- Monitoring the Group's plan and transition from SAP ECC ERP.
- Enhancing the value received from the internal audit function in improving the business.
- Assisting the Board in setting the direction of how risk, compliance and IT governance are managed and addressed.
- Ensuring the Group has implemented an effective policy and plan for risk management and compliance.
- Monitoring the mitigation and reduction of significant weaknesses in the IT environment.
- Oversee the smooth transition between audit partners.

The Committee confirms that for the 2024 financial year, it has discharged its responsibilities in accordance with its Terms of Reference and in compliance with the requirements of the Companies Act, the JSE LR and all other relevant legislation.

For and on behalf of the Committee.

*Fulvio Tonelli*

**F Tonelli**  
Chairman: Audit Committee

Johannesburg  
22 November 2024

# Directors' report

for the year ended 30 September 2024

The directors have pleasure in submitting their report on the annual financial statements of the Group and the Company for the year ended 30 September 2024. The directors are of the opinion that stakeholders' interests are best served by presenting the Group's annual financial statements separately from those of the Company. The latter financial statements appear on pages 115 to 119.

## NATURE OF THE BUSINESS

Life Healthcare Group Holdings Limited is an investment holding company and through its subsidiaries, associates and joint ventures operates and has extensive interests in private healthcare facilities and healthcare services companies in southern Africa and sells radiopharmaceuticals across the world, mainly in the United States of America (US), United Kingdom (UK) and the rest of Europe. The Group is listed in South Africa on the main Board of the JSE and its ordinary shares were listed for trade on the A2X exchange with effect from 1 December 2022.

## DISPOSAL OF ALLIANCE MEDICAL GROUP (AMG)

The Group concluded the disposal of Alliance Medical Group (AMG) on 31 January 2024 and received R10.2 billion in net cash proceeds after the settlement of offshore debt and transaction costs. A special dividend of 600.00 cents per share totalling R8.8 billion was paid on 8 April 2024 from these proceeds. Refer note 28.

## SUMMARY OF FINANCIAL PERFORMANCE AND OVERVIEW

The Group has delivered a strong operating performance for the year ended 30 September 2024. Group revenue from continuing operations grew by 12.7% compared to the prior year, while normalised EBITDA\* from continuing operations grew by 19.9%.

Group revenue was driven by robust activity growth in southern Africa, excellent growth in NeuraCeq® doses sold and the conclusion of a transaction to sub-license one of LMI's products (RM2). The normalised EBITDA\* was bolstered by the RM2 transaction contributing R580 million net of costs.

In line with our strategy of growing the non-acute portion of our business the Group:

- completed a transaction to acquire the imaging equipment of an imaging practice in KwaZulu-Natal (KZN), effective 1 March 2024 for a cash consideration of R55 million; and
- acquired 41 Fresenius Medical Care (FMC) renal dialysis clinics in South Africa. As a result of the transaction, the Group has improved its countrywide footprint of renal dialysis clinics, which have increased to 71, as well as the number of renal dialysis stations which have increased from 445 to 1 012. This transaction was effective 1 April 2024. The consideration for the business amounted to R367 million.

Earnings per share (EPS) from continuing and discontinued operations increased to 328.8 cents (2023: 18.3 cents) while headline earnings per share (HEPS) increased by 73.4% to 152.9 cents (2023: 88.2 cents). Normalised earnings per share (NEPS\*) from continuing operations, which excludes the non-trading related items, grew by 48.5% to 132.3 cents (2023: 89.1 cents).

The Group's overall earnings have been impacted by:

- R2.8 billion once-off gain recognised following the completion of the AMG disposal (2023: loss of R990 million);
- sub-licensing of LMI's RM2 product contributing a net amount of R434 million to earnings;
- the repayment of international debt and significant positive cash balance from 1 February 2024, resulting in net interest cost reducing by 66.5%;
- recognition of deferred tax losses previously not recognised in LMI of R153 million.

The Group had strong working capital management. The cash generation from operations represented 100.5% of normalised EBITDA (FY2023: 101.6%).

The capital expenditure (capex) from continuing operations for the year was R2.0 billion (2023: R1.6 billion), comprising mainly of capital projects of R1.6 billion (2023: R1.5 billion) and new acquisitions (net of cash acquired) of R421 million (2023: R76 million). The maintenance capital expenditure (capex) for the year was R1.2 billion (2023: R1.2 billion).

The financial statements on pages 18 to 125 fully set out the financial results of the Group and Company.



# Directors' report continued

for the year ended 30 September 2024

## SPECIAL RESOLUTIONS

The following special resolutions were passed during the course of the year:

- General authority to repurchase Company shares
- Approval of non-executive directors' remuneration

## DISTRIBUTIONS TO SHAREHOLDERS

The Company considers an interim and final distribution in respect of each financial year.

The Company paid the following cash distributions during the current financial year:

| Date dividend paid | R'm                | Cents per share | Type of distribution |
|--------------------|--------------------|-----------------|----------------------|
| 18 December 2023   | 396 <sup>1</sup>   | 27.0            | Final 2023           |
| 8 April 2024       | 8 804 <sup>1</sup> | 600.0           | Special              |
| 18 June 2024       | 279 <sup>1</sup>   | 19.0            | Interim 2024         |

<sup>1</sup> A dividend withholding tax of 20% is applicable to all shareholders not exempted therefrom.

### Final 2024 dividend

The Board approved a final gross cash dividend of 31.00 cents per ordinary share for the year ended 30 September 2024. 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 24.80 cents per share.

The Company's total number of issued ordinary shares is 1 467 349 162 as at 26 November 2024. 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, 10 December 2024   |
| Shares trade ex the dividend    | Wednesday, 11 December 2024 |
| Record date                     | Friday, 13 December 2024    |
| Payment date                    | Tuesday, 17 December 2024   |

Share certificates may not be dematerialised or rematerialised between Wednesday, 11 December 2024 and Friday, 13 December 2024, both days inclusive.

### Special dividend

The Board approved a special gross cash dividend of 70.00 cents per ordinary share for the year ended 30 September 2024. 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 56.00 cents per share.

The Company's total number of issued ordinary shares is 1 467 349 162 as at 26 November 2024. 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:

|                                 |                           |
|---------------------------------|---------------------------|
| Finalisation date               | Monday, 30 December 2024  |
| Last date to trade cum dividend | Tuesday, 7 January 2025   |
| Shares trade ex the dividend    | Wednesday, 8 January 2025 |
| Record date                     | Friday, 10 January 2025   |
| Payment date                    | Monday, 13 January 2025   |

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 January 2025 and Friday, 10 January 2025, both days inclusive.

\* Normalised EBITDA and NEPS are non-IFRS measures.

## COMPLIANCE

The Board confirms its compliance with the South African Companies Act and that the Company is operating in conformity with its Memorandum of Incorporation.

## BOARD OF DIRECTORS

The names of the directors in office at the date of this report are set out on page 2. The remuneration and interests of the directors are set out in note 29 to the annual financial statements.

### Changes to Board of Directors and Board Committees

Peter Golesworthy and Garth Solomon retired from the Life Healthcare Board with effect from 22 February 2024. Peter and Garth's sound financial knowledge has been invaluable to the Company over an extended period of time.

Dr Fareed Abdullah and Dr Raymond Campbell were appointed as independent non-executive directors and members of the Clinical Committee, with effect from 12 August 2024.

In line with the Board succession plans previously announced, Joel Netshitenzhe and Lars Holmqvist will step down from the Board at the Company's 2025 AGM. As a consequence, Joel will stand down from the Audit and Risk Committee, as well as the Nominations and Governance and Social, Ethics and Transformation Committees. Lars will stand down from the Audit and Risk and the Investment Committees.

### Risk, Compliance and IT Governance Committee

The Board decided to dissolve the Risk, Compliance and IT Governance Committee (the Risk Committee) in its current form, with effect from 21 May 2024. Upon dissolution, the responsibility for, and oversight of the various areas of risk were delegated to the Board's various existing subcommittees, with the majority of risk matters now being considered within the ambit of the Audit Committee. The Audit Committee has been renamed as the Audit and Risk Committee.

Audrey Mothupi serves as a member of the newly constituted Audit and Risk Committee with effect from 1 July 2024. The Chairman of the Risk Committee, Joel Netshitenzhe, joined the Audit and Risk Committee as a member with effect from 1 July 2024 to ensure a smooth transition.

### Nominations and Governance Committee

Joel Netshitenzhe was appointed to the Nominations and Governance Committee, with effect from 1 July 2024.

## INTERESTS OF DIRECTORS

There have been no changes in the interests as set out in note 29 between 30 September 2024 and the date of this report.

No arrangements to which the Company is a party existed at year-end that would enable the directors or their families to acquire benefits by means of the acquisition of shares in the Company, other than the long-term incentive schemes (including the co-investment policy) in respect of executive directors.

There were no contracts of any significance during or at the end of the financial year in which any director of the Company had a material interest.

## SECRETARY

The address of the Company Secretary is the same as the Company's registered address.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIFE HEALTHCARE GROUP HOLDINGS LIMITED

### REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated and separate financial statements of Life Healthcare Group Holdings Limited (the Group and Company) set out on pages 18 to 119, which comprise the consolidated and separate statements of financial position as at 30 September 2024, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Life Healthcare Group Holdings Limited and its subsidiaries as at 30 September 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. 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)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

#### Final Materiality

We define materiality as the magnitude of misstatement in the consolidated and separate financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

|                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Materiality                       | Group materiality: R184 million (2023: R179 million)<br>Company materiality: R89 million (2023: R93 million).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Basis for determining materiality | A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. For the group, we determined that profit before tax remained the key benchmark and is generally accepted for listed entities.<br><br>Based on our professional judgement, for the group we determined materiality to be R184 million which is 6.75% of profit before tax. For the company, we determined materiality to be R89 million which is 1% of total assets. |

#### Group Audit Scope

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the group, and assessing the risks of material misstatement at the Group level. Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement.

Based on our assessment, we performed work at 46 components, representing the Group's main healthcare and Radiopharmaceutical operations.

The following audit scoping was applied:

- 26 components were subject to a full scope audit; and
- 23 components were subject to specified audit procedures.

The extent of our testing was based on our assessment of the risk of material misstatement of certain specific financial balances and/or processes and of the materiality of the Group's operations at those locations.

The components subject to full scope audits accounts for approximately 85% of the Group's revenue and 89% of the Group's total assets.



### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

#### Key Audit Matter

#### How the matter was addressed in the audit

#### **Impairment of goodwill (Group)**

As disclosed in note 11 to the consolidated financial statements, the carrying value of goodwill is R2 170 million and comprises 9% of the total assets of the Group. The directors conduct an annual impairment assessment to test the recoverability of the carrying value of goodwill in accordance with IAS 36: Impairment of assets ("IAS 36"). The directors' assessment of the impairment of goodwill is performed by determining the recoverable amount of goodwill with reference to the higher of value in use or fair value less cost to sell for each cash generating unit.

Goodwill associated with CGU's carried at fair value less cost to sell were not material.

The directors applied judgments in the estimation of the value in use including the determination of the values of the following key assumptions:

- Growth rates;
- Tariff increases and/or Inflation rates;
- Discount rates; and
- Terminal growth rate.

These key assumptions impact the value in use calculation and their values are estimated on the basis of expected future market conditions, which are also subject to change.

As a result of the level of judgement involved, the impairment assessment of goodwill was considered a key audit matter.

In evaluating the impairment of goodwill, we reviewed the value in use calculations prepared by the directors and the judgments applied in these calculations. We performed various procedures, including the following:

- Assessing the appropriateness of the cash generating units;
- Analysing the future projected cash flows used in the directors' value in use calculation to determine whether they are reasonable;
- We evaluated whether the directors' model complies with the requirements of IAS 36;
- We evaluated the weighted average cost of capital rates for each CGU and where appropriate involved our valuation specialists;
- Re-computation of the value in use of key cash generating units;
- Performing an assessment of historical forecasts against actual performance;
- Performing sensitivity analyses on the key assumptions to evaluate the impact on the value in use calculation and the appropriateness of the directors' disclosures; and
- Assessing the presentation and disclosure of goodwill in the consolidated financial statements.

We found the assumptions used in the calculations of the value in use to be acceptable.

Based on the testing undertaken, the presentation and disclosures in respect of the impairment assessment of goodwill are consistent with the requirements of IFRS.

# Independent Auditor's Report continued

## Key Audit Matter

## How the matter was addressed in the audit

### **Information Technology controls (Group)**

The Group's operations are heavily dependent on the use of technology and various financial reporting systems. The IT environment is complex and pervasive to operations due to:

- The large volume of transactions processed in numerous locations daily; and
- A strong reliance on automated controls as well as IT dependent manual controls.

Consequently, appropriate IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. Such controls contribute to mitigating the risk of potential fraud or errors.

During our current and prior year audit we identified vulnerabilities in the IT control environment in the operations around user access, developer access and change management controls on key financial accounting and reporting systems. There is a risk that exploitation of these vulnerabilities could result in the financial accounting and reporting records being materially misstated.

The weakened IT environment relating to the operations was therefore considered a key audit matter.

Significant audit effort was therefore spent to understand, document and test controls to mitigate the risk of misstatements as a result of the vulnerabilities identified in the IT environment in the operations.

Our audit required extensive involvement from our senior audit personnel, IT specialists and individuals with specialised knowledge.

Due to the fact that we were unable to rely on the IT general controls, we were required to adopt a fully substantive based approach, incorporating:

- Increased detailed testing, which increased our sample sizes and resulted in a largely manual testing approach;
- Increased procedures over assessing the completeness and accuracy of reports produced by the systems before reliance could be placed on them; and
- Extensive data analytics were performed on journal entries throughout the period in order to extract entries that might exhibit characteristics of fraudulent entries.

Based on the audit procedures performed and the level of expertise and effort associated with the current year audit, we are satisfied that our audit procedures were sufficient to mitigate the impact of the weakened IT controls identified over financial reporting.

## **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Life Healthcare Group Holdings Limited Annual Financial Statements for the year ended 31 December 2024", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and / or the Company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.


We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 5 years.

Signed by:  
 *James Welch*  
F6185D3EF8A946E...

### Deloitte & Touche

Registered Auditor  
Per: James Welch  
Partner

25 November 2024

5 Magwa Crescent  
Waterfall City  
Midrand  
2090

# Consolidated statement of profit or loss

for the year ended 30 September 2024

|                                                                      | Notes | 2024<br>R'm  | 2023<br>R'm |
|----------------------------------------------------------------------|-------|--------------|-------------|
| <b>Continuing operations</b>                                         |       |              |             |
| Revenue                                                              | 2     | 25 519       | 22 641      |
| Other income                                                         | 2     | 292          | 262         |
| Drugs and consumables                                                |       | (6 370)      | (5 891)     |
| Employee benefits expense                                            | 3     | (9 973)      | (9 014)     |
| Retirement benefit asset and post-employment medical aid income      |       | 36           | 34          |
| Depreciation on property, plant and equipment                        |       | (1 096)      | (968)       |
| Amortisation of intangible assets                                    |       | (178)        | (158)       |
| Repairs and maintenance expenditure on property, plant and equipment |       | (391)        | (375)       |
| Occupational expenses                                                |       | (854)        | (776)       |
| Hospital service expenses                                            |       | (1 002)      | (898)       |
| Communication expenses                                               |       | (510)        | (456)       |
| Radiopharmaceutical manufacturing and distribution expenses          |       | (339)        | (265)       |
| Professional, legal and secretarial fees                             |       | (684)        | (548)       |
| Expected credit losses                                               |       | (318)        | (198)       |
| Other expenses                                                       | 6     | (1 115)      | (888)       |
| Fair value adjustments to contingent consideration                   | 23    | (63)         | (7)         |
| Fair value loss on financial instruments                             | 4     | (15)         | (38)        |
| Gain on derecognition of lease asset and liability                   |       | –            | 3           |
| Impairment of assets                                                 | 10    | (25)         | –           |
| Loss on disposal of property, plant and equipment                    | 10    | –            | (9)         |
| Transaction costs relating to acquisitions                           |       | (15)         | (12)        |
| <b>Operating profit</b>                                              |       | <b>2 899</b> | 2 439       |
| Finance income                                                       | 5     | 346          | 159         |
| Finance cost                                                         | 5     | (526)        | (696)       |
| Share of associates' and joint ventures' net profit after tax        | 12    | 8            | 9           |
| <b>Profit before tax</b>                                             | 6     | <b>2 727</b> | 1 911       |
| Tax expense                                                          | 7     | (538)        | (483)       |
| <b>Profit after tax from continuing operations</b>                   |       | <b>2 189</b> | 1 428       |
| <b>Discontinued operation</b>                                        |       |              |             |
| Profit/(loss) from discontinued operations                           | 28    | 2 758        | (990)       |
| <b>Profit after tax</b>                                              |       | <b>4 947</b> | 438         |
| <b>Profit after tax attributable to:</b>                             |       |              |             |
| Ordinary equity holders of the parent                                |       | 4 827        | 264         |
| Non-controlling interest                                             |       | 120          | 174         |
|                                                                      |       | <b>4 947</b> | 438         |
| <b>Earnings per share (cents)</b>                                    |       |              |             |
| From continuing operations                                           |       |              |             |
| Basic                                                                | 8     | 137.8        | 87.0        |
| Diluted                                                              | 8     | 137.8        | 86.3        |
| From continuing and discontinued operations                          |       |              |             |
| Basic                                                                | 8     | 328.8        | 18.3        |
| Diluted                                                              | 8     | 328.8        | 18.2        |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of comprehensive income

for the year ended 30 September 2024

|                                                                                                      | Note | 2024<br>R'm    | 2023<br>R'm |
|------------------------------------------------------------------------------------------------------|------|----------------|-------------|
| <b>Profit after tax</b>                                                                              |      | <b>4 947</b>   | 438         |
| <b>Other comprehensive income</b>                                                                    |      |                |             |
| <b>Items that may be reclassified to profit or loss</b>                                              |      |                |             |
| Movement in foreign currency translation reserve (FCTR) of continuing foreign operations, net of tax |      | <b>(354)</b>   | (61)        |
| Movement in FCTR of discontinued operation, net of tax                                               | 28   | <b>395</b>     | 1 728       |
| Exchange gain reclassified to profit or loss on disposal of discontinued operation                   | 28   | <b>(3 234)</b> | –           |
| <b>Items that will not be reclassified to profit or loss</b>                                         |      |                |             |
| Retirement benefit asset and post-employment medical aid income, net of tax <sup>1</sup>             |      | <b>11</b>      | 36          |
| <b>Total comprehensive income for the year</b>                                                       |      | <b>1 765</b>   | 2 141       |
| <b>Total comprehensive income attributable to:</b>                                                   |      |                |             |
| Ordinary equity holders of the parent                                                                |      | <b>1 661</b>   | 1 960       |
| Non-controlling interest                                                                             |      | <b>104</b>     | 181         |
|                                                                                                      |      | <b>1 765</b>   | 2 141       |
| <b>Total comprehensive income attributable to ordinary equity holders of the parent arises from:</b> |      |                |             |
| Continuing operations                                                                                |      | <b>1 742</b>   | 1 364       |
| Discontinued operations                                                                              |      | <b>(81)</b>    | 596         |
|                                                                                                      |      | <b>1 661</b>   | 1 960       |

<sup>1</sup> Includes tax of R4 million charge (2023: R12 million charge)

The accompanying notes are an integral part of these consolidated financial statements.



# Consolidated statement of financial position

at 30 September 2024

|                                                                                | Notes | 2024<br>R'm   | 2023<br>R'm |
|--------------------------------------------------------------------------------|-------|---------------|-------------|
| <b>ASSETS</b>                                                                  |       |               |             |
| <b>Non-current assets</b>                                                      |       | <b>16 809</b> | 16 201      |
| Property, plant and equipment                                                  | 10    | 10 765        | 10 572      |
| Intangible assets                                                              | 11    | 3 570         | 3 287       |
| Investment in associates and joint ventures                                    | 12    | 104           | 6           |
| Employee benefit assets                                                        | 13    | 349           | 416         |
| Deferred tax assets                                                            | 14    | 1 835         | 1 733       |
| Other assets                                                                   | 24    | 186           | 187         |
| <b>Current assets</b>                                                          |       | <b>7 292</b>  | 4 971       |
| Cash and cash equivalents                                                      | 15    | 2 462         | 846         |
| Trade and other receivables                                                    | 16    | 4 157         | 3 625       |
| Inventories                                                                    | 17    | 466           | 451         |
| Income tax receivable                                                          |       | 77            | 33          |
| Other assets                                                                   | 24    | 130           | 16          |
| <b>Assets held for sale</b>                                                    | 28    | <b>243</b>    | 24 443      |
| <b>Total assets</b>                                                            |       | <b>24 344</b> | 45 615      |
| <b>EQUITY AND LIABILITIES</b>                                                  |       |               |             |
| <b>Capital and reserves</b>                                                    |       |               |             |
| Stated capital                                                                 | 18    | 13 375        | 13 294      |
| Reserves                                                                       |       | (836)         | 6 920       |
| Non-controlling interest                                                       |       | 975           | 1 075       |
| <b>Total equity</b>                                                            |       | <b>13 514</b> | 21 289      |
| <b>LIABILITIES</b>                                                             |       |               |             |
| <b>Non-current liabilities</b>                                                 |       |               |             |
| Interest-bearing borrowings                                                    | 20    | 3 394         | 11 010      |
| Deferred tax liabilities                                                       | 14    | 1 492         | 1 535       |
| Trade and other payables                                                       | 21    | 49            | 27          |
| Provisions                                                                     | 22    | 6             | –           |
| Contingent consideration liabilities                                           | 23    | 599           | 504         |
| Cash-settled share-based payment liability                                     |       | –             | 3           |
| Other liabilities                                                              |       | 20            | 49          |
| <b>Current liabilities</b>                                                     |       | <b>5 255</b>  | 6 135       |
| Bank overdrafts                                                                | 15    | –             | 187         |
| Trade and other payables                                                       | 21    | 3 910         | 3 743       |
| Interest-bearing borrowings                                                    | 20    | 1 027         | 1 992       |
| Provisions                                                                     | 22    | 143           | 139         |
| Contingent consideration liabilities                                           | 23    | 34            | 17          |
| Cash-settled share-based payment liability                                     |       | –             | 1           |
| Income tax payable                                                             |       | 98            | 41          |
| Other liabilities                                                              |       | 43            | 15          |
| <b>Liabilities directly associated with assets classified as held for sale</b> | 28    | <b>15</b>     | 5 063       |
| <b>Total liabilities</b>                                                       |       | <b>10 830</b> | 24 326      |
| <b>Total equity and liabilities</b>                                            |       | <b>24 344</b> | 45 615      |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

for the year ended 30 September 2024

## Attributable to equity holders of the Company

|                                                                                              | Stated<br>capital<br>R'm | Other<br>reserves<br>R'm | FCTR<br>R'm  | Retained<br>earnings<br>R'm | Reserves<br>R'm | Non-<br>controlling<br>interest<br>R'm | Total<br>equity<br>R'm |
|----------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------|-----------------------------|-----------------|----------------------------------------|------------------------|
| <b>Balance at 1 October 2023</b>                                                             | <b>13 294</b>            | <b>(366)</b>             | <b>2 974</b> | <b>4 312</b>                | <b>6 920</b>    | <b>1 075</b>                           | <b>21 289</b>          |
| Total comprehensive income/(loss) for the year                                               | –                        | 11                       | (3 177)      | 4 827                       | 1 661           | 104                                    | 1 765                  |
| Profit for the year                                                                          | –                        | –                        | –            | 4 827                       | 4 827           | 120                                    | 4 947                  |
| Other comprehensive income/(loss)                                                            | –                        | 11                       | (3 177)      | –                           | (3 166)         | (16)                                   | (3 182)                |
| Transactions with non-controlling interests                                                  | –                        | –                        | –            | –                           | –               | (53)                                   | (53)                   |
| Distributions to shareholders                                                                | –                        | –                        | –            | (9 472)                     | (9 472)         | (151)                                  | (9 623)                |
| Purchase of treasury shares for staff benefit schemes (refer note 18)                        | (285)                    | –                        | –            | –                           | –               | –                                      | (285)                  |
| Vesting of treasury shares for staff benefit schemes (refer note 18)                         | 358                      | (358)                    | –            | –                           | (358)           | –                                      | –                      |
| Disposal of treasury shares for staff benefit schemes forfeited (refer note 18)              | 8                        | –                        | –            | –                           | –               | –                                      | 8                      |
| Long-term incentive schemes and co-investment scheme (CIP) charge from continuing operations | –                        | 248                      | –            | –                           | 248             | –                                      | 248                    |
| Long-term incentive schemes and CIP charge from discontinued operations                      | –                        | 115                      | –            | –                           | 115             | –                                      | 115                    |
| Life Healthcare employee share trust charge                                                  | –                        | 50                       | –            | –                           | 50              | –                                      | 50                     |
| <b>Balance at 30 September 2024</b>                                                          | <b>13 375</b>            | <b>(300)</b>             | <b>(203)</b> | <b>(333)</b>                | <b>(836)</b>    | <b>975</b>                             | <b>13 514</b>          |
| Note                                                                                         |                          | 19                       |              |                             |                 |                                        |                        |
| <b>Balance at 1 October 2022</b>                                                             | 13 342                   | (574)                    | 1 314        | 4 664                       | 5 404           | 1 114                                  | 19 860                 |
| Total comprehensive income for the year                                                      | –                        | 36                       | 1 660        | 264                         | 1 960           | 181                                    | 2 141                  |
| Profit for the year                                                                          | –                        | –                        | –            | 264                         | 264             | 174                                    | 438                    |
| Other comprehensive income                                                                   | –                        | 36                       | 1 660        | –                           | 1 696           | 7                                      | 1 703                  |
| Transactions with non-controlling interests                                                  | –                        | (6)                      | –            | –                           | (6)             | (22)                                   | (28)                   |
| Distributions to shareholders                                                                | –                        | –                        | –            | (616)                       | (616)           | (198)                                  | (814)                  |
| Purchase of treasury shares for staff benefit schemes (refer note 18)                        | (121)                    | –                        | –            | –                           | –               | –                                      | (121)                  |
| Vesting of treasury shares for staff benefit schemes (refer note 18)                         | 73                       | (77)                     | –            | –                           | (77)            | –                                      | (4)                    |
| Transferred in terms of CIP                                                                  | –                        | 17                       | –            | –                           | 17              | –                                      | 17                     |
| Long-term incentive schemes and CIP charge from continuing operations                        | –                        | 169                      | –            | –                           | 169             | –                                      | 169                    |
| Long-term incentive schemes and CIP charge from discontinued operations                      | –                        | 21                       | –            | –                           | 21              | –                                      | 21                     |
| Life Healthcare employee share trust charge                                                  | –                        | 48                       | –            | –                           | 48              | –                                      | 48                     |
| <b>Balance at 30 September 2023</b>                                                          | <b>13 294</b>            | <b>(366)</b>             | <b>2 974</b> | <b>4 312</b>                | <b>6 920</b>    | <b>1 075</b>                           | <b>21 289</b>          |
| Note                                                                                         |                          | 19                       |              |                             |                 |                                        |                        |

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows

for the year ended 30 September 2024

|                                                                                         | Notes | 2024<br>R'm     | 2023<br>R'm |
|-----------------------------------------------------------------------------------------|-------|-----------------|-------------|
| <b>Cash flows from operating activities</b>                                             |       |                 |             |
| Cash generated from continuing operations                                               | 26    | 4 330           | 3 653       |
| Transaction costs relating to acquisitions                                              |       | (11)            | (12)        |
| Finance income received                                                                 |       | 274             | 75          |
| Tax paid                                                                                |       | (707)           | (596)       |
| Net cash (utilised in)/generated from operating activities from discontinued operations |       | (163)           | 1 550       |
| <b>Net cash generated from operating activities</b>                                     |       | <b>3 723</b>    | 4 670       |
| <b>Cash flows from investing activities</b>                                             |       |                 |             |
| Purchase of property, plant and equipment                                               |       | (1 338)         | (1 213)     |
| Purchase of intangible assets                                                           |       | (215)           | (310)       |
| Proceeds on disposal of property, plant and equipment                                   | 10    | 23              | 22          |
| Acquisition of subsidiaries, net of cash acquired                                       | 27    | (421)           | (76)        |
| Proceeds on disposal of AMG, net of cash disposed off                                   | 28    | 19 466          | –           |
| Settlement of the foreign exchange forward contract                                     | 28    | (121)           | –           |
| Acquisition of investment in joint venture                                              | 12    | –               | (3)         |
| Loans to joint venture                                                                  | 12    | (100)           | –           |
| Contingent considerations paid                                                          | 23    | –               | (94)        |
| Other cash payments received <sup>1</sup>                                               |       | 10              | 10          |
| Other cash payments made <sup>2</sup>                                                   |       | (61)            | (71)        |
| Net cash utilised in investing activities from discontinued operations                  |       | (579)           | (1 198)     |
| <b>Net cash generated from/(utilised in) investing activities</b>                       |       | <b>16 664</b>   | (2 933)     |
| <b>Cash flows from financing activities</b>                                             |       |                 |             |
| Proceeds from bank loans and notes issued                                               | 20    | 2 485           | 446         |
| Repayment of bank loans                                                                 | 20    | (11 257)        | (566)       |
| Repayment of lease liabilities                                                          | 20    | (141)           | (121)       |
| Distributions to non-controlling interests                                              |       | (151)           | (198)       |
| Cash flow on increases in ownership interest                                            | 27    | (72)            | (98)        |
| Proceeds on decreases in ownership interest                                             | 27    | 19              | 70          |
| Contingent considerations paid                                                          | 23    | –               | (39)        |
| Finance cost paid                                                                       |       | (438)           | (618)       |
| Treasury shares acquired for delivery to staff trust and long-term incentive schemes    | 18    | (285)           | (121)       |
| Disposal of forfeited treasury shares                                                   |       | 8               | –           |
| Dividends paid to Company's shareholders                                                |       | (9 472)         | (616)       |
| Net cash utilised in financing activities from discontinued operations                  |       | (318)           | (767)       |
| <b>Net cash utilised in financing activities</b>                                        |       | <b>(19 622)</b> | (2 628)     |
| Net increase/(decrease) in cash and cash equivalents                                    |       | 765             | (891)       |
| Cash and cash equivalents from continuing operations – beginning of the year            |       | 659             | 2 467       |
| Cash and cash equivalents held for sale – beginning of the year                         |       | 1 096           | –           |
| Effect of foreign currency rate movements                                               |       | (58)            | 179         |
| Cash balances reclassified as held for sale                                             | 28    | –               | (1 096)     |
| <b>Cash and cash equivalents at the end of the year</b>                                 | 15    | <b>2 462</b>    | 659         |

<sup>1</sup> Includes dividends and capital distributions received from associates and joint ventures – refer note 12.

<sup>2</sup> Includes loans to doctors and investment in first-party Cell Captive.

The accompanying notes are an integral part of these consolidated financial statements.

# Notes to the consolidated annual financial statements

for the year ended 30 September 2024

## 1. BASIS OF PREPARATION, CRITICAL JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS

### 1.1 Basis of preparation

The Group annual financial statements present the consolidated financial position and changes therein, operating results and cash flow information of Life Healthcare Group Holdings Limited, its subsidiaries, associates and joint ventures, and have been prepared on a historical cost basis, unless otherwise stated.

#### Prepared in accordance with

- IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee (IFRIC) interpretations effective for the Group's financial year, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council
- JSE Listings Requirements
- South African Companies Act, 71 of 2008 (as amended)

#### Going concern principles

The Group performs regular assessments on the going concern status of the Group. These assessments take into consideration:

- current solvency of the Group;
- current liquidity position;
- available committed and uncommitted bank facilities;
- cash commitments for the next 12 months;
- budgets and forecasts;
- bank covenants; and
- debt maturities.

The assessments are reviewed by the Board of Directors. The forecasts for the Group have been prepared, covering its future performance, capital and liquidity for a period of 12 months from the date of approval of these consolidated financial statements.

The Group had a strong trading performance for the year ended 30 September 2024 and generated R4.3 billion (2023: R3.7 billion) cash from continuing operations.

The Group is in a strong financial position with net debt to normalised EBITDA (calculated as defined in the debt agreements) at 0.45 times as at 30 September 2024 (2023: 2.00 times).

The Group is expected to remain within bank covenants for the next reporting period based upon current forecasts. The Group's available undrawn bank facilities as at 30 September 2024 are R2.3 billion (2023: R4.1 billion) (refer note 20).

Based on the going concern assessment, the Board of Directors is of the view that the Group and Company:

- have adequate resources to continue in operation for the foreseeable future; and
- have sufficient accessible capital and liquidity to continue to meet its obligations as they fall due and as a result it is appropriate to prepare these consolidated and Company financial statements on a going concern basis.

#### Presentation and functional currency

South African rand

#### Rounding principles

Rounded to the nearest million, unless otherwise stated. Amounts less than R500 000 will therefore round down to Rnil and are presented as a dash.

# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 1. BASIS OF PREPARATION, CRITICAL JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

### 1.1 Basis of preparation continued

#### Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currencies at reporting date closing rates are recognised in the statement of profit or loss.

Foreign exchange gains or losses are deferred in equity if they relate to qualifying cash flow hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain and loss.

Foreign exchange gains or losses that relate to borrowings are presented in the statement of profit or loss, within finance income/(costs). All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income/(expenses).

### 1.2 Critical judgements, accounting estimates and assumptions

The preparation of the annual financial statements requires the use of critical accounting estimates and assumptions (refer 1.2.2) and requires management to exercise judgements (refer 1.2.1) in the process of applying the Group's accounting policies. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. A description of the accounting estimates, assumptions and judgements that were critical to preparing specific financial statement items as well as the processes employed to do so, are set out as follows:

#### 1.2.1 Critical judgements

##### Non-financial assets

##### *Impairment – goodwill*

The recoverable amounts of cash-generating units (CGUs) have been determined based on the higher of value-in-use calculations and fair value less cost to sell. These calculations require the use of estimates. An impairment loss is recognised for CGUs if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order: first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A level of judgement is required in estimating future activities, and the related cash flows. The southern African operations continue to experience strong demand for their services which led to higher utilisation of the Group's services. Admissions grew 1.4% year-on-year and strong activities growth was seen across most business lines. Occupancy levels for hospitals and complementary services were 69.0% (2023: 68.2%) and are estimated to be between 69% and 71% in FY2025, the first year of estimated future activities.

The recoverable amounts of most southern African as well as for Life Molecular Imaging (LMI) CGUs were determined based on value in use. The recoverable amounts of some CGUs in southern Africa were determined based on fair value less cost to sell.

## 1. BASIS OF PREPARATION, CRITICAL JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

### 1.2 Critical judgements, accounting estimates and assumptions continued

#### 1.2.1 Critical judgements continued

##### Non-financial assets continued

##### *Impairment – goodwill* continued

##### **Recoverable amounts based on value in use**

The value-in-use calculations for the southern Africa CGUs were determined by discounting the expected future cash flows over a period of five years after which a terminal growth rate is applied.

For LMI the value-in-use calculation was determined by discounting the expected future cash flows over a period of 10-years. A 10-year period was used on the basis that the registered intellectual property for some products starts to expire after 2031, alongside the assumed level of growth being significant over the 10-year period both in NeuraCeq® and pipeline products. No terminal growth rate is applied for LMI.

The key assumptions used in the value-in-use calculations are:

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Average discount rates             | The weighted average cost of capital (WACC) was determined by considering the respective debt and equity costs and ratios. To determine the discount rates, the local risk-free rate was used based on the in-country government bond yield adjusted for a risk premium to reflect the increased risk of investing in equities. The discount rates used are pre-tax and reflect the specific risks relating to the industry and the countries in which we operate. |
| Growth rates in activities/volumes | Based on historical experience, capacity availability and the expected developments in the market.                                                                                                                                                                                                                                                                                                                                                                 |
| Tariff and inflation increases     | Based on the latest available economic forecasts and management's expectations of the outcome of annual tariff negotiations.                                                                                                                                                                                                                                                                                                                                       |
| Growth in overhead costs           | Based on management knowledge, prior history or trends and latest available economic forecasts.                                                                                                                                                                                                                                                                                                                                                                    |
| Terminal growth rates              | These rates are country-specific and determined based on the forecast market growth rates.                                                                                                                                                                                                                                                                                                                                                                         |

##### **Southern Africa**

The key assumptions used in the value-in-use calculations were as follows:

|                                             | <b>2024</b><br>% | 2023<br>% |
|---------------------------------------------|------------------|-----------|
| Growth rate in activities <sup>1</sup>      | <b>0.0 – 5.5</b> | 0.0 – 6.0 |
| Average discount rate                       |                  |           |
| Pre-tax                                     | <b>15.52</b>     | 16.97     |
| Post-tax                                    | <b>12.86</b>     | 13.99     |
| Tariff and inflation increases <sup>2</sup> | <b>0.0 – 5.4</b> | 0.0 – 6.0 |
| Terminal growth rate                        | <b>4.5</b>       | 4.5       |

<sup>1</sup> The quoted growth rate varies based on the type of business and the maturity thereof. CGUs at higher occupancy levels would have less opportunity for growth without expansion.

<sup>2</sup> Inflationary increases of 5.0% (2023: 6.0%) have been applied for the 2025 financial year, but 4.5% (2023: 4.5%) thereafter for the remainder of our forecast.

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 1. BASIS OF PREPARATION, CRITICAL JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

### 1.2 Critical judgements, accounting estimates and assumptions continued

#### 1.2.1 Critical judgements continued

##### Non-financial assets continued

##### *Impairment – goodwill* continued

##### *Recoverable amounts based on value in use* continued

##### **International – LMI**

Key assumptions used in the value-in-use calculation include the probabilities of success of a Disease Modifying Drug (DMD) gaining regulatory approval and reimbursement in Europe as well as growth in volumes and increase in price and cost per dose, which are reflective of new pharmaceutical products.

Key drivers:

|                                                | 2024         |                                                        | 2023                                                   |
|------------------------------------------------|--------------|--------------------------------------------------------|--------------------------------------------------------|
|                                                | %<br>chance  | Assumed year<br>approval/<br>reimbursement<br>obtained | %<br>chance                                            |
|                                                |              |                                                        | Assumed year<br>approval/<br>reimbursement<br>obtained |
| <b>US</b>                                      |              |                                                        |                                                        |
| <b>Probability of success of a DMD gaining</b> |              |                                                        | 100.0                                                  |
| Regulatory approval                            |              | <b>approved during 2024</b>                            | 100.0                                                  |
| Reimbursement                                  |              | <b>approved during 2024</b>                            | 100.0                                                  |
| <b>Europe</b>                                  |              |                                                        |                                                        |
| <b>Probability of success of a DMD gaining</b> | <b>75.0</b>  |                                                        | 81.0                                                   |
| Regulatory approval                            | <b>75.0</b>  | <b>2026</b>                                            | 90.0                                                   |
| Reimbursement                                  | <b>100.0</b> | <b>2026</b>                                            | 90.0                                                   |

Other key assumptions were:

|                                                   | 2024<br>%              | 2023<br>%        |
|---------------------------------------------------|------------------------|------------------|
| Growth in overhead costs (due to volume increase) | <b>4.0</b>             | 4.0              |
| Average discount rate <sup>1</sup>                |                        |                  |
| Pre-tax                                           | <b>16.80</b>           | 18.76            |
| Post-tax                                          | <b>11.93</b>           | 13.90            |
| Terminal growth rate                              | <b>n/a<sup>2</sup></b> | n/a <sup>2</sup> |

<sup>1</sup> The risk-free rate in the current year is lower than prior years largely due to the decrease in the reported equity risk premium metrics.

<sup>2</sup> 10-year time horizon is used in line with registered intellectual property expiry and to recognise the significant growth in cashflows in outer years.

Key assumptions used in the forecast also include a percentage of PET-CT adoption rate of 33% (2023: 45%), increase in sales volumes as utilisation increases of 75% to 80% (2023: 45% to 50%) after reimbursement, and a corresponding annual reduction in price and cost per dose of -1.5% (2023: -1.5%).

1. BASIS OF PREPARATION, CRITICAL JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

1.2 Critical judgements, accounting estimates and assumptions continued

1.2.1 Critical judgements continued

**Non-financial assets** continued

*Impairment – goodwill* continued

**Recoverable amounts based on value in use** continued

**Sensitivity analysis**

Sensitivity analysis included fluctuations in activity/volume growth, discount rates and tariffs. For the different operations, the assumption with the most significant impact on the value-in-use calculation is tabled below.

| Territory       | Significant assumption                              | Impact                                                                                                                                              |
|-----------------|-----------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Southern Africa | Reduction in tariff assumed with no change in costs | ■ If tariff increases reduce by 0.09% without a corresponding decrease in costs, the first CGU's carrying amount will exceed its recoverable amount |
| LMI             | Average discount rate                               | ■ If the average pre-tax discount rate increases to 59.78%, the carrying amount will exceed its recoverable amount                                  |

**Financial instruments**

*Impairment of financial assets*

**Trade receivables**

The Group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables (ECL model).

The ECL model is based on days past due for groupings of various customer segments that have similar loss patterns (mainly by customer type).

The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions.

The fundamental assumption in the ECL model is that the default definition can be applied when one or more of the following are true:

- Days past due (DPD) are greater than 90 days
- Default is considered likely, namely those accounts handed over to attorneys or under debt review or administration
- An account has been flagged as being high risk, but not yet formally handed over or placed under administration

The Group established an ECL model that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment affecting the ability of the customer to settle outstanding balances. For trade receivables, the Group is unlikely to experience significant change in economic conditions over the credit risk exposure period, therefore the forward-looking factors do not have a material impact on the Group. The Group does not track significant increases in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Credit losses are included as a separate line item in the statement of profit or loss.

Information regarding the ECLs is disclosed in note 16, note 33 and annexure A – material accounting policy information (section 1.11 financial instruments).



# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 1. BASIS OF PREPARATION, CRITICAL JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

### 1.2 Critical judgements, accounting estimates and assumptions continued

#### 1.2.1 Critical judgements continued

##### Lease accounting

###### *Extension options*

Extension options are included in a number of leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Group and not by the respective lessor.

Consideration of whether extension options should be included in determining the lease term is a critical judgement. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The Group has assessed that it is reasonably certain that all extension options on property leases for hospitals will be exercised and therefore has included all renewal periods as part of the lease term as hospital buildings are integral to the Group's operations and cost of relocation will be significant. Due to the medical equipment being highly technical in nature, and the possibility that new technology may be developed, extension options have not been taken into account for medical equipment.

As at 30 September 2024, potential future cash outflows of R1.2 billion (2023: R1.3 billion) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

##### Employee benefits

###### *Defined benefit plans*

|                                                                 |                                                                                                                                                                                                      |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Determining the present value of the defined benefit obligation | The value of the defined benefit obligations is discounted using appropriate interest rates. The cost of providing the benefits is determined using the projected unit credit method. Refer note 13. |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

##### Other

###### *Deferred tax assets*

The Group recognises the future benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of the deferred income tax assets requires the Group to make estimates related to expectations in future taxable income. Estimates of future taxable income are based on five-year cash flow forecasts, assumptions regarding economic growth, interest rates, inflation rates and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the deferred tax assets recorded at the reporting date could be impacted. The deferred tax asset is reviewed at the end of the reporting period and adjusted if required. Additionally future changes in tax laws could limit the ability of the Group to obtain tax deductions in future periods. Refer note 14.

###### *Uncertain tax position*

There are limited uncertain tax positions relating to certain tax matters that were challenged by the tax authorities. None of these uncertain tax positions are expected to have a material impact on the consolidated financial statements as the likelihood of an outflow of resources is remote. Consequently, no provision for uncertain tax positions was raised in the current year based on management's best estimate of the probable outcome of these uncertain tax positions.

###### *Insurance provision*

In the ordinary course of business the Group, from time to time, receives potential litigation and claims. Such claims are assessed by management and legal counsel and dealt with on a case-by-case basis taking into consideration applicable excess levels per claim and external legal advice on the merits and probability of the success of the claim. Based on past experience, the southern African provision has a historical reserve exposure, of 11.9% of the claim (lower of claim/deductible). The southern Africa provision is discounted at a pre-tax average cost of debt rate of 9.6% (2023: 9.7%), where applicable.

1. BASIS OF PREPARATION, CRITICAL JUDGEMENTS, ACCOUNTING ESTIMATES AND ASSUMPTIONS *continued*

**1.2 Critical judgements, accounting estimates and assumptions** *continued*

1.2.2 Critical accounting estimates and assumptions

**Business combinations**

**Contingent consideration**

The calculation of contingent consideration requires the use of estimates and assumptions. This includes estimates and assumptions on future cash flows as well as determining an appropriate discount rate.

The largest contingent consideration payable (R534 million) relates to a potential amount payable to the previous owners of LMI that was acquired during June 2018.

The fair value of the contingent consideration was calculated using the discounted cash flow method. The LMI contingent consideration will become payable when the acquired business generates a positive cash contribution, measured on a cumulative basis from the date of acquisition. The contingent consideration is a cumulative 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, cost incurred and timing of reimbursement, discounted to present value using a post-tax discount rate of 5.43%.

Key assumptions used in the forecast also include a percentage of PET-CT adoption rate of 33% (2023: 45%), increase in sales volumes as utilisation increases of 75% to 80% (2023: 45% to 50%) after reimbursement, and a corresponding annual reduction in price and cost per dose of -1.5% (2023: -1.5%).

Key drivers:

|                                                | 2024                        |                                                  | 2023     |                                                  |
|------------------------------------------------|-----------------------------|--------------------------------------------------|----------|--------------------------------------------------|
|                                                | % chance                    | Assumed year approval/<br>reimbursement obtained | % chance | Assumed year approval/<br>reimbursement obtained |
| <b>US</b>                                      |                             |                                                  |          |                                                  |
| <b>Probability of success of a DMD gaining</b> |                             |                                                  | 100.0    |                                                  |
| Regulatory approval                            | <b>approved during 2024</b> |                                                  | 100.0    | 2024                                             |
| Reimbursement                                  | <b>approved during 2024</b> |                                                  | 100.0    | 2024                                             |
| <b>Europe</b>                                  |                             |                                                  |          |                                                  |
| <b>Probability of success of a DMD gaining</b> | <b>75.0</b>                 |                                                  | 81.0     |                                                  |
| Regulatory approval                            | <b>75.0</b>                 | <b>2026</b>                                      | 90.0     | 2024                                             |
| Reimbursement                                  | <b>100.0</b>                | <b>2026</b>                                      | 90.0     | 2026                                             |

**Sensitivity analysis based on most significant assumption used**

The current LMI contingent consideration value is based on the assumption that the PET-CT adoption rate as a proportion of patients eligible for investigation grows annually (initially at 30% and growing up to 60% in the EU; 25% and growing to 60% in the US) as the benefits of PET-CT as a diagnostic tool are more widely utilised.

| Significant unobservable inputs | Sensitivity of the input to fair value |                   |                           |
|---------------------------------|----------------------------------------|-------------------|---------------------------|
|                                 | Change                                 | Current value R'm | Value if input change R'm |
| PET-CT adoption rate            | +10                                    | 534               | 888                       |
|                                 | -10                                    | 534               | 222                       |
| Discount rate                   | +2                                     | 534               | 495                       |
|                                 | -2                                     | 534               | 576                       |
| Reimbursement delay             | +2 years                               | 534               | 512                       |

Refer note 23.

# Notes to the consolidated annual financial statements

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for the year ended 30 September 2024

## 2. REVENUE AND OTHER INCOME

### 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 into the segment report (disclosed in note 9).

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

| Segments                                                                                                                                                                                                                                                 | Hospitals<br>R'm | Complementary<br>services<br>R'm | Healthcare<br>services<br>R'm | Radiopharma-<br>ceutical<br>products <sup>1</sup><br>R'm | Total<br>R'm  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------------|-------------------------------|----------------------------------------------------------|---------------|
| <b>2024</b>                                                                                                                                                                                                                                              |                  |                                  |                               |                                                          |               |
| <b>Primary geographical areas</b>                                                                                                                                                                                                                        |                  |                                  |                               |                                                          |               |
| Southern Africa                                                                                                                                                                                                                                          | 20 299           | 2 045                            | 1 330                         | –                                                        | 23 674        |
| International                                                                                                                                                                                                                                            | –                | –                                | –                             | 1 845                                                    | 1 845         |
| UK                                                                                                                                                                                                                                                       | –                | –                                | –                             | 10                                                       | 10            |
| Europe                                                                                                                                                                                                                                                   | –                | –                                | –                             | 70                                                       | 70            |
| USA                                                                                                                                                                                                                                                      | –                | –                                | –                             | 1 706                                                    | 1 706         |
| Other                                                                                                                                                                                                                                                    | –                | –                                | –                             | 59                                                       | 59            |
|                                                                                                                                                                                                                                                          | <b>20 299</b>    | <b>2 045</b>                     | <b>1 330</b>                  | <b>1 845</b>                                             | <b>25 519</b> |
| <b>Type of customer</b>                                                                                                                                                                                                                                  |                  |                                  |                               |                                                          |               |
| <b>Contract from customers</b>                                                                                                                                                                                                                           |                  |                                  |                               |                                                          |               |
| Private (including private medical aids and cash paying patients)                                                                                                                                                                                        | 19 877           | 1 678                            | –                             | –                                                        | 21 555        |
| Government and public healthcare facilities                                                                                                                                                                                                              | 305              | 38                               | 751                           | –                                                        | 1 094         |
| Corporate institutions                                                                                                                                                                                                                                   | –                | 329                              | 579                           | 1 845                                                    | 2 753         |
| <b>Rental revenue</b>                                                                                                                                                                                                                                    |                  |                                  |                               |                                                          |               |
| Rental income related to auxiliary services                                                                                                                                                                                                              | 117              | –                                | –                             | –                                                        | 117           |
|                                                                                                                                                                                                                                                          | <b>20 299</b>    | <b>2 045</b>                     | <b>1 330</b>                  | <b>1 845</b>                                             | <b>25 519</b> |
| <b>Timing of revenue recognition</b>                                                                                                                                                                                                                     |                  |                                  |                               |                                                          |               |
| Over time                                                                                                                                                                                                                                                | 14 804           | 1 716                            | 1 330                         | –                                                        | 17 850        |
| At a point in time                                                                                                                                                                                                                                       | 5 495            | 329                              | –                             | 1 845                                                    | 7 669         |
|                                                                                                                                                                                                                                                          | <b>20 299</b>    | <b>2 045</b>                     | <b>1 330</b>                  | <b>1 845</b>                                             | <b>25 519</b> |
| <sup>1</sup> Increase in revenue is due to the sub-licence transaction that was entered into by LMI. LMI sub-licensed one of its early-stage novel radiotherapeutic and radio diagnostic products (RM2) and received an upfront payment of R665 million. |                  |                                  |                               |                                                          |               |
| <b>2023</b>                                                                                                                                                                                                                                              |                  |                                  |                               |                                                          |               |
| <b>Primary geographical areas</b>                                                                                                                                                                                                                        |                  |                                  |                               |                                                          |               |
| Southern Africa                                                                                                                                                                                                                                          | 19 053           | 1 612                            | 1 320                         | –                                                        | 21 985        |
| International                                                                                                                                                                                                                                            | –                | –                                | –                             | 656                                                      | 656           |
| UK                                                                                                                                                                                                                                                       | –                | –                                | –                             | 19                                                       | 19            |
| Europe                                                                                                                                                                                                                                                   | –                | –                                | –                             | 60                                                       | 60            |
| USA                                                                                                                                                                                                                                                      | –                | –                                | –                             | 542                                                      | 542           |
| Other                                                                                                                                                                                                                                                    | –                | –                                | –                             | 35                                                       | 35            |
|                                                                                                                                                                                                                                                          | <b>19 053</b>    | <b>1 612</b>                     | <b>1 320</b>                  | <b>656</b>                                               | <b>22 641</b> |
| <b>Type of customer</b>                                                                                                                                                                                                                                  |                  |                                  |                               |                                                          |               |
| <b>Contract from customers</b>                                                                                                                                                                                                                           |                  |                                  |                               |                                                          |               |
| Private (including private medical aids and cash paying patients)                                                                                                                                                                                        | 18 660           | 1 321                            | –                             | –                                                        | 19 981        |
| Government and public healthcare facilities                                                                                                                                                                                                              | 286              | 37                               | 696                           | –                                                        | 1 019         |
| Corporate institutions                                                                                                                                                                                                                                   | –                | 254                              | 624                           | 656                                                      | 1 534         |
| <b>Rental revenue</b>                                                                                                                                                                                                                                    |                  |                                  |                               |                                                          |               |
| Rental income related to auxiliary services                                                                                                                                                                                                              | 107              | –                                | –                             | –                                                        | 107           |
|                                                                                                                                                                                                                                                          | <b>19 053</b>    | <b>1 612</b>                     | <b>1 320</b>                  | <b>656</b>                                               | <b>22 641</b> |
| <b>Timing of revenue recognition</b>                                                                                                                                                                                                                     |                  |                                  |                               |                                                          |               |
| Over time                                                                                                                                                                                                                                                | 13 908           | 1 358                            | 1 320                         | –                                                        | 16 586        |
| At a point in time                                                                                                                                                                                                                                       | 5 145            | 254                              | –                             | 656                                                      | 6 055         |
|                                                                                                                                                                                                                                                          | <b>19 053</b>    | <b>1 612</b>                     | <b>1 320</b>                  | <b>656</b>                                               | <b>22 641</b> |

## 2. REVENUE AND OTHER INCOME continued

### Other income

|                                                           | 2024<br>R'm | 2023<br>R'm |
|-----------------------------------------------------------|-------------|-------------|
| Other rental income                                       | 110         | 108         |
| Learning centre fees and SETA reimbursements <sup>1</sup> | 86          | 73          |
| Credit balance release                                    | 38          | 36          |
| Other income <sup>2</sup>                                 | 38          | 32          |
| Insurance receipts                                        | 20          | 13          |
|                                                           | <b>292</b>  | <b>262</b>  |

<sup>1</sup> Sector Education and Training Authority (SETA).

<sup>2</sup> Other income consists of a number of non-material balances.

## 3. EMPLOYEE BENEFITS EXPENSE

|                                                                               | 2024<br>R'm  | 2023<br>R'm  |
|-------------------------------------------------------------------------------|--------------|--------------|
| Salaries                                                                      | 7 161        | 6 604        |
| Short-term performance bonuses                                                | 351          | 204          |
| Equity-settled share-based payment – long-term incentive schemes <sup>3</sup> | 214          | 137          |
| Equity-settled share-based payment – CIP <sup>3</sup>                         | 34           | 32           |
| Share-based payment – Life Healthcare employee share trust <sup>3</sup>       | 50           | 48           |
| Retrenchment costs                                                            | 27           | 5            |
| Agency fees                                                                   | 1 256        | 1 174        |
| Medical aid contributions                                                     | 389          | 360          |
| Pension fund costs – defined benefit and contribution plans                   | 8            | 7            |
| Provident fund costs – defined contribution plans                             | 342          | 312          |
| Social security costs                                                         | 24           | 25           |
| Other                                                                         | 117          | 106          |
|                                                                               | <b>9 973</b> | <b>9 014</b> |

<sup>3</sup> Refer statement of changes in equity.

Includes executive directors' and prescribed officers' remuneration (refer note 29).

## 4. FAIR VALUE (GAIN)/LOSS ON FINANCIAL INSTRUMENTS

|                                                                    |           |           |
|--------------------------------------------------------------------|-----------|-----------|
| Fair value gain on derivative financial instruments                | (3)       | (6)       |
| Fair value loss on derivative financial instruments                | 16        | 20        |
| Fair value loss relating to investment in first-party Cell Captive | 1         | 20        |
| Fair value loss on equity investment                               | 1         | 4         |
|                                                                    | <b>15</b> | <b>38</b> |

## 5. FINANCE INCOME AND COST

|                                                                           |            |            |
|---------------------------------------------------------------------------|------------|------------|
| Finance income                                                            | (346)      | (159)      |
| Interest revenue calculated using the effective interest rate method      | (240)      | (56)       |
| Interest rate swap contract                                               | (4)        | (15)       |
| Foreign exchange gains                                                    | (87)       | (76)       |
| Other                                                                     | (15)       | (12)       |
| Finance cost                                                              | 526        | 696        |
| Interest-bearing borrowings and bank overdrafts                           | 346        | 490        |
| Interest rate swap contracts                                              | –          | 15         |
| Interest on lease liabilities                                             | 84         | 92         |
| Borrowing cost capitalised on tangible and intangible assets <sup>4</sup> | (8)        | (19)       |
| Foreign exchange losses                                                   | 9          | 1          |
| Unwinding of contingent consideration                                     | 78         | 62         |
| Dispute on contract interpretation provision – refer note 22              | –          | 47         |
| Other                                                                     | 17         | 8          |
| Net finance cost                                                          | <b>180</b> | <b>537</b> |

<sup>4</sup> The Group has used an average rate of 9.6% (2023: 10.1%) in determining the borrowing costs capitalised.

# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 6. OTHER EXPENSES

|                                                                                                    | 2024<br>R'm  | 2023<br>R'm |
|----------------------------------------------------------------------------------------------------|--------------|-------------|
| The following items have been included as part of other expenses in arriving at profit before tax: |              |             |
| Lease rentals                                                                                      | 139          | 152         |
| Expense relating to short-term leases                                                              | 9            | 12          |
| Expense relating to leases of low-value assets, not shown above as short-term leases               | 45           | 19          |
| Expense relating to variable lease payments not included in lease liabilities                      | 85           | 121         |
| Auditors' remuneration                                                                             | 38           | 32          |
| Total audit fees                                                                                   | 37           | 30          |
| Fees relating to non-audit services <sup>1</sup>                                                   | 1            | 2           |
| Advertising and marketing expenses                                                                 | 101          | 84          |
| Non-executive directors' emoluments (refer note 29)                                                | 15           | 17          |
| Insurance premiums                                                                                 | 104          | 30          |
| Motor vehicle expenses                                                                             | 51           | 39          |
| Security costs                                                                                     | 125          | 111         |
| Subscriptions and publications costs                                                               | 48           | 44          |
| Training and conferences expenses                                                                  | 94           | 66          |
| Travelling and accommodation expenses                                                              | 60           | 46          |
| Equipment expenses                                                                                 | 70           | 65          |
| Discount on settlement of outstanding accounts                                                     | 65           | 46          |
| Other <sup>2</sup>                                                                                 | 205          | 156         |
|                                                                                                    | <b>1 115</b> | 888         |

<sup>1</sup> Includes agreed upon procedures and assurance engagements of R0.2 million (2023 R1.8 million) and tax services of R0.4 million.

<sup>2</sup> Other comprises mainly general expenses, bank charges, refreshments and quality costs.

## 7. TAX EXPENSE

|                                                                              |              |        |
|------------------------------------------------------------------------------|--------------|--------|
| Current income tax                                                           |              |        |
| Current year                                                                 | 730          | 662    |
| Prior year under/(over) provision                                            | 10           | (64)   |
| Deferred income tax                                                          |              |        |
| Origination and reversal of temporary differences                            | (17)         | (139)  |
| Prior year (over)/under provision                                            | (8)          | 39     |
| Change in foreign tax rate                                                   | –            | (17)   |
| Benefit from previously unrecognised trading losses                          | (183)        | –      |
| Withholding taxes                                                            | 6            | 2      |
| Total tax expense                                                            | <b>538</b>   | 483    |
| <b>Reconciliation of the tax rate</b>                                        | %            | %      |
| South African normal tax rate                                                | 27.00        | 27.00  |
| Adjustments for non-cash items:                                              |              |        |
| Income not taxable - partnerships                                            | 0.18         | (0.72) |
| Expenses not deductible – fair value adjustments to contingent consideration | 0.58         | 0.10   |
| Other <sup>3</sup>                                                           | (0.56)       | 1.28   |
| Change in foreign tax rate                                                   | –            | (0.89) |
| Prior year under/(over) provision                                            | 0.07         | (1.32) |
| Withholding taxes                                                            | 0.21         | 0.10   |
| Assessed losses derecognised in current year or previously not recognised    | (5.60)       | (0.70) |
| Differential between international tax rates and SA's normal tax rate        | (2.18)       | (1.45) |
| Effect of reclassification to discontinued operations                        | –            | 1.89   |
| Effective rate                                                               | <b>19.70</b> | 25.29  |

<sup>3</sup> Other includes various permanent differences for which there are no corresponding tax allowances. The significant permanent differences include learnership allowances and non-deductible expenses (2023: learnership allowances and non-deductible interest and expenses).

The Group has raised deferred tax on estimated tax losses and capital allowances of R1.7 billion (2023: R1.3 billion) available to offset against future taxable income. Refer note 14. These losses relate to:

|                 |              |       |
|-----------------|--------------|-------|
| Southern Africa | 319          | 226   |
| International   | 1 400        | 1 100 |
|                 | <b>1 719</b> | 1 326 |

Tax losses relating to continuing operations of R239m (2023: R19m) were utilised during the year. Of these utilised losses R31m (2023: R19m) relate to the southern Africa business and R208m to the international business.

## 7. TAX EXPENSE continued

The Organisation for Economic Co-operation and Development (OECD) has issued various guidelines over the past few years in relation to the Pillar Two income taxes project. Countries are in the process of adopting taxes legislation in various formats to align to this project. As at 30 September 2024, South Africa has not yet substantively enacted such legislation, although Government's intention to adopt such legislation was communicated during the Parliamentary Budget Speech in February 2024. Life Healthcare Group Holdings Limited is incorporated in South Africa and is the ultimate parent entity of the Life Healthcare Group of companies. Under the proposed legislation, and in line with the OECD guidelines, the ultimate parent entity will be required to pay top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15%. Of all the territories where the Group operates, legislation on Pillar 2 has already been enacted in Germany and the UK.

The Group continues to assess the impact of the Pillar Two income taxes legislation on its financial performance in all jurisdictions where it operates or where required. As at 30 September 2024, based on management's assessment, no provision has been made for additional top-up taxes.

## 8. EARNINGS (EPS), HEADLINE EARNINGS (HEPS) AND DIVIDEND (DPS) PER SHARE

|                                 | Total dividend (R'm) |      | Total number of issued shares ('000) |           | Cents per share |      |
|---------------------------------|----------------------|------|--------------------------------------|-----------|-----------------|------|
|                                 | 2024                 | 2023 | 2024                                 | 2023      | 2024            | 2023 |
| DPS – ordinary shares           |                      |      |                                      |           |                 |      |
| Final (previous financial year) | <b>396</b>           | 367  | <b>1 467 349</b>                     | 1 467 349 | <b>27</b>       | 25   |
| Special                         | <b>8 804</b>         | –    | <b>1 467 349</b>                     | 1 467 349 | <b>600</b>      | –    |
| Interim                         | <b>279</b>           | 249  | <b>1 467 349</b>                     | 1 467 349 | <b>19</b>       | 17   |

|                                                    | Attributable earnings R'm |       | Weighted average number of shares ('000) |           | Cents per share          |      |
|----------------------------------------------------|---------------------------|-------|------------------------------------------|-----------|--------------------------|------|
|                                                    | 2024                      | 2023  | 2024                                     | 2023      | 2024                     | 2023 |
| <b>From continuing operations</b>                  |                           |       |                                          |           |                          |      |
| EPS – basic                                        | <b>1 986</b>              | 1 254 | <b>1 443 115</b>                         | 1 441 954 | <b>137.8</b>             | 87.0 |
| EPS – diluted                                      | <b>2 069</b>              | 1 254 | <b>1 453 376</b>                         | 1 454 020 | <b>137.8<sup>2</sup></b> | 86.3 |
| HEPS – basic                                       | <b>2 004</b>              | 1 261 | <b>1 443 115</b>                         | 1 441 954 | <b>139.0</b>             | 87.5 |
| HEPS – diluted                                     | <b>2 087</b>              | 1 261 | <b>1 453 376</b>                         | 1 454 020 | <b>139.0<sup>2</sup></b> | 86.7 |
| Normalised EPS (NEPS) <sup>1</sup>                 | <b>1 909</b>              | 1 284 | <b>1 443 115</b>                         | 1 441 954 | <b>132.3</b>             | 89.1 |
| <b>From continuing and discontinued operations</b> |                           |       |                                          |           |                          |      |
| EPS – basic                                        | <b>4 744</b>              | 264   | <b>1 443 115</b>                         | 1 441 954 | <b>328.8</b>             | 18.3 |
| EPS – diluted                                      | <b>4 827</b>              | 264   | <b>1 453 376</b>                         | 1 454 020 | <b>328.8<sup>2</sup></b> | 18.2 |
| HEPS – basic                                       | <b>2 205</b>              | 1 272 | <b>1 443 115</b>                         | 1 441 954 | <b>152.9</b>             | 88.2 |
| HEPS – diluted                                     | <b>2 288</b>              | 1 272 | <b>1 453 376</b>                         | 1 454 020 | <b>152.9<sup>2</sup></b> | 87.5 |

<sup>1</sup> Non-IFRS measure.

<sup>2</sup> The diluted EPS and diluted HEPS for the current year is equal to the basic EPS and basic HEPS, as the potential ordinary shares outstanding do not have a dilutive effect on earnings per share.

# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 8. EARNINGS (EPS), HEADLINE EARNINGS (HEPS) AND DIVIDEND (DPS) PER SHARE continued

|                                                                                                                      | 2024<br>R'm | 2023<br>R'm |
|----------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>From continuing and discontinued operations</b>                                                                   |             |             |
| Basic and diluted earnings - profit attributable to ordinary equity holders of the parent                            | 4 827       | 264         |
| Less: dividends distributed to participants in share schemes on unvested shares                                      | (83)        | -           |
| Basic earnings attributable to ordinary equity holders of the parent                                                 | 4 744       | 264         |
| <b>From continuing operations</b>                                                                                    |             |             |
| Basic and diluted earnings - profit attributable to ordinary equity holders of the parent                            | 4 827       | 264         |
| Less: (profit)/ loss from discontinued operations                                                                    | (2 758)     | 990         |
| Basic and diluted earnings from continuing operations – profit attributable to ordinary equity holders of the parent | 2 069       | 1 254       |
| Less: dividends distributed to participants in share schemes on unvested shares                                      | (83)        | -           |
| Basic earnings attributable to ordinary equity holders of the parent                                                 | 1 986       | 1 254       |

|                                                                                         | 2024                   |                      | 2023                   |                      |
|-----------------------------------------------------------------------------------------|------------------------|----------------------|------------------------|----------------------|
|                                                                                         | Gross<br>amount<br>R'm | Net<br>amount<br>R'm | Gross<br>amount<br>R'm | Net<br>amount<br>R'm |
| <b>Headline earnings reconciliation</b>                                                 |                        |                      |                        |                      |
| Profit from continuing operations attributable to ordinary equity holders               |                        | 1 986                |                        | 1 254                |
| Adjustments relating to continuing operations (net of tax)                              |                        | 18                   |                        | 7                    |
| Loss on disposal of property, plant and equipment                                       | -                      | -                    | 9                      | 7                    |
| Impairment of assets from continuing operations                                         | 25                     | 18                   | -                      | -                    |
| <b>Headline earnings from continuing operations</b>                                     |                        | <b>2 004</b>         |                        | <b>1 261</b>         |
| Profit from discontinued operations attributable to ordinary equity holders             |                        | 2 758                |                        | ( 990)               |
| Adjustments relating to discontinued operations (net of tax)                            |                        | (2 557)              |                        | 1 001                |
| Exchange gain reclassified to profit or loss on disposal of discontinued operation      | (3 234)                | (3 234)              | -                      | -                    |
| Impairment of investments from discontinued operations <sup>1</sup>                     | -                      | -                    | 856                    | 856                  |
| Loss on disposal of discontinued operation <sup>1</sup>                                 | 142                    | 142                  |                        |                      |
| Transaction costs relating to the disposal of AMG <sup>1</sup>                          | 532                    | 532                  | 149                    | 149                  |
| Loss/(profit) on disposal of property, plant and equipment from discontinued operations | 4                      | 3                    | (5)                    | (4)                  |
| Headline earnings from continuing and discontinued operations                           |                        | <b>2 205</b>         |                        | <b>1 272</b>         |

<sup>1</sup> Refer note 28.

8. EARNINGS (EPS), HEADLINE EARNINGS (HEPS) AND DIVIDEND (DPS) PER SHARE continued

|                                                                                                  | 2024<br>'000 | 2023<br>'000 |
|--------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Reconciliation between the weighted average number of shares and diluted number of shares</b> |              |              |
| Issued ordinary shares – at the beginning of the year                                            | 1 467 349    | 1 467 349    |
| Effect of treasury shares (weighted) (refer note 18)                                             | (24 234)     | (25 395)     |
| Weighted average number of shares at the end of the year                                         | 1 443 115    | 1 441 954    |
| Effect of dilutive potential ordinary shares – treasury shares                                   | 10 261       | 12 066       |
| Diluted weighted average number of shares at the end of the year                                 | 1 453 376    | 1 454 020    |
| <b>Normalised earnings per share (NEPS)<sup>1</sup></b>                                          |              |              |
| Profit attributable to ordinary equity holders                                                   | R'm<br>4 744 | R'm<br>264   |
| (Profit)/loss from discontinued operations attributable to ordinary equity holders               | (2 758)      | 990          |
| Profit from continuing operations attributable to ordinary equity holders                        | 1 986        | 1 254        |
| Adjustments (net of tax and non-controlling interest)                                            |              |              |
| Retirement benefit asset and post-employment medical aid income                                  | (26)         | (25)         |
| Fair value adjustments to contingent consideration                                               | 63           | 7            |
| Interest saving <sup>2</sup>                                                                     | (170)        | –            |
| Gain on derecognition of lease asset and liability                                               | –            | (3)          |
| Impairment of assets                                                                             | 18           | –            |
| International tax refund                                                                         | –            | (14)         |
| Loss on disposal of property, plant and equipment                                                | –            | 7            |
| Retrenchment costs (included in employee benefits expense)                                       | 20           | –            |
| Transaction costs relating to acquisitions                                                       | 15           | 12           |
| Unwinding of contingent consideration                                                            | 78           | 62           |
| Fair value loss on equity instrument                                                             | 1            | 4            |
| Special dividends distributed to participants in share schemes on unvested shares                | 77           | –            |
| Dispute on contract interpretation (refer note 22)                                               | –            | 47           |
| Deferred tax on losses previously not recognised (relating to LMI)                               | (153)        | –            |
| Deferred tax allocation between continuing and discontinued operations <sup>3</sup>              | –            | (67)         |
| Normalised earnings from continuing operations                                                   | 1 909        | 1 284        |
| NEPS <sup>1</sup> from continuing operations (cents)                                             | 132.3        | 89.1         |
| NEPS excluding impact of LMI sub-licensing transaction                                           | 102.2        | 89.1         |
| NEPS impact of LMI sub-licensing transaction                                                     | 30.1         | –            |

<sup>1</sup> Non-IFRS measure.

<sup>2</sup> Calculated as follows (net after tax):

|                                                                                  | 2024<br>R'm     |
|----------------------------------------------------------------------------------|-----------------|
| Saving on overdraft repaid                                                       | 23              |
| Interest received on cash reserved for the special dividend paid on 8 April 2024 | 98 <sup>A</sup> |
| Interest received on excess cash reserved for LMI/Fresenius Medical Care (FMC)   | 49 <sup>B</sup> |
|                                                                                  | 170             |

<sup>A</sup> Calculated as R8 804 million (value of the special dividend) x 8.20% (interest rate) x 68 days (date from proceeds received until date of special dividend paid) \*73% (to adjust for post-tax impact)

<sup>B</sup> Calculated as R1 237 million (value of cash retained for LMI and FMC) x 8.20% (interest rate) x 243 days (date from proceeds received until reporting date) \*73% (to adjust for post-tax impact)

<sup>3</sup> LMI's carried-forward losses were previously assumed to be surrendered (for nil consideration) to the other UK entities within the AMG group, as these entities form part of the same tax relief group within the UK.

Due to the proposed disposal, the group relief allocation has been amended resulting in additional losses being carried forward in LMI. An increased deferred tax asset has therefore been recognised in LMI. This is excluded from NEPS.



# Notes to the consolidated annual financial statements

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## 9. SEGMENT INFORMATION

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 services segment comprises all the acute hospitals and the complementary services segment includes mental health, acute rehabilitation, renal dialysis, oncology and imaging services. The healthcare services segment comprises Life Nkanyisa and Life Health Solutions.

International comprises radiopharmaceutical products developed by LMI across Europe, the UK and the USA.

The corporate segment comprises of head office entities which do not relate to specific operating segments.

The comparative information has been represented to adjust for the change in the composition of the reportable segments. Complementary services was included as part of the hospitals and complementary services. In the current year, complementary services is disclosed as a separate segment, and the comparative information has therefore been represented for comparative purposes.

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

Inter-segment revenue of R7 million (2023: R5 million) is eliminated which relates to revenue between Life Health Solutions and the southern Africa business.

Refer note 2 for a split of the major revenue streams.

|                              | <b>2024</b>   | 2023   |
|------------------------------|---------------|--------|
|                              | <b>R'm</b>    | R'm    |
| <b>Revenue<sup>1</sup></b>   |               |        |
| <b>Southern Africa</b>       |               |        |
| Hospitals                    | <b>20 299</b> | 19 053 |
| Complementary services       | <b>2 045</b>  | 1 612  |
| Healthcare services          | <b>1 330</b>  | 1 320  |
| <b>International</b>         |               |        |
| Radiopharmaceutical products | <b>1 845</b>  | 656    |
|                              | <b>25 519</b> | 22 641 |

<sup>1</sup> Revenue of approximately 59% (2023: 45%) is derived from three (2023: two) external customers. The revenue is attributed to the southern Africa segment.

9. SEGMENT INFORMATION continued

|                                             | 2024<br>R'm    | 2023<br>R'm |
|---------------------------------------------|----------------|-------------|
| <b>Drugs and consumables</b>                |                |             |
| <b>Southern Africa</b>                      |                |             |
| Hospitals                                   | (5 983)        | (5 615)     |
| Complementary services                      | (328)          | (218)       |
| Healthcare services                         | (59)           | (58)        |
|                                             | <b>(6 370)</b> | (5 891)     |
| <b>Employee benefit expense<sup>1</sup></b> |                |             |
| <b>Southern Africa</b>                      |                |             |
| Hospitals                                   | (6 884)        | (6 396)     |
| Complementary services                      | (722)          | (598)       |
| Healthcare services                         | (802)          | (774)       |
| <b>International</b>                        |                |             |
| Radiopharmaceutical products                | (443)          | (323)       |
| <b>Corporate</b>                            | (1 095)        | (923)       |
|                                             | <b>(9 946)</b> | (9 014)     |
| <b>Other general expenses</b>               |                |             |
| <b>Southern Africa</b>                      |                |             |
| Hospitals                                   | (4 300)        | (3 955)     |
| Complementary services                      | (547)          | (408)       |
| Healthcare services                         | (365)          | (326)       |
| <b>International</b>                        |                |             |
| Radiopharmaceutical products                | (765)          | (446)       |
| <b>Corporate</b>                            |                |             |
| Recoveries                                  | 1 703          | 1 601       |
| Corporate costs                             | (619)          | (608)       |
|                                             | <b>(4 893)</b> | (4 142)     |
| <b>Normalised EBITDA<sup>2,3</sup></b>      |                |             |
| <b>Southern Africa</b>                      |                |             |
| Hospitals                                   | 3 132          | 3 087       |
| Complementary services                      | 448            | 388         |
| Healthcare services                         | 104            | 162         |
| <b>International</b>                        |                |             |
| Radiopharmaceutical products                | 637            | (113)       |
| <b>Corporate</b>                            |                |             |
| Recoveries                                  | 1 703          | 1 601       |
| Corporate costs                             | (1 714)        | (1 531)     |
|                                             | <b>4 310</b>   | 3 594       |

<sup>1</sup> Difference in relation to note 3 is attributable to retrenchment costs which do not form part of normalised EBITDA or EBITA.

<sup>2</sup> 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 from the prior year.

<sup>3</sup> Non-IFRS measures.

# Notes to the consolidated annual financial statements

continued

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## 9. SEGMENT INFORMATION continued

|                                          | 2024<br>R'm    | 2023<br>R'm |
|------------------------------------------|----------------|-------------|
| <b>Depreciation</b>                      |                |             |
| <b>Southern Africa</b>                   |                |             |
| Hospitals                                | (784)          | (743)       |
| Complementary services                   | (122)          | (80)        |
| Healthcare services                      | (30)           | (37)        |
| <b>International</b>                     |                |             |
| Radiopharmaceutical products             | (30)           | (22)        |
| <b>Corporate</b>                         | (130)          | (86)        |
|                                          | <b>(1 096)</b> | (968)       |
| <b>EBITA<sup>1,2</sup></b>               |                |             |
| <b>Southern Africa</b>                   |                |             |
| Hospitals                                | 2 348          | 2 344       |
| Complementary services                   | 326            | 308         |
| Healthcare services                      | 74             | 125         |
| <b>International</b>                     |                |             |
| Radiopharmaceutical products             | 607            | (135)       |
| <b>Corporate</b>                         | (141)          | (16)        |
|                                          | <b>3 214</b>   | 2 626       |
| <b>Amortisation of intangible assets</b> |                |             |
| <b>Southern Africa</b>                   |                |             |
| Hospitals                                | (28)           | (22)        |
| Complementary services                   | (18)           | (24)        |
| <b>International</b>                     |                |             |
| Radiopharmaceutical products             | (24)           | (24)        |
| <b>Corporate</b>                         | (108)          | (88)        |
|                                          | <b>(178)</b>   | (158)       |

<sup>1</sup> EBITA is defined as normalised EBITDA less depreciation.

<sup>2</sup> Non-IFRS measures.

9. SEGMENT INFORMATION continued

|                                                                    | 2024<br>R'm  | 2023<br>R'm |
|--------------------------------------------------------------------|--------------|-------------|
| <b>Operating profit before non-trading items<sup>1,2</sup></b>     |              |             |
| <b>Southern Africa</b>                                             |              |             |
| Hospitals                                                          | 2 320        | 2 322       |
| Complementary services                                             | 308          | 284         |
| Healthcare services                                                | 74           | 125         |
| <b>International</b>                                               |              |             |
| Radiopharmaceutical products                                       | 583          | (159)       |
| <b>Corporate</b>                                                   | (249)        | (104)       |
|                                                                    | <b>3 036</b> | 2 468       |
| Retirement benefit asset and post-employment medical aid income    | 36           | 34          |
| Fair value adjustments to contingent consideration (refer note 23) | (63)         | (7)         |
| Fair value loss on financial instruments (refer note 4)            | (15)         | (38)        |
| Gain on derecognition of lease asset and liability                 | –            | 3           |
| Impairment of assets (refer note 10)                               | (25)         | –           |
| Hospitals                                                          | (9)          | –           |
| Complementary services                                             | (15)         | –           |
| Healthcare services                                                | (1)          | –           |
| Loss on disposal of property, plant and equipment                  | –            | (9)         |
| Retrenchment costs (included in employee benefits expense)         | (27)         | –           |
| Healthcare services                                                | (14)         | –           |
| Corporate                                                          | (13)         | –           |
| Loss due to system configuration (included in other expense)       | (28)         | –           |
| Hospitals                                                          | (28)         | –           |
| Transaction costs relating to acquisitions                         | (15)         | (12)        |
| <b>Operating profit</b>                                            | <b>2 899</b> | 2 439       |
| Finance income                                                     | 346          | 159         |
| Finance cost                                                       | (526)        | (696)       |
| Share of associates' and joint ventures' net profit after tax      | 8            | 9           |
| <b>Profit before tax</b>                                           | <b>2 727</b> | 1 911       |

<sup>1</sup> Operating profit before non-trading items includes the segment's share of shared services and rental costs. These costs are all at market-related rates.

<sup>2</sup> Non-IFRS measure.

# Notes to the consolidated annual financial statements

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## 9. SEGMENT INFORMATION

continued

|                                                                    | 2024<br>R'm   | 2023<br>R'm |
|--------------------------------------------------------------------|---------------|-------------|
| <b>Total assets before items detailed below</b>                    |               |             |
| Southern Africa (including growth initiatives)                     | 19 606        | 17 517      |
| International                                                      | 2 234         | 1 457       |
| Assets held for sale                                               | 243           | 24 443      |
|                                                                    | <b>22 083</b> | 43 417      |
| Employee benefit assets                                            | 349           | 416         |
| Deferred tax assets                                                | 1 835         | 1 733       |
| Derivative financial assets (included in other non-current assets) | –             | 16          |
| Income tax receivable                                              | 77            | 33          |
| <b>Total assets per the balance sheet</b>                          | <b>24 344</b> | 45 615      |
| <b>Net debt<sup>1,2</sup></b>                                      |               |             |
| Southern Africa (including growth initiatives)                     | 2 702         | 3 763       |
| International <sup>3</sup>                                         | (743)         | 986         |
| Attributable to discontinued operations <sup>3</sup>               | –             | 7 594       |
|                                                                    | <b>1 959</b>  | 12 343      |
| <b>Cash and cash equivalents (net of bank overdrafts)</b>          |               |             |
| Southern Africa (including growth initiatives)                     | 1 719         | 565         |
| International                                                      | 743           | 94          |
|                                                                    | <b>2 462</b>  | 659         |

<sup>1</sup> Net debt is a key measure for the Group, which comprises all interest-bearing borrowings, overdraft balances and cash and cash equivalents.

<sup>2</sup> Non-IFRS measure.

<sup>3</sup> The Group settled all international GBP and EUR debt with the proceeds from the sale of AMG.

### Geographical information

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

|                                                           | Revenue from external customers |             | Non-current assets |             |
|-----------------------------------------------------------|---------------------------------|-------------|--------------------|-------------|
|                                                           | 2024<br>R'm                     | 2023<br>R'm | 2024<br>R'm        | 2023<br>R'm |
| Southern Africa                                           | 23 674                          | 21 985      | 13 554             | 13 003      |
| International                                             | 1 845                           | 656         | 1 071              | 1 049       |
| UK                                                        | 10                              | 19          | 995                | 965         |
| Europe                                                    | 70                              | 60          | 31                 | 41          |
| USA                                                       | 1 706                           | 542         | 45                 | 43          |
| Other                                                     | 59                              | 35          | –                  | –           |
| Total – continuing operations                             | 25 519                          | 22 641      | 14 625             | 14 052      |
| Employee benefit assets                                   | n/a                             | n/a         | 349                | 416         |
| Deferred tax assets                                       | n/a                             | n/a         | 1 835              | 1 733       |
| <b>Total as per profit or loss and financial position</b> | <b>25 519</b>                   | 22 641      | <b>16 809</b>      | 16 201      |

## 10. PROPERTY, PLANT AND EQUIPMENT

|                                                | Land and buildings owned<br>R'm | Improvements to right-of-use assets<br>R'm | Medical equipment<br>R'm | Motor vehicles and other equipment<br>R'm | Right-of-use assets<br>R'm | Assets under construction<br>R'm | Total<br>R'm  |
|------------------------------------------------|---------------------------------|--------------------------------------------|--------------------------|-------------------------------------------|----------------------------|----------------------------------|---------------|
| <b>Carrying value at 1 October 2023</b>        | <b>6 342</b>                    | <b>119</b>                                 | <b>2 233</b>             | <b>885</b>                                | <b>882</b>                 | <b>111</b>                       | <b>10 572</b> |
| Additions <sup>1</sup>                         | 67                              | 70                                         | 489                      | 148                                       | 51                         | 466                              | 1 291         |
| Arising on acquisition of subsidiaries         | –                               | 47                                         | 44                       | 31                                        | 134                        | –                                | 256           |
| Disposals, scrappings or derecognitions        | –                               | (7)                                        | (5)                      | (11)                                      | –                          | –                                | (23)          |
| Transfers                                      | 28                              | 21                                         | 123                      | 254                                       | –                          | (426)                            | –             |
| Borrowing costs capitalised                    | 7                               | –                                          | –                        | –                                         | –                          | –                                | 7             |
| Depreciation from continuing operations        | (186)                           | (40)                                       | (506)                    | (211)                                     | (153)                      | –                                | (1 096)       |
| Impairment loss (refer impairment on page 42)  | (7)                             | (15)                                       | –                        | (2)                                       | (1)                        | –                                | (25)          |
| Reclassified as held for sale (refer note 28)  | (165)                           | –                                          | (27)                     | (9)                                       | –                          | –                                | (201)         |
| Effect of foreign currency movement            | –                               | (1)                                        | (4)                      | (7)                                       | (4)                        | –                                | (16)          |
| <b>Carrying value at 30 September 2024</b>     | <b>6 086</b>                    | <b>194</b>                                 | <b>2 347</b>             | <b>1 078</b>                              | <b>909</b>                 | <b>151</b>                       | <b>10 765</b> |
| Comprising:                                    |                                 |                                            |                          |                                           |                            |                                  |               |
| Cost                                           | 8 390                           | 596                                        | 6 787                    | 2 344                                     | 1 683                      | 151                              | 19 951        |
| Accumulated depreciation and impairment losses | (2 304)                         | (402)                                      | (4 440)                  | (1 266)                                   | (774)                      | –                                | (9 186)       |
|                                                | <b>6 086</b>                    | <b>194</b>                                 | <b>2 347</b>             | <b>1 078</b>                              | <b>909</b>                 | <b>151</b>                       | <b>10 765</b> |

|                                                | Land and buildings owned<br>R'm | Improvements to right-of-use assets<br>R'm | Medical equipment<br>R'm | Motor vehicles and other equipment<br>R'm | Right-of-use assets<br>R'm | Assets under construction<br>R'm | Total<br>R'm  |
|------------------------------------------------|---------------------------------|--------------------------------------------|--------------------------|-------------------------------------------|----------------------------|----------------------------------|---------------|
| <b>Carrying value at 1 October 2022</b>        | 6 761                           | 975                                        | 3 516                    | 892                                       | 2 806                      | 616                              | 15 566        |
| Additions                                      | 248                             | 19                                         | 1 045                    | 308                                       | 253                        | 727                              | 2 600         |
| Arising on acquisition of subsidiaries         | –                               | 1                                          | 67                       | 2                                         | 7                          | –                                | 77            |
| Disposals, scrappings or derecognitions        | (2)                             | –                                          | (18)                     | (11)                                      | –                          | –                                | (31)          |
| Transfers                                      | 66                              | 302                                        | 168                      | 162                                       | 2                          | (707)                            | (7)           |
| Borrowing costs capitalised                    | 3                               | –                                          | –                        | 8                                         | –                          | –                                | 11            |
| Depreciation from continuing operations        | (174)                           | (39)                                       | (476)                    | (163)                                     | (116)                      | –                                | (968)         |
| Depreciation from discontinued operations      | (19)                            | (94)                                       | (418)                    | (94)                                      | (298)                      | –                                | (923)         |
| Reclassified as held for sale (refer note 28)  | (607)                           | (1 180)                                    | (1 868)                  | (250)                                     | (2 068)                    | (640)                            | (6 613)       |
| Effect of foreign currency movement            | 66                              | 135                                        | 217                      | 31                                        | 296                        | 115                              | 860           |
| <b>Carrying value at 30 September 2023</b>     | <b>6 342</b>                    | <b>119</b>                                 | <b>2 233</b>             | <b>885</b>                                | <b>882</b>                 | <b>111</b>                       | <b>10 572</b> |
| Comprising:                                    |                                 |                                            |                          |                                           |                            |                                  |               |
| Cost                                           | 8 453                           | 466                                        | 6 167                    | 1 938                                     | 1 502                      | 111                              | 18 637        |
| Accumulated depreciation and impairment losses | (2 111)                         | (347)                                      | (3 934)                  | (1 053)                                   | (620)                      | –                                | (8 065)       |
|                                                | <b>6 342</b>                    | <b>119</b>                                 | <b>2 233</b>             | <b>885</b>                                | <b>882</b>                 | <b>111</b>                       | <b>10 572</b> |

|                                                                        | 2024<br>R'm  | 2023<br>R'm  |
|------------------------------------------------------------------------|--------------|--------------|
| <b><sup>1</sup> Reconciliation to statement of cash flows</b>          |              |              |
| Additions per note                                                     | 1 291        | 2 600        |
| Additions from discontinued operations                                 | –            | (1 345)      |
| Non-cash items                                                         |              |              |
| Additions right-of-use assets recognised                               | (65)         | (70)         |
| Modification of right-of-use asset recognised                          | 14           | –            |
| Movement in accruals                                                   | 98           | 28           |
| Purchases of property, plant and equipment per statement of cash flows | <b>1 338</b> | <b>1 213</b> |

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 10. PROPERTY, PLANT AND EQUIPMENT continued Additional information on leases

|                                                                              | 2024<br>R'm  | 2023<br>R'm |
|------------------------------------------------------------------------------|--------------|-------------|
| <b>Right-of-use assets</b>                                                   |              |             |
| Land and buildings                                                           | 809          | 782         |
| Medical equipment                                                            | 64           | 64          |
| Motor vehicles and other equipment                                           | 36           | 36          |
|                                                                              | <b>909</b>   | 882         |
| <b>Depreciation charge of right-of-use assets from continuing operations</b> |              |             |
| Land and buildings                                                           | (141)        | (103)       |
| Medical equipment                                                            | –            | (1)         |
| Motor vehicles and other equipment                                           | (12)         | (12)        |
|                                                                              | <b>(153)</b> | (116)       |

- The total cash outflow for leases – refer note 20
- Interest on lease liabilities – refer note 5
- Lease expenses recognised in profit or loss – refer note 6
- Lease liabilities – refer note 20

### Impairment of property, plant and equipment

|                 | 2024<br>R'm | 2023<br>R'm |
|-----------------|-------------|-------------|
| Impairment loss | (25)        | –           |

At 30 September 2024, an impairment loss was recognised as the amount by which the carrying amount of property, plant and equipment exceeded the net selling price of St Mary's, Dusty Gold's and Genesis' assets which were classified as held for sale under IFRS 5 (refer note 28).

### Proceeds on disposal of property, plant and equipment

|                                                                              | 2024<br>R'm | 2023<br>R'm |
|------------------------------------------------------------------------------|-------------|-------------|
| Proceeds on disposal from continuing operations                              | 23          | 22          |
| Net book value property, plant and equipment disposed                        | (23)        | (31)        |
| Disposals, scrappings or derecognitions per page 41                          | (23)        | (31)        |
| Loss on disposal of property, plant and equipment from continuing operations | –           | (9)         |

### Fixed asset register

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the Company.

## 11. INTANGIBLE ASSETS

|                                                                                         | Computer software<br>R'm | Goodwill<br>R'm | Customer relations<br>R'm | Intellectual property<br>R'm | Hospital licences<br>R'm | Total<br>R'm   |
|-----------------------------------------------------------------------------------------|--------------------------|-----------------|---------------------------|------------------------------|--------------------------|----------------|
| <b>Carrying value at 1 October 2023</b>                                                 | <b>488</b>               | <b>1 879</b>    | <b>120</b>                | <b>751</b>                   | <b>49</b>                | <b>3 287</b>   |
| Additions <sup>1</sup>                                                                  | <b>96</b>                | <b>–</b>        | <b>–</b>                  | <b>130</b>                   | <b>–</b>                 | <b>226</b>     |
| Arising on acquisition of subsidiaries                                                  | <b>–</b>                 | <b>311</b>      | <b>30</b>                 | <b>–</b>                     | <b>–</b>                 | <b>341</b>     |
| Amortisation from continuing operations                                                 | <b>(102)</b>             | <b>–</b>        | <b>(38)</b>               | <b>(23)</b>                  | <b>(15)</b>              | <b>(178)</b>   |
| Borrowing costs capitalised                                                             | <b>1</b>                 | <b>–</b>        | <b>–</b>                  | <b>–</b>                     | <b>–</b>                 | <b>1</b>       |
| Reclassified as held for sale (refer note 28)                                           | <b>–</b>                 | <b>–</b>        | <b>–</b>                  | <b>–</b>                     | <b>–</b>                 | <b>–</b>       |
| Effect of foreign currency movement                                                     | <b>(1)</b>               | <b>(20)</b>     | <b>–</b>                  | <b>(86)</b>                  | <b>–</b>                 | <b>(107)</b>   |
| <b>Carrying value at 30 September 2024</b>                                              | <b>482</b>               | <b>2 170</b>    | <b>112</b>                | <b>772</b>                   | <b>34</b>                | <b>3 570</b>   |
| Comprising:                                                                             |                          |                 |                           |                              |                          |                |
| Cost                                                                                    | <b>1 072</b>             | <b>2 248</b>    | <b>774</b>                | <b>891</b>                   | <b>231</b>               | <b>5 216</b>   |
| Accumulated amortisation and impairment losses                                          | <b>(590)</b>             | <b>(78)</b>     | <b>(662)</b>              | <b>(119)</b>                 | <b>(197)</b>             | <b>(1 646)</b> |
|                                                                                         | <b>482</b>               | <b>2 170</b>    | <b>112</b>                | <b>772</b>                   | <b>34</b>                | <b>3 570</b>   |
|                                                                                         |                          |                 |                           |                              | <b>2024<br/>R'm</b>      | 2023<br>R'm    |
| <b>Goodwill impairment testing</b>                                                      |                          |                 |                           |                              |                          |                |
| Goodwill has been allocated to the CGUs <sup>2</sup> for impairment testing as follows: |                          |                 |                           |                              |                          |                |
| <b>Southern Africa</b>                                                                  |                          |                 |                           |                              |                          |                |
| Hospitals                                                                               |                          |                 |                           |                              | <b>979</b>               | 979            |
| Complementary services                                                                  |                          |                 |                           |                              | <b>769</b>               | 457            |
| Healthcare services                                                                     |                          |                 |                           |                              | <b>234</b>               | 234            |
| <b>International</b>                                                                    |                          |                 |                           |                              |                          |                |
| Radiopharmaceutical products                                                            |                          |                 |                           |                              | <b>188</b>               | 209            |
|                                                                                         |                          |                 |                           |                              | <b>2 170</b>             | 1 879          |

<sup>1</sup> Difference between additions and purchases of intangible assets per the statement of cash flows relates to the movement in accruals.

<sup>2</sup> Each operating unit is a CGU but due to the magnitude it has been disclosed in aggregate. CGUs are defined as individual hospitals; complementary services facilities and healthcare services operating units and LMI.



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## 11. INTANGIBLE ASSETS continued

|                                                | Computer software<br>R'm | Goodwill<br>R'm | Customer relations<br>R'm | Brand name<br>R'm | Intellectual property<br>R'm | Hospital licences<br>R'm | Total<br>R'm |
|------------------------------------------------|--------------------------|-----------------|---------------------------|-------------------|------------------------------|--------------------------|--------------|
| <b>Carrying value at 1 October 2022</b>        | 507                      | 13 421          | 1 758                     | 84                | 680                          | 64                       | 16 514       |
| Additions                                      | 231                      | –               | –                         | –                 | 93                           | –                        | 324          |
| Arising on acquisition of subsidiaries         | –                        | 106             | 29                        | –                 | –                            | –                        | 135          |
| Change due to previously acquired business     | –                        | 4               | –                         | –                 | –                            | –                        | 4            |
| Disposals or scrapings                         | (15)                     | –               | –                         | –                 | –                            | –                        | (15)         |
| Transfer                                       | 7                        | –               | –                         | –                 | –                            | –                        | 7            |
| Amortisation from continuing operations        | (91)                     | –               | (29)                      | –                 | (23)                         | (15)                     | (158)        |
| Amortisation from discontinued operations      | (27)                     | –               | (436)                     | (15)              | –                            | –                        | (478)        |
| Borrowing costs capitalised                    | 6                        | –               | –                         | –                 | –                            | –                        | 6            |
| Impairment loss from discontinued operations   | –                        | (856)           | –                         | –                 | –                            | –                        | (856)        |
| Reclassified as held for sale (refer note 28)  | (141)                    | (12 643)        | (1 442)                   | (82)              | –                            | –                        | (14 308)     |
| Effect of foreign currency movement            | 11                       | 1 847           | 240                       | 13                | 1                            | –                        | 2 112        |
| <b>Carrying value at 30 September 2023</b>     | 488                      | 1 879           | 120                       | –                 | 751                          | 49                       | 3 287        |
| Comprising:                                    |                          |                 |                           |                   |                              |                          |              |
| Cost                                           | 972                      | 1 957           | 744                       | –                 | 860                          | 231                      | 4 764        |
| Accumulated amortisation and impairment losses | (484)                    | (78)            | (624)                     | –                 | (109)                        | (182)                    | (1 477)      |
|                                                | 488                      | 1 879           | 120                       | –                 | 751                          | 49                       | 3 287        |

## 12. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

|                                                                               | 2024<br>R'm | 2023<br>R'm |
|-------------------------------------------------------------------------------|-------------|-------------|
| <b>Unlisted ordinary shares</b>                                               |             |             |
| Balance at 1 October                                                          | 6           | 56          |
| Share of net profit after tax                                                 | 8           | (5)         |
| Share of profit after tax from continuing operations                          | 8           | 9           |
| Share of loss after tax from discontinued operations                          | –           | (14)        |
| Arising on acquisition of joint venture (relating to continued operations)    | –           | 3           |
| Arising on acquisition of joint venture (relating to discontinued operations) | –           | 108         |
| Loans to joint venture                                                        | 100         | –           |
| Capital distributions                                                         | (10)        | (10)        |
| Reclassified as held for sale (refer note 28)                                 | –           | (161)       |
| Effect of foreign currency movement                                           | –           | 15          |
| <b>Balance at 30 September</b>                                                | <b>104</b>  | <b>6</b>    |

Refer annexure C - associate undertakings.

### Aggregate information of individually immaterial associates and joint ventures adjusted for percentage ownership by the Group

|                                   | Associates  |             | Joint ventures |             |
|-----------------------------------|-------------|-------------|----------------|-------------|
|                                   | 2024<br>R'm | 2023<br>R'm | 2024<br>R'm    | 2023<br>R'm |
| Carrying amount                   | 4           | 6           | 100            | –           |
| Group's share of profit after tax | 8           | 9           | –              | (14)        |

The aggregate post-acquisition reserves from continuing operations (adjusted for the Group's ownership) for associates and joint ventures are Rnil (2023: R1 million).

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## 13. EMPLOYEE BENEFIT ASSETS AND LIABILITIES

|                                        | 2024<br>R'm | 2023<br>R'm |
|----------------------------------------|-------------|-------------|
| <b>Employee benefit assets</b>         |             |             |
| Retirement benefit asset               | 334         | 291         |
| Employer surplus asset                 | –           | 112         |
| Post-employment medical aid asset      | 20          | 19          |
| Post-employment medical aid obligation | (5)         | (6)         |
|                                        | <b>349</b>  | 416         |

The Group currently participates in the following pension and provident funds in southern Africa:

| Name of fund     | Life<br>Healthcare<br>DB Pension<br>Fund | Lifecare<br>Group<br>Holdings<br>Pension Fund | Life<br>Healthcare<br>Provident<br>Fund   | Life<br>Healthcare<br>DC Pension<br>Fund | Lifecare<br>National<br>Provident<br>Fund |
|------------------|------------------------------------------|-----------------------------------------------|-------------------------------------------|------------------------------------------|-------------------------------------------|
| Fund description | Closed fund                              | Dormant                                       | Active                                    | Active                                   | Dormant                                   |
| Classification   | Defined<br>benefit                       | Defined<br>benefit                            | Defined<br>contribution<br>provident fund | Defined<br>contribution<br>pension fund  | Defined<br>benefit                        |

The assets of all the funds, whether they are defined benefits or defined contributions, are held and administered separately from the Group's assets. The assets are administered on behalf of the funds by external financial services companies. All the funds are governed by the Pension Funds Act of 1956.

The active pension and provident funds require triennial statutory financial reviews. Financial reviews are, however, carried out annually to determine the solvency of the plans. Defined contribution funds are not guaranteed by the employer.

On 3 January 2023 approval was obtained from the Financial Sector Conduct Authority to transfer R160 million to the Employer Surplus Account (ESA) of the Life Healthcare Provident Fund with the effective date of transfer set as 1 October 2022. As a result, R160 million plus interest of R23 million was transferred to the Life Healthcare Provident Fund in February 2023. Life Healthcare took a partial contribution holiday in the Life Healthcare Provident Fund during 2023, which resulted in a portion of the employer contributions being paid from the ESA in the Life Healthcare Provident Fund, and the balance being paid by the employer. A full contribution holiday was taken over the 2024 valuation period.

### 13. EMPLOYEE BENEFIT ASSETS AND LIABILITIES continued

#### Pension funds

Actuarial assumptions applied in the valuation of the defined benefit funds:

|                                      | Life Healthcare DB Pension Fund (LHC Fund) |                      | Lifecare Group Holdings Pension Fund |           |
|--------------------------------------|--------------------------------------------|----------------------|--------------------------------------|-----------|
|                                      | 2024<br>%                                  | 2023<br>%            | 2024<br>%                            | 2023<br>% |
| Discount rate                        | <b>10.6<sup>1</sup></b>                    | Yield curve          | <b>8.3</b>                           | 9.0       |
| CPI                                  | <b>5.5<sup>2</sup></b>                     | Yield curve          | <b>3.3</b>                           | 4.1       |
| Expected long-term investment return | <b>10.6<sup>1</sup></b>                    | Yield curve          | <b>n/a</b>                           | n/a       |
| Compensation increase rate           | <b>6.5<sup>3</sup></b>                     | Inflation curve + 1% | <b>n/a</b>                           | n/a       |
| Pension increase rate                | <b>5.5<sup>4</sup></b>                     | Inflation curve      | <b>n/a</b>                           | n/a       |
| Rates of mortality                   | <b>0.5<sup>5</sup></b>                     | 0.5                  | <b>n/a</b>                           | n/a       |

The long-term investment return assumption is based on the expected long-term returns on equities, cash and bonds. In setting these assumptions the actual asset split of the various funds is used.

<sup>1</sup> The discount rate has been set as the single equivalent discount rate that produces the same present value of liabilities as the present value determined using the entire spot rate yield curve for nominal government bonds as published by the JSE as at 30 September 2024 (10.6%). This differs from the methodology used as at 30 September 2023, where liabilities were calculated using the entire yield curve.

<sup>2</sup> The long-term inflation assumption has been set by reading the spot rate on the real government bond yield curve at the same term as single equivalent discount rate. The difference between the discount rate and the real yield at the same term is the inflation assumption used. The inflation assumption as at 30 September 2024 is 5.50%. As at 30 September 2023, a long-term future inflation yield curve was produced by taking the difference between the nominal spot rate yield curve and the real spot rate yield curve as published by the JSE.

<sup>3</sup> Salaries have been assumed to increase at an average of 1.00% per annum in excess of the assumed long-term inflation rate. However, given the use of the minimum benefit rate as at both 30 September 2023 and 30 September 2024, the salary increase assumption has not been applied.

<sup>4</sup> A future pension increase assumption of 100% of the long-term inflation assumption was used. This is in excess of the Fund's formal pension increase target of 75% of CPI but is in line with the Fund's secondary target of providing increases of up to 100% of CPI, subject to affordability. 50% of members are expected to retire in the Fund and are assumed to receive a 100% CPI pension increase going forward. 50% of members are expected to retire outside the Fund, with their actuarial reserve values calculated allowing for 75% CPI pension increases going forward.

<sup>5</sup> The full mortality assumption is as follows: PA(90) rated down one year plus 0.5% improvement per annum from 2015.

The last statutory actuarial valuations for the funds were:

|                                      |                                                                                                                                                                                                                                                                     |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Life Healthcare DB Pension Fund      | 30 June 2021, with a statutory valuation every three years. The next statutory valuation report will be prepared for the period ending 30 June 2024. The 30 June 2021 statutory valuation was approved by the Financial Sector Conduct Authority on 3 January 2023. |
| Lifecare Group Holdings Pension Fund | 31 March 2022, with a statutory valuation every three years. The 31 March 2019 statutory valuation was approved by the Financial Sector Conduct Authority on 8 March 2024.                                                                                          |

The main risk to the Company of sponsoring a defined benefit plan is that a net loss/deficit may arise.

In terms of legislation, any deficit arising from a triennial statutory valuation must be funded by the participating employer over the next three years.

Fund deficits tend to arise from any of the following events:

- Reductions in asset values and/or investment returns lower than the valuation assumptions
- Higher than expected salary and pension increases
- A strengthening of the valuation assumptions from time to time
- Increasing pensioner longevity
- Cost increases resulting from unexpected legislation and tax changes

The Company contribution rate could increase in real terms in future.

Increases in the Company's contribution in real terms could be caused by an ageing membership, a strengthening of the actuarial valuation assumptions and increases in future real pensionable salaries.

# Notes to the consolidated annual financial statements

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## 13. EMPLOYEE BENEFIT ASSETS AND LIABILITIES

continued

The Group's obligations in respect of retirement benefits as measured in terms of IAS 19 are tabled below.

|                                                                    | Life Healthcare DB Pension Fund |              | Lifecare Group Holdings Pension Fund |              | Life Healthcare Provident Fund |              |
|--------------------------------------------------------------------|---------------------------------|--------------|--------------------------------------|--------------|--------------------------------|--------------|
|                                                                    | 2024<br>R'm                     | 2023<br>R'm  | 2024<br>R'm                          | 2023<br>R'm  | 2024<br>R'm                    | 2023<br>R'm  |
| <b>Defined benefit fund asset</b>                                  |                                 |              |                                      |              |                                |              |
| Balance at 1 October                                               | 291                             | 404          | -                                    | -            | 112                            | -            |
| Net income/(expense) recognised in profit or loss                  | 29                              | (153)        | (1)                                  | -            | (113)                          | 107          |
| Current service cost                                               | (5)                             | (6)          | (1)                                  | -            | -                              | -            |
| Transfers                                                          | -                               | (183)        | -                                    | -            | -                              | 183          |
| Company contributions                                              | -                               | -            | -                                    | -            | (117)                          | (79)         |
| Net interest income                                                | 34                              | 36           | 3                                    | 3            | 4                              | 3            |
| Impact of paragraph 64 limit adjustment on asset                   | -                               | -            | (3)                                  | (3)          | -                              | -            |
| Remeasurement recognised in other comprehensive income             | 14                              | 40           | 1                                    | -            | 1                              | 5            |
| Remeasurements on pension asset                                    | 33                              | 13           | 1                                    | 2            | 1                              | 5            |
| Liability gain arising from changes in economic assumptions        | -                               | 7            | -                                    | -            | -                              | -            |
| Other remeasurement (loss)/ gain                                   | (19)                            | 20           | -                                    | (17)         | -                              | -            |
| Impact of paragraph 64 limit adjustment on asset                   | -                               | -            | -                                    | 15           | -                              | -            |
| <b>Balance at 30 September</b>                                     | <b>334</b>                      | <b>291</b>   | <b>-</b>                             | <b>-</b>     | <b>-</b>                       | <b>112</b>   |
| <b>Actual value of defined benefit liability and funded status</b> |                                 |              |                                      |              |                                |              |
| Present value of defined benefit obligation                        | (463)                           | (429)        | (81)                                 | (79)         | -                              | -            |
| Asset at fair market value                                         | 797                             | 720          | 113                                  | 109          | -                              | 112          |
| <b>Funded status</b>                                               | <b>334</b>                      | <b>291</b>   | <b>32</b>                            | <b>30</b>    | <b>-</b>                       | <b>-</b>     |
| Unrecognised due to ceiling                                        | -                               | -            | (32)                                 | (30)         | -                              | -            |
| <b>Asset recognised in the statement of financial position</b>     | <b>334</b>                      | <b>291</b>   | <b>-</b>                             | <b>-</b>     | <b>-</b>                       | <b>112</b>   |
| <b>Reconciliation of defined benefit obligation</b>                |                                 |              |                                      |              |                                |              |
| Balance at 1 October                                               | (429)                           | (432)        | (79)                                 | (72)         | -                              | -            |
| Service costs                                                      | (5)                             | (6)          | (1)                                  | (1)          | -                              | -            |
| Contributions                                                      | (1)                             | (1)          | -                                    | -            | -                              | -            |
| Interest cost                                                      | (50)                            | (50)         | (6)                                  | (5)          | -                              | -            |
| Benefits paid                                                      | 38                              | 30           | 5                                    | 15           | -                              | -            |
| Risk premiums                                                      | 1                               | 1            | -                                    | -            | -                              | -            |
| Expenses                                                           | 2                               | 2            | -                                    | 1            | -                              | -            |
| Remeasurements                                                     | (19)                            | 27           | -                                    | (17)         | -                              | -            |
| <b>Balance at 30 September</b>                                     | <b>(463)</b>                    | <b>(429)</b> | <b>(81)</b>                          | <b>(79)</b>  | <b>-</b>                       | <b>-</b>     |
| <b>Reconciliation of fair value of plan assets</b>                 |                                 |              |                                      |              |                                |              |
| Balance at 1 October                                               | 720                             | 836          | 109                                  | 115          | 112                            | -            |
| Expected return on assets                                          | 84                              | 86           | 9                                    | 8            | 4                              | 3            |
| Contributions                                                      | 1                               | 1            | -                                    | -            | (117)                          | (79)         |
| Risk premiums                                                      | (1)                             | (1)          | -                                    | -            | -                              | -            |
| Benefits paid                                                      | (38)                            | (30)         | (5)                                  | (15)         | -                              | -            |
| Remeasurements                                                     | 33                              | 13           | 1                                    | 2            | 1                              | 5            |
| Transfers                                                          | -                               | (183)        | -                                    | -            | -                              | 183          |
| Expenses                                                           | (2)                             | (2)          | (1)                                  | (1)          | -                              | -            |
| <b>Balance at 30 September</b>                                     | <b>797</b>                      | <b>720</b>   | <b>113</b>                           | <b>109</b>   | <b>-</b>                       | <b>112</b>   |
| <b>Composition of plan assets</b>                                  |                                 |              |                                      |              |                                |              |
| Cash                                                               | 2.7                             | 4.8          | 55.9                                 | 59.4         | 100.0                          | 100.0        |
| Equity instruments                                                 | 27.2                            | 27.4         | -                                    | -            | -                              | -            |
| Bonds                                                              | 41.2                            | 41.5         | 44.1                                 | 40.6         | -                              | -            |
| Commodities                                                        | 0.5                             | 0.6          | -                                    | -            | -                              | -            |
| Property                                                           | 1.8                             | 1.3          | -                                    | -            | -                              | -            |
| Offshore                                                           | 26.1                            | 24.1         | -                                    | -            | -                              | -            |
| Hedge funds, private equity funds and other                        | 0.5                             | 0.3          | -                                    | -            | -                              | -            |
|                                                                    | <b>100.0</b>                    | <b>100.0</b> | <b>100.0</b>                         | <b>100.0</b> | <b>100.0</b>                   | <b>100.0</b> |

13. EMPLOYEE BENEFIT ASSETS AND LIABILITIES *continued*

|                                                                     | Life<br>Healthcare<br>DB Pension<br>Fund<br>2024<br>R'm | Lifecare<br>Group<br>Holdings<br>Pension<br>Fund<br>2024<br>R'm |
|---------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------|
| <b>Expected contributions for the next annual reporting period:</b> |                                                         |                                                                 |
| Member contributions                                                | 1                                                       | -                                                               |
| Company contributions                                               | 5                                                       | -                                                               |
| Benefit payments                                                    | (53)                                                    | -                                                               |
| Expenses                                                            | (2)                                                     | (1)                                                             |
| The weighted average duration (years)                               | 7.3                                                     | -                                                               |

An employer contribution rate of 23.20% was recommended in the interim actuarial valuation as at 30 June 2023 and was implemented effective 1 January 2024. The employer contribution rate is fully funded from the employer-owned surplus within the Life Healthcare DB Pension Fund. The employer elected to take a full contribution holiday with effect from 1 December 2016, which continued over the valuation period.

**Sensitivity analysis**

**Life Healthcare DB Pension Fund**

|                                                 | 2024            |                 | 2023            |                 |
|-------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                 | Increase<br>R'm | Decrease<br>R'm | Increase<br>R'm | Decrease<br>R'm |
| 1% movement in the key assumptions:             |                 |                 |                 |                 |
| <b>Effect on the defined benefit obligation</b> |                 |                 |                 |                 |
| Discount rate                                   | (28)            | +32             | (24)            | +30             |
| Inflation rate                                  | +30             | (26)            | +28             | (23)            |
| Pension increase rate                           | - <sup>1</sup>  | (29)            | -               | (23)            |
| Mortality rate                                  | (11)            | +11             | (10)            | +10             |

<sup>1</sup> The impact of a 1% increase in the future pension increase assumption is not included, as the normal valuation basis already assumes future pension increases of 100% of CPI, and in terms of the Fund's pension increase policy, increases of greater than 100% of CPI cannot be granted.

**Lifecare Group Holdings Pension Fund**

The active members had been transferred to another scheme in the 2018 financial year and had no liability as at the valuation date. The surplus liabilities and paid-up liabilities are defined contribution type of benefits and are not affected by any assumptions made.

**Post-employment medical aid benefit (Southern Africa)**

Life Healthcare Group has a liability arising as a result of a post-employment employer subsidy of healthcare benefits. Members of certain medical aid plans, who joined the Company before 1 November 1996 and did not accept the settlement offer during September 2012, and a specified group of continuation members who joined the Company after 1 November 1996 and remain in the employment of Life Healthcare Group until retirement, are eligible for a post-employment subsidy of their medical contributions.

Life Healthcare carries a fully funded liability for a post-retirement medical aid subsidy in respect of four (2023: four) employees and twenty four (2023: twenty seven) pensioners.

The post-employment medical aid liability is funded via investments held in the Priceforbes Federale Volksskas (PFV) benefit fund and is a closed fund.

Life Healthcare Group is liable to make good on any shortfalls in the fund.

The benefit fund meets the definition of a defined benefit plan and has been disclosed in accordance with IAS 19.

The plan represents the market value of the assets.

The defined benefit fund is actuarially valued using the projected unit credit method.

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## 13. EMPLOYEE BENEFIT ASSETS AND LIABILITIES continued

### Post-employment medical aid benefit (Southern Africa) continued

|                                                          | Post-employment medical aid benefit |           |
|----------------------------------------------------------|-------------------------------------|-----------|
|                                                          | 2024<br>%                           | 2023<br>% |
| <b>The following actuarial assumptions were applied:</b> |                                     |           |
| Discount rate                                            | 10.3                                | 11.6      |
| CPI                                                      | 4.8                                 | 6.1       |
| Expected return on assets                                | 10.3                                | 11.6      |
| Healthcare cost inflation                                | 6.3                                 | 7.6       |

The Group's obligation in respect of post-employment medical aid benefit is tabled below:

|                                                                    | 2024<br>R'm | 2023<br>R'm |
|--------------------------------------------------------------------|-------------|-------------|
| <b>Defined benefit fund asset</b>                                  |             |             |
| Balance at 1 October                                               | 13          | 11          |
| Net periodic income                                                |             |             |
| Net interest income                                                | 1           | 1           |
| Remeasurement recognised in other comprehensive income             |             |             |
| Unexpected changes in membership including movement in plan assets | 1           | 1           |
| <b>Balance at 30 September</b>                                     | <b>15</b>   | 13          |
| <b>Actual value of defined benefit liability and funded status</b> |             |             |
| Present value of defined benefit obligation                        | (5)         | (6)         |
| Asset at fair market value                                         | 20          | 19          |
| Funded status                                                      | 15          | 13          |

### Sensitivity analysis

| 1% movement in the key assumptions:                               | 2024            |                 | 2023            |                 |
|-------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                                                   | Increase<br>R'm | Decrease<br>R'm | Increase<br>R'm | Decrease<br>R'm |
| <b>Effect on the post-employment healthcare benefit liability</b> |                 |                 |                 |                 |
| Healthcare cost inflation rate                                    | -               | -               | +1              | -               |
| Discount rate                                                     | -               | -               | -               | -               |

## 14. DEFERRED INCOME TAX

|                                                                                        | 2024<br>R'm | 2023<br>R'm |
|----------------------------------------------------------------------------------------|-------------|-------------|
| Deferred tax comprises:                                                                |             |             |
| Deferred tax assets                                                                    | 1 835       | 1 733       |
| Deferred tax liabilities                                                               | (1 492)     | (1 535)     |
|                                                                                        | <b>343</b>  | 198         |
| <b>The movement in the deferred tax account is as follows:</b>                         |             |             |
| Balance at 1 October                                                                   | 198         | (31)        |
| Arising on acquisition of subsidiaries                                                 | (22)        | (9)         |
| Effect of foreign currency movement from continuing operations                         | (35)        | 15          |
| Effect of foreign currency movement from discontinued operations                       | –           | (23)        |
| Effect of change in foreign tax rate from continuing operations                        | –           | 18          |
| Current year charge from continuing operations through profit or loss                  | 207         | 116         |
| Current year charge from discontinued operation through profit or loss                 | –           | 154         |
| Current year charge from continuing operations through other comprehensive income      | (4)         | (12)        |
| Reclassified as held for sale (refer note 28)                                          | (1)         | (30)        |
| <b>Carrying amount at 30 September</b>                                                 | <b>343</b>  | 198         |
| <b>Deferred income tax assets and liabilities attributable to the following items:</b> |             |             |
| Employee benefit liabilities                                                           | 247         | 207         |
| Other liabilities                                                                      | 42          | 41          |
| Provision for ECL                                                                      | 137         | 114         |
| Share-based payment liability                                                          | 94          | 53          |
| Accelerated wear and tear for tax purposes on property, plant and equipment            | (666)       | (692)       |
| Tax loss carried forward <sup>1</sup>                                                  | 427         | 300         |
| Leases                                                                                 | 177         | 310         |
| Credit balances in trade receivables                                                   | 33          | 31          |
| Prepaid expenses                                                                       | (18)        | (15)        |
| Intangible assets on acquisition of subsidiaries                                       | (38)        | (44)        |
| Retirement benefit asset                                                               | (94)        | (112)       |
| Provision for obsolete stock                                                           | 2           | 5           |
|                                                                                        | <b>343</b>  | 198         |

<sup>1</sup> The movement in tax losses carried forward is the net of R183m of previously unrecognised tax losses that were recognised for the first time in 2024 and net utilised tax losses that were previously recognised of R56m.



# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 14. DEFERRED INCOME TAX

continued

Analysis of recoverability period of deferred tax assets and deferred tax liabilities is as follows:

|                           | Deferred tax assets |             | Deferred tax liabilities |             |
|---------------------------|---------------------|-------------|--------------------------|-------------|
|                           | 2024<br>R'm         | 2023<br>R'm | 2024<br>R'm              | 2023<br>R'm |
| Within 12 months          | 556                 | 452         | (18)                     | (15)        |
| After more than 12 months | 604                 | 610         | (799)                    | (849)       |
|                           | <b>1 160</b>        | 1 062       | <b>(817)</b>             | (864)       |

Factors considered in assessing whether to raise deferred tax assets on unutilised tax losses include the entity's forecasted performance over a five-year period, past performance, any business reorganisations and efficiency programmes and general economic indicators relevant to the industry.

Deferred tax assets on unutilised tax losses are only raised where forecasts indicate a reasonable expectation that such tax losses may be utilised to reduce a potential future tax liability.

The Group has not recognised deferred tax assets, relating to continued operations, to the value of R239 million in the current year (southern Africa: R239 million and international: Rnil) and R305 million in the prior year (southern Africa: R93 million and international: R212 million) relating to tax losses available to carry forward against future taxable income in these financial statements due to uncertainties regarding the utilisation of these losses in the foreseeable future.

None of these losses are expected to expire.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

## 15. CASH AND CASH EQUIVALENTS

|                                                                     | 2024<br>R'm  | 2023<br>R'm |
|---------------------------------------------------------------------|--------------|-------------|
| Bank accounts and petty cash                                        | 1 568        | 711         |
| Deposits on call                                                    | 894          | 135         |
| <b>Cash and cash equivalents</b>                                    | <b>2 462</b> | 846         |
| Bank overdrafts <sup>1</sup>                                        | –            | (187)       |
| <b>Cash and cash equivalents as per the statement of cash flows</b> | <b>2 462</b> | 659         |

<sup>1</sup> Bank overdrafts are included as part of cash and cash equivalents in the statement of cash flow as it forms an integral part of the Group's cash management and the balance often fluctuates between being positive to overdrawn.

Overdraft facilities within the Group are secured by means of cross sureties by certain Group companies.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was negligible. The provision was calculated using a simplification of the general provision method.

## 16. TRADE AND OTHER RECEIVABLES

|                                                        | 2024<br>R'm  | 2023<br>R'm  |
|--------------------------------------------------------|--------------|--------------|
| Trade receivables                                      | 4 223        | 3 529        |
| Less: Provision for ECL                                | (684)        | (448)        |
| Net trade receivables                                  | 3 539        | 3 081        |
| Accrued income                                         | –            | 52           |
| Other receivables <sup>1,2</sup>                       | 175          | 101          |
| Rent receivable                                        | 150          | 138          |
| Prepaid expenses                                       | 293          | 253          |
| <b>Balance at 30 September</b>                         | <b>4 157</b> | <b>3 625</b> |
| <b>Reconciliation of provision for ECL<sup>3</sup></b> |              |              |
| Balance at 1 October                                   | (448)        | (406)        |
| Recovery of amounts previously provided for            | 1            | 13           |
| ECL raised from continuing operations                  | (318)        | (212)        |
| ECL raised from discontinued operations                | –            | (14)         |
| Debt written off                                       | 66           | 11           |
| Reclassified as held for sale (refer note 28)          | 13           | 182          |
| Effect of foreign currency movement                    | 2            | (22)         |
| <b>Balance at 30 September</b>                         | <b>(684)</b> | <b>(448)</b> |

<sup>1</sup> While other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was negligible. The provision was calculated using a simplification of the general provision method.

<sup>2</sup> Other receivables consist of a number of non-material balances.

<sup>3</sup> Refer note 33 – risk management (credit risk).

## 17. INVENTORIES

|                                                                                                                                                                                     | 2024<br>R'm     | 2023<br>R'm |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|
| Ethical drugs and consumable products                                                                                                                                               | 474             | 469         |
| Less: Provision for obsolete stock                                                                                                                                                  | (8)             | (18)        |
| Balance at 30 September                                                                                                                                                             | 466             | 451         |
| “Drugs and consumables” represents the cost of inventories recorded as an expense in the statement of profit or loss.                                                               |                 |             |
| The cost of inventories written off as expired stock is recognised as an expense and is included in “drugs and consumables” in profit or loss. Inventories written off amounted to: | 26 <sup>4</sup> | 50          |

<sup>4</sup> The write-off of personal protective equipment (PPE) is directly linked to expiry dates reached. The PPE balance at 30 September 2024 amounted to R18 million (2023: R65 million).

# Notes to the consolidated annual financial statements

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for the year ended 30 September 2024

## 18. STATED CAPITAL

|                                              | 2024<br>R'm   | 2023<br>R'm |
|----------------------------------------------|---------------|-------------|
| <b>Stated capital comprises:</b>             |               |             |
| Share capital                                | 10 507        | 10 507      |
| Share premium                                | 3 373         | 3 373       |
| Treasury shares                              | (505)         | (586)       |
|                                              | <b>13 375</b> | 13 294      |
| <b>Reconciliation of number of shares</b>    |               |             |
| <b>Ordinary shares</b>                       | <b>'000</b>   | <b>'000</b> |
| Authorised (Share capital of R0.000001 each) | 4 149 980     | 4 149 980   |
| Total value = R4 149 (2023: R4 149)          |               |             |
| Issued and fully paid:                       |               |             |
| Balance at 30 September                      | 1 467 349     | 1 467 349   |
| Total value = R1 467 (2023: R1 467)          |               |             |

|                                                                                                                                  | Number of shares |              | Value of shares |             |
|----------------------------------------------------------------------------------------------------------------------------------|------------------|--------------|-----------------|-------------|
|                                                                                                                                  | 2024<br>'000     | 2023<br>'000 | 2024<br>R'm     | 2023<br>R'm |
| <b>Treasury shares</b>                                                                                                           |                  |              |                 |             |
| Balance at 1 October                                                                                                             | 27 167           | 23 618       | 586             | 538         |
| Purchased for long-term incentive schemes                                                                                        | 6 278            | 761          | 218             | 13          |
| Purchased for Life Healthcare employee share trust                                                                               | 4 705            | 3 147        | 67              | 65          |
| Purchased for CIP                                                                                                                | –                | 2 506        | –               | 43          |
| Forfeited <sup>1</sup>                                                                                                           | (1 510)          | –            | (30)            | –           |
| Re-assigned <sup>1</sup>                                                                                                         | 1 050            | –            | 22              | –           |
| Vested through long-term incentive schemes                                                                                       | (6 756)          | (761)        | (227)           | (13)        |
| Vested through Life Healthcare employee share trust                                                                              | (2 615)          | (2 104)      | (62)            | (60)        |
| Vested through CIP                                                                                                               | (3 064)          | –            | (69)            | –           |
| Balance at 30 September                                                                                                          | <b>25 255</b>    | 27 167       | <b>505</b>      | 586         |
| Treasury shares are shares in Life Healthcare Group Holdings Limited that are held for the purpose of the staff benefit schemes: |                  |              |                 |             |
| Life Healthcare employee share trust                                                                                             | 15 055           | 12 964       | 285             | 280         |
| CIP scheme                                                                                                                       | 8 285            | 11 752       | 185             | 260         |
| Special arrangement long-term incentive schemes                                                                                  | 1 915            | 2 451        | 35              | 46          |
|                                                                                                                                  | <b>25 255</b>    | 27 167       | <b>505</b>      | 586         |

<sup>1</sup> Includes shares forfeited due to bad leaver status and due to performance conditions not met. In certain cases, when the participant forfeited his/her shares, the Trust did not sell the shares but retained them in the Trust for future allocations. Until allocation, those shares remains as unallocated. Refer note 19.

## 19. OTHER RESERVES

|                                                    | <b>2024</b>  | 2023  |
|----------------------------------------------------|--------------|-------|
|                                                    | <b>R'm</b>   | R'm   |
| Life Healthcare employee share trust               | <b>111</b>   | 123   |
| Long-term incentive schemes (refer below)          | <b>504</b>   | 437   |
| Transactions with non-controlling interest reserve | <b>(948)</b> | (948) |
| Other <sup>1</sup>                                 | <b>33</b>    | 22    |
|                                                    | <b>(300)</b> | (366) |

<sup>1</sup> Comprises distributable reserves and retirement benefit asset and post-employment medical aid reserves.

|                                                  | <b>Life Healthcare employee<br/>share trust</b> |      | <b>Long-term<br/>incentive schemes<sup>2</sup></b> |      |
|--------------------------------------------------|-------------------------------------------------|------|----------------------------------------------------|------|
|                                                  | <b>2024</b>                                     | 2023 | <b>2024</b>                                        | 2023 |
|                                                  | <b>R'm</b>                                      | R'm  | <b>R'm</b>                                         | R'm  |
| Balance at 1 October                             | <b>123</b>                                      | 130  | <b>437</b>                                         | 252  |
| Charge for the year from continuing operations   | <b>50</b>                                       | 48   | <b>248</b>                                         | 169  |
| Charge for the year from discontinued operations | –                                               | –    | <b>115</b>                                         | 21   |
| Vested during the year                           | <b>(62)</b>                                     | (55) | <b>(296)</b>                                       | (22) |
| Transferred in terms of CIP                      | –                                               | –    | –                                                  | 17   |
| Balance at 30 September                          | <b>111</b>                                      | 123  | <b>504</b>                                         | 437  |

### <sup>2</sup> Long-term incentive schemes

The Group currently has the following long-term equity-settled share schemes:

- Special arrangements schemes (Company matched shares)
- Historical long-term incentive plans (last allocation made in 2023)
- Single incentive plan (SIP) effective from 2024
- Co-investment plan (CIP)

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 19. OTHER RESERVES continued Terms and conditions

|                              | Life Healthcare employee share trust                                                                                                                                                                                                                                                                                                                                                                                 | Special arrangement long-term incentive scheme – Chief Executive                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Type                         | An equity-settled scheme                                                                                                                                                                                                                                                                                                                                                                                             | An equity-settled scheme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Background                   | In terms of the scheme, the employer acquired Life Healthcare shares in the market at the ruling market price. The number of shares acquired for the scheme is limited to the value as approved by the Group's Remuneration and Human Resources Committee.                                                                                                                                                           | During the 2021 financial year, the Company offered a once-off opportunity of Company matched shares to the Chief Executive based on their investment. The intention of this offer is to retain the executive as well as to encourage shareholding in the Company thereby aligning to shareholder interests. In terms of this arrangement the Company matched a maximum investment of R5 million by the Chief Executive in Life Healthcare with a share purchase to a maximum value of R15 million in the market at the ruling market price.                                                                                                                                                                                                 |
| Qualifying employees         | All permanent employees employed by the employer in South Africa for a continuous period of at least one year as at the date of the allocation and who (i) is a member of an employer supported retirement scheme and who (ii) does not participate in the long-term incentive schemes are beneficiaries of the trust and participate in the scheme. Voting rights and dividends vest with the qualifying employees. | Available to Chief Executive                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Vesting requirements         | Qualifying employees will need to be in service on the fifth (25%), sixth (25%) and seventh (50%) anniversaries when the shares are delivered.                                                                                                                                                                                                                                                                       | The Company matched shares will vest in equal tranches on 31 December 2023, 31 December 2024 and 31 December 2025 respectively and are subject to the following conditions: <ul style="list-style-type: none"> <li>■ Growth on total shareholder return (TSR) over predetermined thresholds relative to the TSR of listed comparator groups <ul style="list-style-type: none"> <li>– In the case of unusual market conditions, the vesting will be subject to Board discretion</li> </ul> </li> <li>■ The employee will be required to retain a level of investment in Company shares of at least the initial investment over the vesting period</li> <li>■ to remain in service for at least five years and to groom a successor</li> </ul> |
| Method of settlement         | Shares                                                                                                                                                                                                                                                                                                                                                                                                               | Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Leavers                      | Employees who leave, other than good leavers, forfeit their beneficial interest in the trust and their rights will be distributed equally among the remaining employees.                                                                                                                                                                                                                                             | If the employee leaves, other than as a good leaver, he will be entitled to all his co-investment shares but will forfeit the entire Company matched shares that have not vested.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 2023 granted shares          | 3 147 400 shares at R20.65                                                                                                                                                                                                                                                                                                                                                                                           | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 2024 granted shares          | 4 705 440 shares at R14.35                                                                                                                                                                                                                                                                                                                                                                                           | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Forfeited (number of shares) | None                                                                                                                                                                                                                                                                                                                                                                                                                 | 287 568 – due to performance condition not met                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Exercised (number of shares) | None                                                                                                                                                                                                                                                                                                                                                                                                                 | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Vested (number of shares)    | 2 614 526 (2023:1 749 568) <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                              | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Contribution                 | An annual contribution is made by each employer company in the Group for its qualifying employees. The charge and contribution reflected is for the Company's proportionate share only.                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

<sup>1</sup> Relates to shares vested and shares transferred to good leavers.

| Special arrangement long-term incentive scheme – CFO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Special arrangement long-term incentive scheme – Chief Strategy and Growth Officer and previous international CEO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| An equity-settled scheme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | An equity-settled scheme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <p>During the 2021 financial year, the Company offered a once-off opportunity of Company matched shares to the CFO based on their investment. The intention of this offer is to retain the executive as well as to encourage shareholding in the Company thereby aligning to shareholder interests. In terms of this arrangement the Company matched a maximum investment of R2 million by the CFO in Life Healthcare with a share purchase to a maximum value of R6 million in the market at the ruling market price.</p>                                                                                                                | <p>During the 2021 financial year, the Company offered a once-off opportunity of Company matched shares to the Chief Strategy and Growth Officer (previous southern African CEO) and previous international CEO based on their investment. The intention of this offer is to retain the executive as well as to encourage shareholding in the Company thereby aligning to shareholder interests. In terms of this arrangement the Company matched a maximum investment of R1.25 million by the Chief Strategy and Growth Officer and GBP100 000 by the previous international CEO in Life Healthcare with a share purchase to a maximum value of R3.75 million (previous international CEO) and GBP300 000 (previous international CEO) in the market at the ruling market price.</p> |
| Available to CFO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Available to Chief Strategy and Growth Officer (previous southern African CEO) and previous international CEO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>The Company matched shares will vest in equal tranches on 31 December 2023, 31 December 2024 and 31 December 2025, respectively, and are subject to the following conditions:</p> <ul style="list-style-type: none"> <li>■ Growth on TSR over predetermined thresholds relative to the TSR of listed comparator groups <ul style="list-style-type: none"> <li>– In the case of unusual market conditions, the vesting will be subject to Board discretion</li> </ul> </li> <li>■ The employee will be required to retain a level of investment in Company shares of at least the initial investment over the vesting period</li> </ul> | <p>The Company matched shares will vest in equal tranches on 31 December 2023, 31 December 2024 and 31 December 2025, respectively and are subject to the following conditions:</p> <ul style="list-style-type: none"> <li>■ Growth on TSR over predetermined thresholds relative to the TSR of listed comparator groups <ul style="list-style-type: none"> <li>– In the case of unusual market conditions, the vesting will be subject to Board discretion</li> </ul> </li> <li>■ The employee will be required to retain a level of investment in Company shares of at least the initial investment over the vesting period</li> </ul>                                                                                                                                              |
| Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| If the employee leaves, other than as a good leaver, he will be entitled to all his co-investment shares but will forfeit the entire Company matched shares that have not vested.                                                                                                                                                                                                                                                                                                                                                                                                                                                         | If the employees leave, other than as a good leaver, they will be entitled to all their co-investment shares but will forfeit the entire Company matched shares that have not vested.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 116 866 – due to performance condition not met                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 65 073 – due to performance condition not met                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 336 927                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| An annual contribution is made by each employer company in the Group for its qualifying employees. The charge and contribution reflected is for the Company's proportionate share only.                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 19. OTHER RESERVES continued Terms and conditions continued

### Historical long-term incentive schemes (last allocation made in 2023)

| Type                         | Equity-settled performance share schemes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |      |             |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------|--|--|--|------|------|------|-------------------------|--|--|--|----------------------|-----|-----|-----|-------------------------|----|----|----|-----------------------------|----|----|----|--------------------|-----|-----|----|---------------------------|--|--|--|----------------------|-----|-----|-----|---------------------------|-----|-----|-----|-----------------------------|----|----|----|-------------------------|----|----|----|------------------------------|--|--|--|----------------------|-----|-----|-----|---------------------------|-----|-----|-----|-----------------------------|----|----|----|-------------------------|----|----|----|------------------------------|--|--|--|----------------------|-----|-----|-----|---------------------------|-----|-----|-----|-----------------------------|----|----|----|-------------------------|----|----|----|
| Background                   | <p>The value of awards will be tier-based and linked to individual performance. Each award will be converted into notional performance shares. In terms of the scheme, the value of the awards and the performance conditions for vesting will be approved by the Group's Remuneration and Human Resources Committee. The value of the notional performance shares will be determined by the price of the Life Healthcare shares on the JSE using the 30-day VWAP. Life Healthcare shares will be purchased on vesting date, with the proceeds after tax.</p> <p>A modifier of between 0.5 and 2 for the 2021, 2022 and 2023 schemes can be applied to the allocation for key talent retention, this is applicable to all participants at the discretion of the Chief Executive. The employees are not entitled to any dividends declared on the shares underlying the awards over the period from the grant date to the vesting date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |      |             |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| Qualifying employees         | Available to all executives and senior managers in southern Africa (for all schemes) and internationally (2023 scheme).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |      |             |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| Vesting requirements         | <p>Vesting in terms of this scheme takes place in three years from allocation. The vesting of the awards is subject to the following performance conditions:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="3">Weighting %</th> </tr> <tr> <th></th> <th>2023</th> <th>2022</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td><b>Group executives</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>■ Capital efficiency</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>■ Normalised Group HEPS</td> <td>60</td> <td>60</td> <td>60</td> </tr> <tr> <td>■ Life core purpose outcome</td> <td>40</td> <td>40</td> <td>20</td> </tr> <tr> <td>■ Retention shares</td> <td>n/a</td> <td>n/a</td> <td>20</td> </tr> <tr> <td><b>Country executives</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>■ Capital efficiency</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>■ Normalised country EBIT</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>■ Life core purpose outcome</td> <td>40</td> <td>40</td> <td>40</td> </tr> <tr> <td>■ Normalised Group HEPS</td> <td>60</td> <td>60</td> <td>60</td> </tr> <tr> <td><b>Group senior managers</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>■ Capital efficiency</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>■ Normalised country EBIT</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>■ Life core purpose outcome</td> <td>40</td> <td>40</td> <td>30</td> </tr> <tr> <td>■ Normalised Group HEPS</td> <td>60</td> <td>60</td> <td>70</td> </tr> <tr> <td><b>Other senior managers</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>■ Capital efficiency</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>■ Normalised country EBIT</td> <td>n/a</td> <td>n/a</td> <td>n/a</td> </tr> <tr> <td>■ Life core purpose outcome</td> <td>40</td> <td>40</td> <td>40</td> </tr> <tr> <td>■ Normalised Group HEPS</td> <td>60</td> <td>60</td> <td>60</td> </tr> </tbody> </table> <p>Capital efficiency is measured as return on capital employed compared to WACC.</p> <p>Normalised Group HEPS is based on growth of HEPS in excess of CPI (2021 – 2022 schemes).</p> <p>Normalised Group HEPS is based on the three year compound annual growth rate (2023 scheme).</p> <p>Normalised country EBIT is based on growth of EBIT in excess of CPI.</p> <p>Life core purpose outcomes is based on country-specific non-financial measures that drive long-term sustainability of the Group.</p> <p>Retention shares are not subject to performance conditions and will vest on the vesting date, subject to continued employment.</p> |      | Weighting % |  |  |  | 2023 | 2022 | 2021 | <b>Group executives</b> |  |  |  | ■ Capital efficiency | n/a | n/a | n/a | ■ Normalised Group HEPS | 60 | 60 | 60 | ■ Life core purpose outcome | 40 | 40 | 20 | ■ Retention shares | n/a | n/a | 20 | <b>Country executives</b> |  |  |  | ■ Capital efficiency | n/a | n/a | n/a | ■ Normalised country EBIT | n/a | n/a | n/a | ■ Life core purpose outcome | 40 | 40 | 40 | ■ Normalised Group HEPS | 60 | 60 | 60 | <b>Group senior managers</b> |  |  |  | ■ Capital efficiency | n/a | n/a | n/a | ■ Normalised country EBIT | n/a | n/a | n/a | ■ Life core purpose outcome | 40 | 40 | 30 | ■ Normalised Group HEPS | 60 | 60 | 70 | <b>Other senior managers</b> |  |  |  | ■ Capital efficiency | n/a | n/a | n/a | ■ Normalised country EBIT | n/a | n/a | n/a | ■ Life core purpose outcome | 40 | 40 | 40 | ■ Normalised Group HEPS | 60 | 60 | 60 |
|                              | Weighting %                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |      |             |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
|                              | 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2022 | 2021        |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| <b>Group executives</b>      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |             |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Capital efficiency         | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | n/a  | n/a         |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Normalised Group HEPS      | 60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 60   | 60          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Life core purpose outcome  | 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40   | 20          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Retention shares           | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | n/a  | 20          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| <b>Country executives</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |             |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Capital efficiency         | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | n/a  | n/a         |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Normalised country EBIT    | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | n/a  | n/a         |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Life core purpose outcome  | 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40   | 40          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Normalised Group HEPS      | 60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 60   | 60          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| <b>Group senior managers</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |             |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Capital efficiency         | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | n/a  | n/a         |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Normalised country EBIT    | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | n/a  | n/a         |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Life core purpose outcome  | 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40   | 30          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Normalised Group HEPS      | 60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 60   | 70          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| <b>Other senior managers</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |      |             |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Capital efficiency         | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | n/a  | n/a         |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Normalised country EBIT    | n/a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | n/a  | n/a         |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Life core purpose outcome  | 40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 40   | 40          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |
| ■ Normalised Group HEPS      | 60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 60   | 60          |  |  |  |      |      |      |                         |  |  |  |                      |     |     |     |                         |    |    |    |                             |    |    |    |                    |     |     |    |                           |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |                              |  |  |  |                      |     |     |     |                           |     |     |     |                             |    |    |    |                         |    |    |    |

19. **OTHER RESERVES** continued  
**Terms and conditions** continued

**Historical long-term incentive schemes (last allocation made in 2023)** continued

| Method of settlement         | Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leavers                      | <p>If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:</p> <ul style="list-style-type: none"> <li>■ Good leavers with a date of termination of employment: <ul style="list-style-type: none"> <li>– that is more than one year before the vesting date of the grant, will retain a pro rata number of notional performance shares based on number of months' completed service relative to the vesting period of 36 months, the balance of notional performance shares shall be forfeited and cancelled for no consideration; or</li> <li>– that is one year or less before the vesting date of the grant, will retain all notional performance shares and he/she shall continue to be treated as a participant as if his/her employment had not been terminated.</li> </ul> </li> <li>■ Bad leavers with a date of termination of employment prior to vesting date, will result in all notional performance shares held by the participant being forfeited and cancelled for no consideration.</li> </ul> |
| 2023 granted shares          | Life Healthcare shares will be purchased on vesting date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 2024 granted shares          | None - new scheme in place (refer SIP)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Forfeited (number of shares) | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Exercised (number of shares) | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Vested                       | 2021 scheme vested. Shares of 6 277 538 were purchased @ R18.95 per share and vested to participants immediately.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Contribution                 | An annual contribution is made by each employer company in the Group for its qualifying employees. The charge and contribution reflected is for the Company's proportionate share only.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |



# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 19. OTHER RESERVES continued

### Terms and conditions continued

#### Single incentive scheme (SIP) effective from FY2024

| Type                                      | Equity-settled performance share schemes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------|---------------------------------------|--|---------|-----------|-------------------|-----------|------------------------------|-----------|------------------------------|-----------|-------------------------------------------|--|---------------------|-----|------------------|----|---------------------------------|--|--------------------------------|-----------|-----------------------------------------|-----------|-----------------|-------------------|
| Background                                | <p>The scheme aims to align the interests of senior management with the short-and long-term success and growth of the Group, fostering a culture of performance excellence and shareholder value creation. The SIP combines both short- and long-term incentives and the reward is based on the performance outcomes for each financial year using a balanced scorecard, with both financial and non-financial performance targets.</p> <p>The annual SIP is calculated based on the targeted percentage of annual guaranteed package per employee (based on job grade and function) adjusted for the performance condition and the probability of meeting this condition.</p> <p>This scheme has replaced the historical long-term incentive plans and the first allocation was made on 1 October 2023 (award date).</p> <p>Once the deferred shares are purchased, the employees are entitled to all dividends declared from the date the shares were purchased to the vesting date.</p> <p>Malus and clawback provisions are included.</p>                                                                                                                                                                                                                                                                                                                                      |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| Eligibility                               | Available to all qualifying employees in southern Africa.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| Vesting requirements                      | <p>Vesting in terms of this scheme takes place over a period of three to five years, based on seniority. The allocation of the awards is subject to the following performance conditions:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;"><b>Weighting</b></th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>Financial performance targets:</b></td> </tr> <tr> <td>■ EBITA</td> <td style="text-align: right;">5% to 30%</td> </tr> <tr> <td>■ Normalised HEPS</td> <td style="text-align: right;">5% to 15%</td> </tr> <tr> <td>■ Capital efficiency (CFROI)</td> <td style="text-align: right;">5% to 20%</td> </tr> <tr> <td>■ Working capital management</td> <td style="text-align: right;">0% to 10%</td> </tr> <tr> <td colspan="2"><b>Non-financial performance targets:</b></td> </tr> <tr> <td>■ Life core purpose</td> <td style="text-align: right;">10%</td> </tr> <tr> <td>■ ESG assessment</td> <td style="text-align: right;">5%</td> </tr> <tr> <td colspan="2"><b>Business unit financial:</b></td> </tr> <tr> <td>■ Revenue growth on prior year</td> <td style="text-align: right;">0% to 35%</td> </tr> <tr> <td>■ Internal days sales outstanding (DSO)</td> <td style="text-align: right;">0% to 10%</td> </tr> <tr> <td><b>Personal</b></td> <td style="text-align: right;"><b>20% to 30%</b></td> </tr> </tbody> </table> |  | <b>Weighting</b> | <b>Financial performance targets:</b> |  | ■ EBITA | 5% to 30% | ■ Normalised HEPS | 5% to 15% | ■ Capital efficiency (CFROI) | 5% to 20% | ■ Working capital management | 0% to 10% | <b>Non-financial performance targets:</b> |  | ■ Life core purpose | 10% | ■ ESG assessment | 5% | <b>Business unit financial:</b> |  | ■ Revenue growth on prior year | 0% to 35% | ■ Internal days sales outstanding (DSO) | 0% to 10% | <b>Personal</b> | <b>20% to 30%</b> |
|                                           | <b>Weighting</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| <b>Financial performance targets:</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| ■ EBITA                                   | 5% to 30%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| ■ Normalised HEPS                         | 5% to 15%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| ■ Capital efficiency (CFROI)              | 5% to 20%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| ■ Working capital management              | 0% to 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| <b>Non-financial performance targets:</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| ■ Life core purpose                       | 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| ■ ESG assessment                          | 5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| <b>Business unit financial:</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| ■ Revenue growth on prior year            | 0% to 35%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| ■ Internal days sales outstanding (DSO)   | 0% to 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |
| <b>Personal</b>                           | <b>20% to 30%</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                  |                                       |  |         |           |                   |           |                              |           |                              |           |                                           |  |                     |     |                  |    |                                 |  |                                |           |                                         |           |                 |                   |

19. OTHER RESERVES continued  
**Terms and conditions** continued

**Single incentive scheme (SIP) effective from 2024** continued

| Vesting requirements         | Performance measure                                                                                                                                                                                                                                                                                                                                                         | Weighting %                                               |               |                |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------|----------------|
|                              |                                                                                                                                                                                                                                                                                                                                                                             | Threshold (50%)                                           | Target (100%) | Stretch (200%) |
|                              | <b>Financial performance targets:</b>                                                                                                                                                                                                                                                                                                                                       |                                                           |               |                |
|                              | ■ EBITA achievement against budget                                                                                                                                                                                                                                                                                                                                          | 90%                                                       | 100%          | 110%           |
|                              | ■ Normalised Group HEPS against budget                                                                                                                                                                                                                                                                                                                                      | 90%                                                       | 100%          | 110%           |
|                              | ■ Working capital management measured against budget                                                                                                                                                                                                                                                                                                                        | 90%                                                       | 100%          | 110%           |
|                              | ■ Capital Efficiency (CFROI)                                                                                                                                                                                                                                                                                                                                                | Prior year's outcome                                      | WACC + 1%     | WACC + 2%      |
|                              | <b>Non-financial performance targets:</b>                                                                                                                                                                                                                                                                                                                                   |                                                           |               |                |
|                              | ■ Life Core Purpose                                                                                                                                                                                                                                                                                                                                                         | 90% achievement of targets results in capped 100% payment |               |                |
|                              | – Core Bundle Compliance                                                                                                                                                                                                                                                                                                                                                    |                                                           |               |                |
|                              | – Patient Satisfaction Index                                                                                                                                                                                                                                                                                                                                                |                                                           |               |                |
|                              | ■ ESG Assessment                                                                                                                                                                                                                                                                                                                                                            |                                                           |               |                |
|                              | – A decrease in total carbon emissions in relation to activity levels using 2023 figures as baseline                                                                                                                                                                                                                                                                        | 80%                                                       | 100%          | 130%           |
|                              | ■ Individual personal rating                                                                                                                                                                                                                                                                                                                                                |                                                           |               |                |
|                              | Once the deferred shares are purchased in the open market no further performance conditions apply.                                                                                                                                                                                                                                                                          |                                                           |               |                |
| Method of settlement         | Award is delivered as follows:<br>■ 45% – 50% (depending on seniority) in cash<br>■ 50% – 55% (depending on seniority) in deferred shares (accounted for as share-based payments) – shares are purchased in the open market, after finalisation of audited financial results, with no further performance conditions, these shares will be held in an escrow account.       |                                                           |               |                |
| Leavers                      | If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:<br>■ Good leavers – shares will not be forfeited and will vest on the original vesting date<br>■ Bad leavers with a date of termination of employment prior to vesting date, will result in all shares being forfeited and cancelled for no consideration. |                                                           |               |                |
| 2024 granted shares          | Life Healthcare shares will be purchased at the end of the measurement period (one year after award date) when the performance vesting criteria are met, after finalisation of audited financial results.                                                                                                                                                                   |                                                           |               |                |
| Forfeited (number of shares) | None                                                                                                                                                                                                                                                                                                                                                                        |                                                           |               |                |
| Exercised (number of shares) | None                                                                                                                                                                                                                                                                                                                                                                        |                                                           |               |                |
| Vested                       | None                                                                                                                                                                                                                                                                                                                                                                        |                                                           |               |                |
| Contribution                 | An annual contribution is made by each employer company in the Group for its qualifying employees. The charge and contribution reflected is for the Company's proportionate share only.                                                                                                                                                                                     |                                                           |               |                |

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 19. OTHER RESERVES continued

### Terms and conditions continued

#### Co-investment plan (CIP)

| Type                 | Equity-settled performance share schemes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Background           | <p>In 2022, in response to the risk of the Group losing key personnel stationed throughout the Group and to align management interests with that of shareholders, the Board of Directors has approved the introduction of a once-off additional long-term incentive scheme, the CIP. The once-off allocation was made to selected executives and senior managers who have been deemed critical to retain due to their ability to influence long-term performance and sustainability of the Group. During the current year the Board of Directors approved an additional nine participants onto the CIP scheme due to the need to retain their services in view of their valuable and significant contribution to the success of the Group.</p> <p>Participants are held to an extended notice period of 12-months, as well as a six months' international restraint of trade for the duration of the scheme.</p> <p>For the initial participants: The grant was made on 1 December 2021 (award date). Participants elected to defer 70% of their awarded short-term performance bonus relating to the 2021 financial year into shares in Life Healthcare (bonus shares).</p> <p>For the additional participants: The grant was made on 1 December 2022 (award date). Participants elected to defer 70% of their awarded short-term performance bonus relating to the 2022 financial year into shares in Life Healthcare (bonus shares).</p> <p>For each bonus share awarded the Company awarded three matching shares (matching shares). In addition, the Company awarded performance shares to the value of 75% of the participants annual guaranteed package (performance shares). The employees are entitled, to all dividends declared on the shares over the period from the grant date to the vesting date.</p> <p>Malus and clawback provisions are included.</p> |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                 |
| Qualifying employees | Available to selected executives and senior managers in the Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                 |
| Vesting requirements | Vesting in terms of this scheme takes place in four years from award date. The vesting of the awards is subject to the following market and non-market performance conditions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                          |                                                                                                                                                                                                                                                                                                                                                                 |
|                      | Bonus shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Matched shares                                                                           | Performance shares                                                                                                                                                                                                                                                                                                                                              |
|                      | No vesting condition exists.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | The vesting of the shares is subject to continued employment for the period vesting.     | The vesting of the shares is subject to Life Healthcare achieving a TSR of at least 75% of the average TSR of two comparator companies over the vesting period.                                                                                                                                                                                                 |
|                      | Shares will be released on the expiry of the holding period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Shares will vest to the participant upon fulfilment of the employment service condition. | Shares will vest to the participant when the below conditions are met: <ul style="list-style-type: none"> <li>■ the date on which the participant has fulfilled the employment service condition; and</li> <li>■ the date on which the Remuneration and Human Resources Committee has determined that the performance conditions have been achieved.</li> </ul> |
| Method of settlement | Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Shares                                                                                   | Shares                                                                                                                                                                                                                                                                                                                                                          |

19. **OTHER RESERVES** continued  
**Terms and conditions** continued

**Co-investment plan (CIP)** continued

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leavers                      | <p>If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:</p> <ul style="list-style-type: none"> <li>■ Good leavers: shares will be released to the participant</li> <li>■ Bad leavers: <ul style="list-style-type: none"> <li>– the shares will not be forfeited but will only be released to the participant after the vesting period.</li> <li>– should a participant leave to be employed by a direct competitor then the bonus shares will be forfeited.</li> </ul> </li> </ul> | <p>If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:</p> <ul style="list-style-type: none"> <li>■ Good leavers: <ul style="list-style-type: none"> <li>– retirement / redundancy: a pro rata number of shares will vest, based on the number of months of completed employment compared to the total number of months in the vesting period. The remaining shares will be forfeited.</li> <li>– death / disability: all unvested shares will vest.</li> </ul> </li> <li>■ Bad leavers: the shares will be forfeited.</li> </ul> | <p>If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:</p> <ul style="list-style-type: none"> <li>■ Good leavers: a pro rata number of shares will vest, based on the number of months of completed employment compared to the total number of months in the vesting period and the extent to which the performance condition has been achieved between award date and termination date. The remaining shares will be forfeited.</li> <li>■ Bad leavers: the shares will be forfeited.</li> </ul> |
| 2023 granted shares          | 346 723 shares at R17.22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1 072 960 shares at R17.22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 1 086 734 shares at R17.22                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 2024 granted shares          | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Forfeited (number of shares) | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 460 059                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 386 604                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Vested (number of shares)    | 439 155 <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1 350 259 <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1 274 460 <sup>1</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Contribution                 | Participants elected to defer 70% of their awarded short-term performance bonus relating to the 2021 financial year into shares in Life Healthcare.                                                                                                                                                                                                                                                                                                                                                                                            | For each bonus share awarded the Company awarded three matching shares.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | The Company awarded performance shares to the value of 75% of the participants' annual guaranteed package.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

<sup>1</sup> Vested as a result of the disposal of AMG to AMG participants due to good leaver status.

# Notes to the consolidated annual financial statements

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## 20. INTEREST-BEARING BORROWINGS

|                                                                | 2024                    |                     | 2023                    |                     |
|----------------------------------------------------------------|-------------------------|---------------------|-------------------------|---------------------|
|                                                                | Non-current portion R'm | Current portion R'm | Non-current portion R'm | Current portion R'm |
| <b>Unsecured borrowings</b>                                    |                         |                     |                         |                     |
| Bilateral term loans                                           | 750                     | –                   | 624                     | 1 563               |
| Syndicated term loans                                          | –                       | –                   | 8 685                   | (11) <sup>1</sup>   |
| Life Healthcare Domestic Medium Term Notes (DMTN) <sup>2</sup> | 2 000                   | 522                 | 1 000                   | 25                  |
| <b>Secured borrowings</b>                                      |                         |                     |                         |                     |
| Lease liabilities                                              | 644                     | 505                 | 701                     | 415                 |
| <b>Total borrowings – 30 September</b>                         | <b>3 394</b>            | <b>1 027</b>        | 11 010                  | 1 992               |

<sup>1</sup> Relates to amortisation of debt raising fee.

<sup>2</sup> The floating rate notes are listed on the interest rate market of the JSE.

### Terms and repayment schedule

|                             | Interest rate at 30 September         | Repayment terms <sup>2</sup>                                                        | Date of maturity/final settlement | Carrying value 2024 R'm | Carrying value 2023 R'm |
|-----------------------------|---------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------|-------------------------|-------------------------|
| <b>Bilateral term loans</b> |                                       |                                                                                     |                                   |                         |                         |
| <b>Southern Africa</b>      |                                       |                                                                                     |                                   |                         |                         |
| Term loan one               | 3-month JIBAR plus 1.65% <sup>1</sup> | Single instalment                                                                   | 31 May 2024                       | –                       | 375                     |
| Term loan two               | 3-month JIBAR plus 1.65% <sup>1</sup> | Single instalment                                                                   | 31 May 2024                       | –                       | 375                     |
| Term loan three             | 3-month JIBAR plus 1.65% <sup>1</sup> | Single instalment                                                                   | 31 May 2024                       | –                       | 500                     |
| Term loan four              | 3-month JIBAR plus 1.75% <sup>1</sup> | Eight equal semi-annual instalments of R46.9 million, payable from 30 November 2022 | 31 May 2026                       | –                       | 281                     |
| Term loan five              | 3-month JIBAR plus 1.75% <sup>1</sup> | Eight equal semi-annual instalments of R46.9 million, payable from 30 November 2022 | 31 May 2026                       | –                       | 281                     |
| Term loan six               | 3-month JIBAR plus 1.75% <sup>1</sup> | Eight equal semi-annual instalments of R62.5 million, payable from 30 November 2022 | 31 May 2026                       | –                       | 375                     |
| Term loan seven             | 3-month JIBAR plus 1.20% <sup>1</sup> | Single instalment                                                                   | 26 Jun 2027                       | 750                     | –                       |

<sup>1</sup> If the net debt to normalised EBITDA ratio is higher than 3.00:1, then the interest rate margin shall increase by 0.15%.

<sup>2</sup> The final capital repayment date is stipulated in the funding agreement and may differ slightly from the instalment dates.

20. **INTEREST-BEARING BORROWINGS** continued  
**Terms and repayment schedule** continued

|                                                       | Interest rate at<br>30 September     | Repayment terms <sup>2</sup>                                                 | Date of<br>maturity/final<br>settlement | Carrying<br>value<br>2024<br>R'm | Carrying<br>value<br>2023<br>R'm |
|-------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|----------------------------------|
| <b>Syndicated term loans</b>                          |                                      |                                                                              |                                         |                                  |                                  |
| <b>UK</b>                                             |                                      |                                                                              |                                         |                                  |                                  |
| Term loan A2 <sup>1</sup>                             | 3-month SONIA plus<br>2.00%          | Single instalment                                                            | 31 Mar 2025                             | –                                | 2 085                            |
| Term loan B2 <sup>1</sup>                             | 3-month EURIBOR<br>plus 1.90%        | Single instalment                                                            | 31 Mar 2025                             | –                                | 1 379                            |
| Term loan C <sup>1</sup>                              | 3-month SONIA plus<br>1.70%          | Single instalment                                                            | 31 Mar 2025                             | –                                | 926                              |
| Term loan D <sup>1</sup>                              | 3-month SONIA plus<br>1.75%          | Single instalment                                                            | 04 Aug 2025                             | –                                | 2 082                            |
| Term loan E <sup>1</sup>                              | 3-month EURIBOR<br>plus 1.65%        | Single instalment                                                            | 04 Aug 2025                             | –                                | 2 202                            |
| <b>Life Healthcare DMTN</b>                           |                                      |                                                                              |                                         |                                  |                                  |
| Floating rate note<br>LHC 01                          | 3-month JIBAR plus<br>1.35%          | Single instalment                                                            | 19 Jul 2025                             | <b>500</b>                       | 512                              |
| Floating rate note<br>LHC 02                          | 3-month JIBAR plus<br>1.54%          | Single instalment                                                            | 19 Jul 2027                             | <b>500</b>                       | 513                              |
| Floating rate note<br>LHC 03                          | 3-month JIBAR plus<br>1.15%          | Single instalment                                                            | 12 Apr 2027                             | <b>740</b>                       | –                                |
| Floating rate note<br>LHC 04                          | 3-month JIBAR plus<br>1.32%          | Single instalment                                                            | 12 Apr 2029                             | <b>337</b>                       | –                                |
| Floating rate note<br>LHC 05                          | 3-month JIBAR plus<br>1.32%          | Single instalment                                                            | 30 Jun 2029                             | <b>445</b>                       | –                                |
| <b>Unsecured borrowings</b>                           |                                      |                                                                              |                                         | <b>3 272</b>                     | 11 886                           |
| <b>Lease liabilities</b>                              |                                      |                                                                              |                                         |                                  |                                  |
| Southern Africa<br>(property, equipment<br>and other) | 8.36% – 16.66%<br>(2023: 7.0%-16.1%) | Repayable in monthly instalments over<br>1 to 18 years ending December 2041. |                                         | <b>1 149</b>                     | 1 116                            |
| <b>Secured borrowings</b>                             |                                      |                                                                              |                                         | <b>1 149</b>                     | 1 116                            |
| <b>Total borrowings</b>                               |                                      |                                                                              |                                         | <b>4 421</b>                     | 13 002                           |

<sup>1</sup> All GBP and EUR debt were settled with proceeds received from the sale of AMG.

<sup>2</sup> The final capital repayment date is stipulated in the funding agreement and may differ slightly from the instalment dates.

# Notes to the consolidated annual financial statements

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## 20. INTEREST-BEARING BORROWINGS

continued

|                                                                                                    | Carrying<br>value<br>2024<br>R'm | Carrying<br>value<br>2023<br>R'm |
|----------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| <b>The interest-bearing borrowings carrying amount is denominated in the following currencies:</b> |                                  |                                  |
| South African rand                                                                                 | 4 256                            | 4 161                            |
| Botswana pula                                                                                      | 165                              | 167                              |
| Pound sterling <sup>1</sup>                                                                        | –                                | 5 093                            |
| European euro <sup>1</sup>                                                                         | –                                | 3 581                            |
|                                                                                                    | <b>4 421</b>                     | <b>13 002</b>                    |

<sup>1</sup> All GBP and EUR debt were settled with proceeds received from the sale of AMG.

|                                                                                  | Bank loans<br>and notes<br>2024<br>R'm | Lease<br>liabilities<br>2024<br>R'm | Bank loans<br>and notes<br>2023<br>R'm | Lease<br>liabilities<br>2023<br>R'm |
|----------------------------------------------------------------------------------|----------------------------------------|-------------------------------------|----------------------------------------|-------------------------------------|
| <b>Reconciliation of opening balance to closing balance</b>                      |                                        |                                     |                                        |                                     |
| Balance at 1 October                                                             | 11 886                                 | 1 116                               | 10 855                                 | 2 495                               |
| <b>Cash flow movements</b>                                                       |                                        |                                     |                                        |                                     |
| Proceeds from interest-bearing borrowings from continuing operations             | 2 485                                  | –                                   | 446                                    | –                                   |
| Repayment of interest-bearing borrowings from continuing operations <sup>2</sup> | (11 257)                               | (141)                               | (566)                                  | (121)                               |
| Repayment of interest-bearing borrowings from discontinued operations            | –                                      | –                                   | –                                      | (367)                               |
| Interest paid from continuing operations                                         | (331)                                  | (87)                                | (433)                                  | (92)                                |
| Interest paid from discontinued operations                                       | (180)                                  | –                                   | (280)                                  | (56)                                |
| <b>Non-cash items</b>                                                            |                                        |                                     |                                        |                                     |
| Interest accrued from continuing operations                                      | 328                                    | 84                                  | 459                                    | 92                                  |
| Interest accrued from discontinued operations                                    | 180                                    | –                                   | 280                                    | 56                                  |
| Additional lease liabilities recognised from continuing operations               | –                                      | 65                                  | –                                      | 70                                  |
| Additional lease liabilities recognised from discontinued operations             | –                                      | –                                   | –                                      | 237                                 |
| Modification or adjustment to lease liabilities                                  | –                                      | (14)                                | –                                      | 1                                   |
| Arising on acquisition of subsidiaries                                           | –                                      | 134                                 | 36                                     | 12                                  |
| Amortisation of debt raising fees capitalised                                    | 15                                     | –                                   | 10                                     | –                                   |
| Reclassified as held for sale (refer note 28)                                    | –                                      | –                                   | –                                      | (1 410)                             |
| Effect of foreign currency movement                                              | 146                                    | (8)                                 | 1 079                                  | 199                                 |
| Balance at 30 September                                                          | <b>3 272</b>                           | <b>1 149</b>                        | <b>11 886</b>                          | <b>1 116</b>                        |

<sup>2</sup> The Group settled all international GBP and EUR debt on 31 January 2024 with the proceeds from the sale of AMG (R9.1 billion).

|                                                                 | Property, plant and<br>equipment |             |
|-----------------------------------------------------------------|----------------------------------|-------------|
|                                                                 | 2024<br>R'm                      | 2023<br>R'm |
| <b>Carrying value of assets held as security for borrowings</b> |                                  |             |
| Lease liabilities                                               | 909                              | 882         |
| <b>Total</b>                                                    | <b>909</b>                       | <b>882</b>  |

20. **INTEREST-BEARING BORROWINGS** continued  
**Borrowing facilities**

|                                                   | <b>Total<br/>2024<br/>R'm</b> | <b>Available<br/>2024<br/>R'm</b> | Total<br>2023<br>R'm | Available<br>2023<br>R'm |
|---------------------------------------------------|-------------------------------|-----------------------------------|----------------------|--------------------------|
| The Group has the following borrowing facilities: |                               |                                   |                      |                          |
| Southern Africa                                   |                               |                                   |                      |                          |
| Committed general banking facilities              | <b>2 000</b>                  | <b>2 000</b>                      | 750                  | 750                      |
| Committed trade loan facility                     | –                             | –                                 | 650                  | 650                      |
| Uncommitted general banking facilities            | <b>250</b>                    | <b>250</b>                        | 1 500                | 1 313                    |
| International                                     |                               |                                   |                      |                          |
| Committed GBP revolving credit facility           | –                             | –                                 | 2 318                | 1 391                    |
|                                                   | <b>2 250</b>                  | <b>2 250</b>                      | 5 218                | 4 104                    |

21. **TRADE AND OTHER PAYABLES**

|                                       | <b>2024<br/>R'm</b> | 2023<br>R'm |
|---------------------------------------|---------------------|-------------|
| <b>Under current liabilities:</b>     |                     |             |
| Trade payables                        | <b>1 935</b>        | 1 745       |
| Accruals                              | <b>261</b>          | 391         |
| Employee-related payables             | <b>1 187</b>        | 1 033       |
| Value added tax                       | <b>94</b>           | 87          |
| Debtors' balances in credit           | <b>198</b>          | 206         |
| Other payables                        | <b>235</b>          | 281         |
| <b>Balance at 30 September</b>        | <b>3 910</b>        | 3 743       |
| <b>Under non-current liabilities:</b> |                     |             |
| Accruals                              | <b>7</b>            | 11          |
| Employee-related payables             | <b>42</b>           | 16          |
|                                       | <b>49</b>           | 27          |

The employee-related payables represent:

- the employee benefits payable to revenue tax authorities as well as medical aid and provident fund payment obligations at year-end; and
- the pro rata portion of a 13th cheque that is payable to employees annually in terms of their employment contracts, accrued annual leave and a performance bonus scheme payable in November.



# Notes to the consolidated annual financial statements

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## 22. PROVISIONS

|                                                         | Property<br>related<br>R'm | Insurance<br>provision<br>R'm | Dispute on<br>contract<br>interpre-<br>tation<br>provision<br>R'm | Total<br>R'm |
|---------------------------------------------------------|----------------------------|-------------------------------|-------------------------------------------------------------------|--------------|
| Balance at 1 October 2023                               | –                          | 139                           | –                                                                 | 139          |
| Raised during the year (from continuing operations)     | –                          | 70                            | –                                                                 | 70           |
| Utilised during the year (from continuing operations)   | –                          | (71)                          | –                                                                 | (71)         |
| Arising on acquisition of subsidiaries                  | 11                         | –                             | –                                                                 | 11           |
| Reclassified as held for sale (refer note 28)           | –                          | –                             | –                                                                 | –            |
| Effect of foreign currency movement                     | –                          | –                             | –                                                                 | –            |
| Balance at 30 September 2024                            | 11                         | 138                           | –                                                                 | 149          |
| Included under non-current liabilities                  | 6                          | –                             | –                                                                 | 6            |
| Included under current liabilities                      | 5                          | 138                           | –                                                                 | 143          |
|                                                         | 11                         | 138                           | –                                                                 | 149          |
| Balance at 1 October 2022                               | 128                        | 141                           | 199                                                               | 468          |
| Raised during the year (from continuing operations)     | –                          | 53                            | 47                                                                | 100          |
| Raised during the year (from discontinued operations)   | 2                          | 2                             | –                                                                 | 4            |
| Utilised during the year (from continuing operations)   | –                          | (49)                          | (246)                                                             | (295)        |
| Utilised during the year (from discontinued operations) | –                          | (1)                           | –                                                                 | (1)          |
| Reclassified as held for sale (refer note 28)           | (136)                      | (8)                           | –                                                                 | (144)        |
| Effect of foreign currency movement                     | 6                          | 1                             | –                                                                 | 7            |
| Balance at 30 September 2023                            | –                          | 139                           | –                                                                 | 139          |
| Included under non-current liabilities                  | –                          | –                             | –                                                                 | –            |
| Included under current liabilities                      | –                          | 139                           | –                                                                 | 139          |
|                                                         | –                          | 139                           | –                                                                 | 139          |

## 23. CONTINGENT CONSIDERATION LIABILITIES

|                                                                                                                | 2024<br>R'm | 2023<br>R'm |
|----------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>Contingent consideration liabilities</b>                                                                    |             |             |
| Balance at 1 October                                                                                           | 521         | 503         |
| Arising on acquisition of subsidiaries – refer note 27                                                         | 24          | 44          |
| Paid during the year (relating to continuing operations) <sup>1</sup>                                          | –           | (133)       |
| Paid during the year (relating to discontinued operations)                                                     | –           | (3)         |
| Fair value adjustments to contingent consideration                                                             | 63          | 7           |
| Fair value loss recognised in profit or loss (relating to LMI, included as part of international) <sup>2</sup> | 58          | –           |
| Fair value loss recognised in profit or loss (relating to ECR, included as part of complementary services)     | 5           | 7           |
| Unwinding of contingent consideration (included as part of finance cost)                                       | 78          | 62          |
| Reclassified as held for sale (refer note 28)                                                                  | –           | (11)        |
| Effect of foreign currency movement                                                                            | (53)        | 52          |
| <b>Balance at 30 September</b>                                                                                 | <b>633</b>  | <b>521</b>  |
| Included under non-current liabilities                                                                         | 599         | 504         |
| Included under current liabilities                                                                             | 34          | 17          |
|                                                                                                                | 633         | 521         |

<sup>1</sup> FY2023 relates to ECR (R59 million) and EMR (R74 million) acquired during 2022.

<sup>2</sup> At 30 September 2024, a fair value adjustment to the LMI contingent consideration was made due to the sub-licence of one of LMI's early-stage novel radiotherapeutic and radio diagnostic products which reduced the cumulative loss.

The largest contingent consideration payable (R534 million) relates to a potential amount payable to the previous owners of LMI (2023: R456 million). Refer 1.2.2.

## 24. FINANCIAL INSTRUMENTS BY CATEGORY

|                                                                                     | 2024<br>R'm  | 2023<br>R'm |
|-------------------------------------------------------------------------------------|--------------|-------------|
| The following table summarises the Group's classification of financial instruments: |              |             |
| <b>Assets</b>                                                                       |              |             |
| Fair value through profit or loss                                                   |              |             |
| Derivative financial instruments (included in other assets)                         | –            | 16          |
| Other assets <sup>1</sup>                                                           | 136          | 66          |
| Amortised cost                                                                      |              |             |
| Trade and other receivables                                                         | 3 864        | 3 372       |
| Cash and cash equivalents                                                           | 2 462        | 846         |
| Other assets <sup>1</sup>                                                           | 180          | 121         |
| <b>Total assets</b>                                                                 | <b>6 642</b> | 4 421       |
| <b>Liabilities</b>                                                                  |              |             |
| Fair value through profit or loss                                                   |              |             |
| Contingent consideration liabilities                                                | 633          | 521         |
| Amortised cost                                                                      |              |             |
| Trade and other payables                                                            | 2 636        | 2 353       |
| Interest-bearing borrowings                                                         | 4 421        | 13 002      |
| Bank overdraft                                                                      | –            | 187         |
| <b>Total liabilities</b>                                                            | <b>7 690</b> | 16 063      |

<sup>1</sup> Other assets consist mainly of solar-related financial asset of R81 million (2023: R69 million), investment in Botswana money market of R78 million, investment in a first-party Cell Captive of R73 million (2023: R66 million) and doctor's loans of R63 million (2023: R33 million).

### Derivative financial instruments

|                                                  | Carrying value |             | Fair value  |             |
|--------------------------------------------------|----------------|-------------|-------------|-------------|
|                                                  | 2024<br>R'm    | 2023<br>R'm | 2024<br>R'm | 2023<br>R'm |
| <b>Market-to-market valuation</b>                |                |             |             |             |
| <b>Current assets</b>                            |                |             |             |             |
| Interest rate swap contracts (included in other) | –              | 16          | –           | 16          |
| <b>Total assets</b>                              | <b>–</b>       | <b>16</b>   | <b>–</b>    | <b>16</b>   |

### Interest rate swap contracts

During the current year, interest rate swap contracts with a total notional amount of R2.7 billion matured (2023: R800 million).

### Held for trading

#### Foreign exchange contracts (FECs)

The Group entered into United States dollar (USD) exchange contracts during the year to manage exposure to fluctuations in the rand dollar exchange rate on foreign liabilities. At 30 September 2024, there were no open FECs.

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## 25. OFFSETTING OF FINANCIAL LIABILITIES

|                                                                                                                                         | 2024<br>R'm | 2023<br>R'm |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| The financial assets and liabilities relating to the derivative financial instruments are subject to offsetting and similar agreements. |             |             |
| <b>Assets</b>                                                                                                                           |             |             |
| <b>Offsetting applied</b>                                                                                                               |             |             |
| Gross amount                                                                                                                            | –           | 158         |
| Amount set-off                                                                                                                          | –           | (140)       |
| Net amount                                                                                                                              | –           | 18          |
| Financial instruments not subject to set-off                                                                                            | –           | (2)         |
| Total other non-current assets per statement of financial position                                                                      | –           | –           |
| Total other current assets per statement of financial position                                                                          | –           | 16          |

## 26. CASH GENERATED FROM CONTINUING OPERATIONS

|                                                                       | 2024<br>R'm  | 2023<br>R'm |
|-----------------------------------------------------------------------|--------------|-------------|
| Reconciliation of profit before tax to cash generated from operations |              |             |
| Profit before tax from continuing operations                          | <b>2 727</b> | 1 911       |
| <i>Adjusted for:</i>                                                  |              |             |
| Share of associates' and joint ventures' net profit after tax         | <b>(8)</b>   | (9)         |
| Depreciation on property, plant and equipment                         | <b>1 096</b> | 968         |
| Amortisation of intangible assets                                     | <b>178</b>   | 158         |
| Net finance costs from continuing operations (refer note 5)           | <b>180</b>   | 537         |
| Fair value adjustments to contingent consideration                    | <b>63</b>    | 7           |
| Fair value loss on financial instruments                              | <b>15</b>    | 38          |
| Gain on derecognition of lease asset and liability                    | <b>–</b>     | (3)         |
| Impairment of assets                                                  | <b>25</b>    | –           |
| Loss on disposal of property, plant and equipment                     | <b>–</b>     | 9           |
| Transaction costs relating to acquisitions                            | <b>15</b>    | 12          |
| Share-based payment reserve charge                                    | <b>298</b>   | 217         |
| Retirement benefit asset and post-employment medical aid income       | <b>(36)</b>  | (34)        |
| Employer surplus asset payments                                       | <b>117</b>   | 80          |
| First-party Cell Captive insurance expense                            | <b>19</b>    | –           |
| Cost of inventories written off as expired stock                      | <b>26</b>    | 50          |
| Operating cash flow before working capital changes                    | <b>4 715</b> | 3 941       |
| Working capital changes:                                              |              |             |
| Inventories                                                           | <b>(24)</b>  | 15          |
| Trade and other receivables                                           | <b>(689)</b> | (709)       |
| Trade and other payables (including provisions)                       | <b>328</b>   | 406         |
| <b>Cash generated from operations from continuing operations</b>      | <b>4 330</b> | 3 653       |

## 27. ACQUISITIONS AND DISPOSALS

### ■ Acquisitions that resulted in business combinations

|                                                      | <b>Imaging practice in KZN from<br/>Drs Kauffman and Partners Incorporated<br/>(Imaging practice in KZN)</b>                                                                                                                                                                                                                                                                          | <b>FMC renal dialysis clinics<br/>in South Africa*</b>                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Acquirer                                             | Life Healthcare Group Proprietary Limited through its wholly owned subsidiary Life Diagnostic Imaging KZN Proprietary Limited                                                                                                                                                                                                                                                         | Life Healthcare Group Proprietary Limited                                                                                                                                                                                                                                                                                                                 |
| Country of incorporation                             | South Africa                                                                                                                                                                                                                                                                                                                                                                          | South Africa                                                                                                                                                                                                                                                                                                                                              |
| Acquisition date                                     | 1 Mar 2024                                                                                                                                                                                                                                                                                                                                                                            | 1 Apr 2024                                                                                                                                                                                                                                                                                                                                                |
| Total purchase consideration                         | R79 million                                                                                                                                                                                                                                                                                                                                                                           | R367 million                                                                                                                                                                                                                                                                                                                                              |
| Goodwill recognised                                  | R36 million                                                                                                                                                                                                                                                                                                                                                                           | R275 million                                                                                                                                                                                                                                                                                                                                              |
| Percentage voting equity interest acquired           | 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 | The acquisition of the imaging business is motivated by the Group's diversification strategy to include the non-clinical radiology services within our suite of healthcare services and business offerings in southern Africa. The goodwill recognised is therefore attributable to expected synergies from combining the acquired operation with the complementary services segment. | The Company offers advanced dialysis treatment driven by leading technology in hemodialysis machines. Management believe it to be the leading dialysis service provider in South Africa.<br><br>Goodwill is attributable to the acquired workforce and expected synergies from combining the acquired operations with the complementary services segment. |
| Contingent liabilities at acquisition                | None                                                                                                                                                                                                                                                                                                                                                                                  | None                                                                                                                                                                                                                                                                                                                                                      |

\* 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.

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 27. ACQUISITIONS AND DISPOSALS continued

Details of the fair value of net assets acquired and goodwill are as follows:

|                                                                                                     | Imaging<br>practice in<br>KZN<br>R'm | FMC renal<br>dialysis<br>clinics in<br>South Africa<br>R'm |
|-----------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------|
| <b>Total purchase consideration</b>                                                                 | <b>(79)</b>                          | <b>(367)</b>                                               |
| Cash portion                                                                                        | (55)                                 | (367)                                                      |
| Contingent consideration <sup>1</sup>                                                               | (24)                                 | –                                                          |
| <b>Fair value of net assets acquired</b>                                                            | <b>43</b>                            | <b>92</b>                                                  |
| Property, plant and equipment                                                                       | 21                                   | 235                                                        |
| Customer relations                                                                                  | 30                                   | –                                                          |
| Cash and cash equivalents                                                                           | –                                    | 1                                                          |
| Inventories                                                                                         | –                                    | 22                                                         |
| Interest-bearing borrowings                                                                         | –                                    | (134)                                                      |
| Provisions                                                                                          | –                                    | (11)                                                       |
| Deferred tax liability                                                                              | (8)                                  | (13)                                                       |
| Trade and other payables                                                                            | –                                    | (8)                                                        |
| <b>Goodwill</b>                                                                                     | <b>36</b>                            | <b>275</b>                                                 |
| <b>Cash outflow to acquire businesses, net of cash acquired</b>                                     |                                      |                                                            |
| Initial cash considerations                                                                         | (55)                                 | (367)                                                      |
| Less: Cash at acquisitions                                                                          | –                                    | 1                                                          |
|                                                                                                     | <b>(55)</b>                          | <b>(366)</b>                                               |
| <b>Impact on consolidated information from date of acquisitions</b>                                 |                                      |                                                            |
| Revenue                                                                                             | (15)                                 | (295)                                                      |
| Net (profit)/loss                                                                                   | (4)                                  | 5                                                          |
| <b>Impact on consolidated information if the business combinations took place on 1 October 2023</b> |                                      |                                                            |
| Revenue                                                                                             | (25)                                 | (590)                                                      |
| Net (profit)/loss                                                                                   | (7)                                  | 10                                                         |

<sup>1</sup> The contingent consideration is based on the financial performance of the business and will be payable in five annual tranches commencing one year after the acquisition date. The maximum amount payable is R28 million. The present value of the contingent consideration was determined by taking into account the probability of the forecast performance of the five-year forecast period.

27. ACQUISITIONS AND DISPOSALS continued

■ Transactions with non-controlling interests

Increases and decreases in ownership interest in southern Africa

|                                                                                                                                                                                                                                                                           | 2024<br>R'm | 2023<br>R'm |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| During the current and previous financial year, the Group had increases in its percentage shareholdings in some of its subsidiary companies.                                                                                                                              |             |             |
| Total purchase consideration                                                                                                                                                                                                                                              | <b>(72)</b> | (98)        |
| Cash portion                                                                                                                                                                                                                                                              | <b>(72)</b> | (98)        |
| Carrying amount of non-controlling interest recognised                                                                                                                                                                                                                    | <b>72</b>   | 88          |
| Carrying amount of non-controlling interest acquired                                                                                                                                                                                                                      | <b>72</b>   | 88          |
| Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity                                                                                                                                                          | -           | (10)        |
| During the current and previous financial year, the Group disposed of marginal percentages of its holdings in subsidiary companies to non-controlling interest. The Group still maintained control over the subsidiary entities after the decrease in ownership interest. |             |             |
| Proceeds on disposal of investments                                                                                                                                                                                                                                       | <b>19</b>   | 70          |
| Cash portion                                                                                                                                                                                                                                                              | <b>19</b>   | 70          |
| Increase in non-controlling interest                                                                                                                                                                                                                                      | <b>(19)</b> | (66)        |
| Profit on disposal recognised within equity                                                                                                                                                                                                                               | -           | 4           |

# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 28. DISPOSAL OF AMG AND HELD FOR SALE

### ■ Disposal of AMG

#### Description

On 5 October 2023, the Group concluded binding transaction agreements with Andromeda Bidco Limited, wholly owned by iCON Infrastructure (the purchaser) for the sale of 100% of the Group's interest in AMG, which carried out all of the Group's international imaging services operations. The disposal of AMG to the purchaser was subject to shareholder approval and to the fulfilment or waiver (to the extent permissible) of conditions precedent typical of a transaction of this nature.

The sale of AMG was concluded on 31 January 2024 and was reported as a discontinued operation since 30 September 2023. Refer consolidated annual financial statements for the year ended 30 September 2023 for detailed disclosures.

#### Financial performance information

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

|                                                                          | Four-month<br>period to<br>Jan 2024<br>R'm | Twelve-month<br>period to<br>Sep 2023<br>R'm |
|--------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| Revenue                                                                  | 3 418                                      | 9 319                                        |
| Expenses                                                                 | (2 798)                                    | (7 457)                                      |
| Normalised EBITDA*                                                       | 620                                        | 1 862                                        |
| Depreciation and amortisation                                            | –                                          | (1 401)                                      |
| Other costs                                                              | (85)                                       | (6)                                          |
| Impairment of investment of subsidiary in the UK                         | –                                          | (34)                                         |
| (Loss)/profit on disposal of property, plant and equipment               | (4)                                        | 5                                            |
| Finance income                                                           | –                                          | –                                            |
| Finance cost                                                             | (253)                                      | (484)                                        |
| Share of joint ventures' net loss/(profit) after tax                     | 6                                          | (14)                                         |
| Profit/(loss) before tax                                                 | 284                                        | (72)                                         |
| Tax expense                                                              | 35                                         | 53                                           |
| Attributable profit/(loss) after tax from discontinued operation         | 319                                        | (19)                                         |
| Impairment of AMG in terms of IFRS 5 to its fair value less cost to sell | –                                          | (822)                                        |
| Transaction costs relating to disposal                                   | –                                          | (149)                                        |
| Profit on disposal of AMG                                                | 2 439                                      | –                                            |
| Profit/(loss) from discontinued operations                               | 2 758                                      | (990)                                        |
| Basic earnings/(loss) per share from discontinued operations             | 191.0                                      | (68.7)                                       |
| Diluted earnings/(loss) per share from discontinued operations           | 189.8                                      | (68.1)                                       |
| Other comprehensive income                                               |                                            |                                              |
| Movement in FCTR before disposal                                         | 395                                        | 1 728                                        |
| Exchange gain reclassified to profit or loss on disposal                 | (3 234)                                    | –                                            |
|                                                                          | (2 839)                                    | 1 728                                        |

\* Non-IFRS measure.

28. **DISPOSAL OF AMG AND HELD FOR SALE** continued

■ **Disposal of AMG** continued

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

|                                                                                        | <b>2024<br/>R'm</b> |
|----------------------------------------------------------------------------------------|---------------------|
| <b>Total consideration</b>                                                             |                     |
| Cash portion                                                                           | <b>20 062</b>       |
|                                                                                        | <b>20 062</b>       |
| <b>Carrying value of net assets sold</b>                                               |                     |
| Property, plant and equipment                                                          | <b>7 005</b>        |
| Intangible assets                                                                      | <b>14 630</b>       |
| Investment in joint ventures                                                           | <b>256</b>          |
| Deferred tax assets                                                                    | <b>72</b>           |
| Cash and cash equivalents                                                              | <b>596</b>          |
| Trade and other receivables                                                            | <b>1 884</b>        |
| Inventories                                                                            | <b>89</b>           |
| Interest-bearing borrowings                                                            | <b>(1 394)</b>      |
| Employee benefit liabilities                                                           | <b>(162)</b>        |
| Trade and other payables (including provisions)                                        | <b>(2 545)</b>      |
| Contingent consideration liabilities                                                   | <b>(12)</b>         |
| Cash-settled share-based payment liability                                             | <b>(173)</b>        |
| Income tax payable                                                                     | <b>(42)</b>         |
| <b>Profit on disposal before taxes, transaction costs and reclassification of FCTR</b> | <b>20 204</b>       |
| Loss on disposal before transaction costs and reclassification of FCTR                 | <b>(142)</b>        |
| Transaction costs                                                                      | <b>(532)</b>        |
| Loss on foreign exchange forward contract to hedge proceeds                            | <b>(121)</b>        |
| Exchange gain reclassified to profit or loss on disposal                               | <b>3 234</b>        |
| <b>Profit on disposal after transaction costs and reclassification of FCTR</b>         | <b>2 439</b>        |
| Net cash inflow on disposal                                                            |                     |
| Cash consideration received                                                            | <b>20 062</b>       |
| Less: cash and cash equivalents disposed of                                            | <b>(596)</b>        |
|                                                                                        | <b>19 466</b>       |



# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 28. DISPOSAL OF AMG AND HELD FOR SALE continued

### ■ Held for sale

#### St Mary's Private Hospital Proprietary Limited (St Mary's)

The Group concluded binding transaction agreements with Summit Private Equity Proprietary Limited for the sale of 55% of the Group's interest in St Mary's and met the requirements under IFRS 5 to be classified as held for sale at 30 September 2024. The proposed disposal of St Mary's to the purchaser is subject to the fulfilment or waiver (to the extent permissible) of conditions precedent typical of a transaction of this nature.

#### Dusty Gold and Genesis

Dusty Gold Properties 8 (Dusty Gold) Proprietary Limited's property and Genesis Clinic Saxonwold (Genesis) Proprietary Limited's plant and equipment met the requirements under IFRS 5 to be classified as held for sale at 30 September 2024.

St Mary's, Dusty Gold and Genesis do not meet the criteria of a discontinued operation as it is not a separate major line of business nor a geographical area of operation.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

|                                                                                | <b>2024</b><br><b>R'm</b> |
|--------------------------------------------------------------------------------|---------------------------|
| Property, plant and equipment                                                  | <b>201</b>                |
| Deferred tax assets                                                            | <b>1</b>                  |
| Trade and other receivables                                                    | <b>39</b>                 |
| Inventories                                                                    | <b>2</b>                  |
| <b>Assets held for sale</b>                                                    | <b>243</b>                |
| Trade and other payables                                                       | <b>(15)</b>               |
| <b>Liabilities directly associated with assets classified as held for sale</b> | <b>(15)</b>               |
| <b>Net assets held for sale</b>                                                | <b>228</b>                |

## 29. DIRECTORS' EMOLUMENTS AND INTERESTS IN THE COMPANY

Emoluments paid to the directors, including directors who resigned during the year, and prescribed officers of the Company by the Company and its subsidiaries for the year to 30 September, are set out below:

| Executive directors – shareholding | 2024                    |                       |                    | 2023                 |           |                    |
|------------------------------------|-------------------------|-----------------------|--------------------|----------------------|-----------|--------------------|
|                                    | Direct                  | Indirect <sup>1</sup> | Associate interest | Direct               | Indirect  | Associate interest |
| <b>Executive directors</b>         |                         |                       |                    |                      |           |                    |
| PG Wharton-Hood                    | 1 132 017 <sup>2*</sup> | 1 633 587             | –                  | 500 000              | 1 921 155 | –                  |
| PP van der Westhuizen              | 767 924 <sup>2</sup>    | 881 267               | 4 832              | 386 733 <sup>2</sup> | 998 133   | 4 832              |
|                                    | <b>1 899 941*</b>       | <b>2 514 854</b>      | <b>4 832</b>       | 886 733              | 2 919 288 | 4 832              |

| Executive directors – total remuneration earned | Directors' fees <sup>3</sup><br>R'000 | Salaries<br>R'000 | Performance-related bonus accrual to be paid in cash<br>R'000 | Other allowances<br>R'000 | Pension fund contribution<br>R'000 | Remuneration before long-term incentives<br>R'000 | Long-term incentive schemes<br>R'000 | Total remuneration<br>R'000 |
|-------------------------------------------------|---------------------------------------|-------------------|---------------------------------------------------------------|---------------------------|------------------------------------|---------------------------------------------------|--------------------------------------|-----------------------------|
| <b>2024</b>                                     |                                       |                   |                                                               |                           |                                    |                                                   |                                      |                             |
| <b>Executive directors</b>                      |                                       |                   |                                                               |                           |                                    |                                                   |                                      |                             |
| PG Wharton-Hood                                 | 176                                   | 9 327             | 15 223                                                        | 118                       | 389                                | 25 233                                            | 14 752                               | 39 985                      |
| PP van der Westhuizen                           | 176                                   | 6 587             | 9 691                                                         | 73 <sup>4</sup>           | 277                                | 16 804                                            | 13 017                               | 29 821                      |
|                                                 | <b>352</b>                            | <b>15 914</b>     | <b>24 914</b>                                                 | <b>191</b>                | <b>666</b>                         | <b>42 037</b>                                     | <b>27 769</b>                        | <b>69 806</b>               |
| <b>2023</b>                                     |                                       |                   |                                                               |                           |                                    |                                                   |                                      |                             |
| <b>Executive directors</b>                      |                                       |                   |                                                               |                           |                                    |                                                   |                                      |                             |
| PG Wharton-Hood                                 | 56                                    | 8 782             | 9 518                                                         | 188                       | 363                                | 18 907                                            | –                                    | 18 907                      |
| PP van der Westhuizen                           | 56                                    | 6 199             | 5 504                                                         | 69                        | 259                                | 12 087                                            | 1 722                                | 13 809                      |
|                                                 | 112                                   | 14 981            | 15 022                                                        | 257                       | 622                                | 30 994                                            | 1 722                                | 32 716                      |

\* Includes 500 000 shares which are jointly held with spouse.

<sup>1</sup> The indirect beneficial shareholding is held in the name of the Life Healthcare Share Matching and Performance Trust and subject to vesting conditions. Refer note 19.

<sup>2</sup> The 2021 long-term incentive allocation vested during January 2024. Life Healthcare shares were purchased at R18.95 per share and 432 017 shares were awarded to PG Wharton-Hood and 381 191 shares to PP van der Westhuizen (2020: vesting: 55 581 shares at R17.19 per share). Life Healthcare shares vested was purchased with the proceeds after tax.

<sup>3</sup> Paid in relation to international Board meetings attended.

<sup>4</sup> Includes long service award paid of R3 735.

# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 29. DIRECTORS' EMOLUMENTS AND INTERESTS IN THE COMPANY

continued

| Long-term incentive scheme and CIP                        | Opening balance at<br>1 October 2023 |                        | Awards forfeited <sup>10</sup>   | Dividends | Closing balance at<br>30 September 2024 |                                                    | Final<br>vesting<br>date |
|-----------------------------------------------------------|--------------------------------------|------------------------|----------------------------------|-----------|-----------------------------------------|----------------------------------------------------|--------------------------|
|                                                           | Number<br>of shares                  | Issue price<br>R/share |                                  |           | Number<br>of shares <sup>11</sup>       | Accrued<br>and paid<br>in current year<br>in R'000 |                          |
| <b>PG Wharton-Hood</b>                                    |                                      |                        |                                  |           |                                         |                                                    |                          |
| Long-term incentive scheme – Chief Executive <sup>1</sup> | 862 706                              | 17.39                  | (287 568)                        | 3 793     | 575 138                                 | Dec 25                                             |                          |
| 2022 allocation (CIP) <sup>2</sup>                        | 1 058 449                            | 23.51                  | -                                | 6 838     | 1 058 449                               | Dec 25                                             |                          |
| <b>PP van der Westhuizen</b>                              |                                      |                        |                                  |           |                                         |                                                    |                          |
| Long-term incentive scheme – CFO <sup>1</sup>             | 350 600                              | 17.11                  | (116 866)                        | 1 541     | 233 734                                 | Dec 25                                             |                          |
| 2022 allocation (CIP) <sup>2</sup>                        | 647 533                              | 23.51                  | -                                | 4 183     | 647 533                                 | Dec 25                                             |                          |
|                                                           |                                      |                        | <b>Total shareholding shares</b> |           | <b>Directors' fees<br/>R'000</b>        |                                                    |                          |
|                                                           |                                      |                        | <b>2024</b>                      | 2023      | <b>2024</b>                             | 2023 <sup>9</sup>                                  |                          |
| <b>Non-executive directors</b>                            |                                      |                        |                                  |           |                                         |                                                    |                          |
| VL Litlhakanyane                                          |                                      |                        | <b>10 000</b>                    | -         | <b>2 049</b>                            | 2 103                                              |                          |
| MF Abdullah <sup>3</sup>                                  |                                      |                        | -                                | -         | <b>41</b>                               | -                                                  |                          |
| JE Bolger                                                 |                                      |                        | -                                | -         | <b>2 501</b>                            | 2 737                                              |                          |
| RA Campbell <sup>3</sup>                                  |                                      |                        | -                                | -         | <b>41</b>                               | -                                                  |                          |
| PJ Golesworthy <sup>4</sup>                               |                                      |                        | -                                | 31 224    | <b>496</b>                              | 1 432                                              |                          |
| CM Henry                                                  |                                      |                        | -                                | -         | <b>1 161</b>                            | 1 189                                              |                          |
| LE Holmqvist                                              |                                      |                        | -                                | -         | <b>2 457</b>                            | 2 839                                              |                          |
| ME Jacobs                                                 |                                      |                        | -                                | -         | <b>879</b>                              | 896                                                |                          |
| TP Moeketsi <sup>7</sup>                                  |                                      |                        | -                                | -         | <b>1 120</b>                            | 627                                                |                          |
| AM Mothupi                                                |                                      |                        | -                                | -         | <b>1 092</b>                            | 1 033                                              |                          |
| JK Netshitenzhe                                           |                                      |                        | -                                | -         | <b>833</b>                              | 852                                                |                          |
| MP Ngatane <sup>8</sup>                                   |                                      |                        | -                                | -         | -                                       | 327                                                |                          |
| M Sello                                                   |                                      |                        | -                                | -         | <b>1 188</b>                            | 1 104                                              |                          |
| GC Solomon <sup>4</sup>                                   |                                      |                        | -                                | 143 612   | <b>389</b>                              | 1 035                                              |                          |
| F Tonelli <sup>5</sup>                                    |                                      |                        | -                                | -         | <b>1 210</b>                            | 555                                                |                          |
| RT Vice <sup>6</sup>                                      |                                      |                        | -                                | -         | -                                       | 327                                                |                          |
|                                                           |                                      |                        | <b>10 000</b>                    | 174 836   | <b>15 457</b>                           | 17 056                                             |                          |

<sup>1</sup> Refer note 19 on long-term incentive schemes – Chief Executive and CFO.

<sup>2</sup> Refer note 19 on CIP.

<sup>3</sup> MF Abdullah and RA Campbell were appointed as non-executive directors on 12 August 2024.

<sup>4</sup> PJ Golesworthy and GC Solomon retired as non-executive director on 22 February 2024. Total shareholding only includes direct beneficial shares.

<sup>5</sup> F Tonelli was appointed as non-executive director on 1 April 2023.

<sup>6</sup> RT Vice resigned as non-executive director on 25 January 2023.

<sup>7</sup> TP Moeketsi was appointed as non-executive director on 23 February 2023.

<sup>8</sup> MP Ngatane retired as non-executive director on 22 February 2023.

<sup>9</sup> Includes fees relating to additional special meetings held in relation to the AMG disposal.

<sup>10</sup> The performance conditions were not met, and following the exercise of discretion as outlined in the scheme conditions (refer note 19), the Board concluded that the first tranche would be relinquished by participants.

<sup>11</sup> The share price at 30 September 2024 was R16.00.

The directors' fees are paid by a subsidiary company of Life Healthcare Group Holdings Limited.

## 29. DIRECTORS' EMOLUMENTS AND INTERESTS IN THE COMPANY continued

### Prescribed officers

In line with the requirements of the Companies Act, the Group discloses the remuneration paid to prescribed officers who are defined as the Chief Executive, the Chief Financial Officer, Chief Strategy and Growth Officer and previous Chief Executive Officer – International.

|                         | Direct share-holding | Indirect share-holding | Salaries R'000 | Performance-related bonus accrual to be paid in cash R'000 | Other allowances R'000 | Pension fund contributions R'000 | Remuneration before long-term incentives R'000 | Long-term incentive schemes R'000 | Total remuneration R'000                             |
|-------------------------|----------------------|------------------------|----------------|------------------------------------------------------------|------------------------|----------------------------------|------------------------------------------------|-----------------------------------|------------------------------------------------------|
| <b>2024</b>             |                      |                        |                |                                                            |                        |                                  |                                                |                                   |                                                      |
| PG Wharton-Hood         |                      |                        |                |                                                            |                        |                                  |                                                |                                   | Refer emoluments disclosed under executive directors |
| PP van der Westhuizen   |                      |                        |                |                                                            |                        |                                  |                                                |                                   | Refer emoluments disclosed under executive directors |
| AM Pyle                 | 546 283 <sup>1</sup> | 602 007                | 5 375          | 6 412                                                      | 18                     | 224                              | 12 029                                         | 9 546                             | 21 575                                               |
| MD Chapman <sup>2</sup> | -                    | -                      | 2 642          | -                                                          | 94                     | 229                              | 2 965                                          | 29 786 <sup>3</sup>               | 32 751                                               |

### 2023

|                       |                      |         |       |       |     |     |        |       |                                                      |
|-----------------------|----------------------|---------|-------|-------|-----|-----|--------|-------|------------------------------------------------------|
| PG Wharton-Hood       |                      |         |       |       |     |     |        |       |                                                      |
| PP van der Westhuizen |                      |         |       |       |     |     |        |       | Refer emoluments disclosed under executive directors |
| AM Pyle               | 266 743 <sup>1</sup> | 667 080 | 5 037 | 3 945 | 19  | 208 | 9 209  | 1 162 | 10 371                                               |
| MD Chapman            | 210 564              | 972 129 | 7 316 | 5 237 | 279 | 732 | 13 564 | 1 275 | 14 839                                               |

|                                         | Opening balance at 1 October 2023 |                     | Awards vested    |                 |                       | Awards forfeited <sup>6</sup> | Dividends                                 | Closing balance at 30 September 2024 |                    |
|-----------------------------------------|-----------------------------------|---------------------|------------------|-----------------|-----------------------|-------------------------------|-------------------------------------------|--------------------------------------|--------------------|
| Long-term incentive scheme and CIP      | Number of shares                  | Issue price R/share | Number of shares | Date of vesting | Vesting price R/share | Number of shares              | Accrued and paid in current year in R'000 | Number of shares <sup>7</sup>        | Final vesting date |
| <b>AM Pyle</b>                          |                                   |                     |                  |                 |                       |                               |                                           |                                      |                    |
| Long-term incentive scheme <sup>4</sup> | 195 221                           | 21.97               | -                | -               | -                     | (65 073)                      | 858                                       | 130 148                              | Dec 25             |
| 2022 allocation (CIP) <sup>5</sup>      | 471 859                           | 23.51               | -                | -               | -                     | -                             | 3 048                                     | 471 859                              | Dec 25             |
| <b>MD Chapman</b>                       |                                   |                     |                  |                 |                       |                               |                                           |                                      |                    |
| Long-term incentive scheme <sup>4</sup> | 336 927                           | 21.97               | (336 927)        | Jan 24          | 18.39                 | -                             | 91                                        | -                                    | n/a                |
| 2022 allocation (CIP) <sup>5</sup>      | 635 202                           | 23.51               | (635 202)        | Jan 24          | 18.64                 | -                             | 172                                       | -                                    | n/a                |

<sup>1</sup> The 2021 long-term incentive allocation vested during January 2024. Life Healthcare shares were purchased at R18.95 per share and 279 540 shares were awarded to AM Pyle (2020 vesting: 32 587 shares at R17.19 per share). Life Healthcare shares vested was purchased with the proceeds after tax.

<sup>2</sup> MD Chapman's remuneration for FY2024 is based on actual earnings from 1 October 2023 to 31 January 2024 (date of AMG disposal). Shareholding reflects zero as he is not a prescribed officer at 30 September 2024.

<sup>3</sup> Relates to early vesting of incentive schemes (CIP and long-term incentives) due to the disposal of AMG.

<sup>4</sup> Refer note 19 on long-term incentive scheme – Chief Strategy and Growth Officer and previous international CEO.

<sup>5</sup> Refer note 19 on CIP.

<sup>6</sup> The performance conditions were not met, and following the exercise of discretion as outlined in the scheme conditions (refer note 19), the Board concluded that the first tranche would be relinquished by participants.

<sup>7</sup> The share price at 30 September 2024 was R16.00.

No director or prescribed officer has a notice period of more than six months. No director's service contract includes predetermined compensation as a result of termination that would exceed one year's salary and benefits.

# Notes to the consolidated annual financial statements

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## 30. RELATED PARTIES

### Subsidiary companies – refer annexure B

During the year, certain companies in the Group entered into transactions with other companies in the Group. These intra-group transactions have been eliminated on consolidation. The complete list of outstanding balances is available at the Company's registered office.

The Company has the following related-party transactions with subsidiary companies:

|                                                                             | <b>2024</b>  | 2023 |
|-----------------------------------------------------------------------------|--------------|------|
|                                                                             | <b>R'm</b>   | R'm  |
| Loan balance – refer note 2 to the Company annual financial statements      | <b>391</b>   | 391  |
| Dividend received – refer note 8 to the Company annual financial statements | <b>9 479</b> | 617  |

### Related-party transactions

|                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Management fees</b>                       | A management fee is charged to subsidiaries and is charged to cover costs associated with services carried out on their behalf, for example: tariff negotiations, treasury, tax compliance, human resource, payroll, marketing, nursing management, engineering, credit control, insurance claim management, etc. The fees are based on a percentage of revenue for most southern Africa subsidiaries. The percentage varies between 1% and 4% depending on the types of service Life Healthcare Group Proprietary Limited (LHC) carries out on behalf of the southern Africa subsidiary. The fees to international businesses are based on a cost plus margin basis. |
| <b>Information management fees (IM fees)</b> | An IM fee is charged to subsidiaries to recover the cost incurred to run the IM infrastructure and services. The fee is based on a net cost recovery basis.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Guarantee fees</b>                        | The Group charges a fee to the relevant subsidiaries where the Group is used as guarantor for debt.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Pharmacy fees</b>                         | LHC charges all units that utilise the central purchasing and pharmacy management services a 1% fee on the monthly purchases.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Other cost recharges</b>                  | The Group recharges certain other costs it incurs on a cost recovery basis without any margin.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Interest</b>                              | Interest is charged or paid on all inter-group balances at market-related rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Rentals</b>                               | LHC is a lessor for a number of properties that are occupied by subsidiary companies. Rent is charged at market-related rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

### Associate companies and joint ventures – refer to annexure C

The Group has investments in a number of associate companies and joint ventures. Details are disclosed in note 12 and annexure C to the financial statements. No provision has been required in 2024 and 2023 for the loans made to associates and joint ventures.

**30. RELATED PARTIES** continued**Directors and director-related entities**

Details of directors are disclosed in the administration to the financial statements on page 2. No direct loans were made to or received from any director and no other transactions were entered into with any director. Refer note 29 for details on directors' emoluments.

**Key management**

Key management is defined as all executive management, functional heads, hospital managers, pharmacy managers, nursing managers, administration managers and patient service managers.

Key management disclosure excludes non-executive directors' fees – refer note 29.

|                                                   | <b>2024</b> | 2023 |
|---------------------------------------------------|-------------|------|
|                                                   | <b>R'm</b>  | R'm  |
| <b>Remuneration</b>                               |             |      |
| Salaries                                          | <b>570</b>  | 561  |
| Share-based payment – long-term incentive schemes | <b>184</b>  | 19   |
| Medical aid contributions                         | <b>6</b>    | 6    |
| Provident fund costs – defined contribution plans | <b>23</b>   | 20   |
|                                                   | <b>783</b>  | 606  |

**31. COMMITMENTS AND CONTINGENCIES****Capital commitments**

|                                                                |              |       |
|----------------------------------------------------------------|--------------|-------|
| Capital expenditure approved for property, plant and equipment | <b>2 615</b> | 2 292 |
|----------------------------------------------------------------|--------------|-------|

Funds to meet capital expenditure will be provided from Group resources.

**Contingent liabilities**

The Group stands as guarantor in respect of terms loans, general banking facilities and the DMTN programme concluded by subsidiaries and also pro rata in relation to the Group's interest in joint ventures.

The Group has various guarantees as security for leases and construction projects to the value of R34 million (2023: R30 million).

Certain subsidiary companies have issued letters of support to other fellow subsidiary companies, when required.

**Contingent liabilities relating to sale of AMG**

- The disposal of AMG is an insured transaction via a Warranty & Indemnity Insurance (W&I Insurance) with all business warranties covered by W&I Insurance and the Group's maximum exposure relating to a breach of these business warranties is GBP1.
- Tax covenants not covered by W&I Insurance are capped at a maximum liability of GBP14.4 million for a period up to 31 December 2029.

# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 32. EVENTS AFTER THE REPORTING PERIOD

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

### **Concluded binding agreements (refer note 28)**

The Group concluded binding transaction agreements for the sale of 55% of the Group's interest in St Mary's.

The Group concluded binding agreements to sell Dusty Gold's property and Genesis' equipment.

### **Final cash dividend declaration**

The Board of Directors approved a final gross cash dividend of 31.00 cents per ordinary share for the year ended 30 September 2024. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 24.80 cents per share.

### **Special cash dividend declaration**

The Board of Directors approved a special gross cash dividend of 70.00 cents per ordinary share for the year ended 30 September 2024. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 56.00 cents per share.

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### 33. RISK MANAGEMENT

#### Overall risk management programme

The Group's overall financial risk management programme focuses, inter alia, on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not apply formal hedge accounting but uses derivative financial instruments to economically hedge interest and foreign currency risk exposures. Financial risk management is carried out by a central treasury department (treasury) under policies approved by the Investment Committee. Treasury identifies, evaluates and economically hedges financial risks in close co-operation with the Group's operating units. The Group has written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Group consists of debt, which includes the interest-bearing borrowings, cash and cash equivalents, and equity.

|                                                                                      | <b>2024</b><br><b>R'm</b> | 2023<br>R'm |
|--------------------------------------------------------------------------------------|---------------------------|-------------|
| Interest-bearing borrowings (refer note 20)                                          | <b>4 421</b>              | 13 002      |
| Bank overdrafts (refer note 15)                                                      | –                         | 187         |
| Cash and cash equivalents (refer note 15)                                            | <b>(2 462)</b>            | (846)       |
| Interest-bearing borrowings included as part of assets held for sale (refer note 28) | –                         | 1 410       |
| Cash and cash equivalents included as part of assets held for sale (refer note 28)   | –                         | (1 096)     |
| Net debt                                                                             | <b>1 959</b>              | 12 657      |
| Equity per statement of financial position                                           | <b>13 514</b>             | 21 289      |
| Capital and net debt                                                                 | <b>15 473</b>             | 33 946      |
| Gearing ratio                                                                        | <b>12.7%</b>              | 37.3%       |

The Group uses the net debt to normalised EBITDA ratio, as defined in the debt agreements, to measure the funding requirements in the form of debt or equity. The Group will target to remain within its internal net debt to normalised EBITDA ratio of 1.5 times (2023: 2.75 times).

The ratio is calculated as net debt divided by normalised EBITDA. Net debt is calculated as total interest-bearing borrowings (including current interest-bearing and non-current interest-bearing borrowings) plus guarantees (if applicable) plus bank overdrafts less cash and cash equivalents. International's net debt is calculated using average exchange rates for the year (as agreed with the lenders). Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-recurring items, and includes the normalised EBITDA of new acquisitions for that part of the year when it was not owned by the Group and excluding EBITDA attributable to any member of the Group disposed of during the year.

In order to maintain or adjust the capital structure, the Group may adjust the amount of distributions paid to shareholders, return capital to shareholders, issue new shares, issue new debt, refinance existing debt or sell assets to manage the debt level.

There have been no changes to what the Group manages as capital and the strategy for capital maintenance.



# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 33. RISK MANAGEMENT continued Capital risk management continued

|                                                                                                               | 2024         | 2023 |
|---------------------------------------------------------------------------------------------------------------|--------------|------|
| <b>As calculated as defined in debt agreements</b>                                                            |              |      |
| Total interest cover ratio (times)                                                                            | <b>22.26</b> | 6.23 |
| Net debt to normalised EBITDA ratio                                                                           | <b>0.45</b>  | 2.00 |
| <b>As calculated based on reported results from continuing operations</b>                                     |              |      |
| Total interest cover ratio (times)                                                                            | <b>23.94</b> | 6.69 |
| Net debt to normalised EBITDA ratio                                                                           | <b>0.45</b>  | 1.32 |
| The Group has externally imposed debt covenants in place as part of the terms of the current debt structures. |              |      |
| <b>The covenants imposed arising from syndicated and bilateral term loans are as follows:</b>                 |              |      |
| A minimum of total interest cover ratio (times)                                                               | <b>4.00</b>  | 4.00 |
| A maximum of net debt to normalised EBITDA ratio                                                              | <b>3.50</b>  | 3.50 |

### Financial risk

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and fair value risk.

### Market risk

#### Foreign exchange risk

|                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk exposure</b>                                                                             | <p>The Group interacts with international suppliers and is exposed to foreign exchange risk arising from various currency exposures. The foreign currency transactions are mainly denominated in:</p> <ul style="list-style-type: none"> <li>■ British pound sterling;</li> <li>■ European euro; and</li> <li>■ US dollar.</li> </ul> <p>The Group's presentation currency is the South African rand (ZAR), but as it operates internationally with investments in foreign operations, it is exposed to a number of currencies, including the exposure mainly to the Botswana pula (BWP) and US dollar (USD).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>How the risk arises</b>                                                                       | <p>Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency and from net investments in foreign operations. These transactions include certain inter-company loans which expose the Group to foreign exchange risk.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Objectives, policies and processes for managing the risk and methods used to measure risk</b> | <p>The Group has set up a policy to require Group companies to manage their foreign exchange risk against an agreed ZAR value. The Group's treasury risk management principle is to hedge material cash flows where the local cash flow impact is in excess of R50 million equivalent currency. The Group companies are required to economically hedge their foreign exchange risk exposure in consultation with treasury. To manage their foreign exchange risk arising from commercial transactions and recognised assets and liabilities, entities in the Group use forward exchange contracts and options, transacted with commercial banks on an all-inclusive price in the entity's functional currency. Refer note 24 of how much of the foreign currency risk is being managed through FEC's at 30 September 2024.</p> <p>Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies, as and when it is required. At 30 September 2024, foreign denominated borrowings to the equivalent of R165 million existed (2023: R8.841 million).</p> <p>The Group reviews its foreign currency exposure, including commitments, on an ongoing basis.</p> |

33. **RISK MANAGEMENT** continued

**Financial risk** continued

**Market risk** continued

**Foreign exchange risk** continued

|                              |                                                                                                                                                                                                                                |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Concentration of risk</b> | The Group has investments in foreign operations in Botswana, UK, Europe and the US. The net assets of the foreign investments are exposed to foreign currency translation risk as the companies are subsidiaries of the Group. |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Foreign currency exposure at statement of financial position date:

|                                                  | <b>Rand millions</b>         |            |              |                       |         |         |       |
|--------------------------------------------------|------------------------------|------------|--------------|-----------------------|---------|---------|-------|
|                                                  | <b>2024</b>                  |            |              | 2023                  |         |         |       |
|                                                  | <b>Continuing operations</b> |            |              | Continuing operations |         |         |       |
|                                                  | <b>BWP</b>                   | <b>GBP</b> | <b>USD</b>   | BWP                   | GBP     | EUR     | USD   |
| Non-current assets                               | <b>229</b>                   | <b>13</b>  | <b>1 409</b> | 208                   | –       | –       | 1 294 |
| Current assets                                   | <b>384</b>                   | <b>143</b> | <b>1 020</b> | 415                   | 30      | –       | 392   |
| Current liabilities                              | <b>(88)</b>                  | <b>(5)</b> | <b>(508)</b> | (84)                  | (7)     | –       | (405) |
| Non-current liabilities                          | <b>(187)</b>                 | –          | <b>(571)</b> | (171)                 | (5 093) | (3 581) | (486) |
| <b>Exposure on external balances</b>             | <b>338</b>                   | <b>151</b> | <b>1 350</b> | 368                   | (5 070) | (3 581) | 795   |
| Net exposure on balances between Group companies | –                            | –          | –            | –                     | –       | –       | –     |
| <b>Total net exposure</b>                        | <b>338</b>                   | <b>151</b> | <b>1 350</b> | 368                   | (5 070) | (3 581) | 795   |

|                                                  | <b>Foreign currency in millions</b> |            |             |                       |       |       |      |
|--------------------------------------------------|-------------------------------------|------------|-------------|-----------------------|-------|-------|------|
|                                                  | <b>2024</b>                         |            |             | 2023                  |       |       |      |
|                                                  | <b>Continuing operations</b>        |            |             | Continuing operations |       |       |      |
|                                                  | <b>BWP</b>                          | <b>GBP</b> | <b>USD</b>  | BWP                   | GBP   | EUR   | USD  |
| Non-current assets                               | <b>174</b>                          | <b>1</b>   | <b>83</b>   | 150                   | –     | –     | 68   |
| Current assets                                   | <b>292</b>                          | <b>6</b>   | <b>60</b>   | 300                   | 1     | –     | 21   |
| Current liabilities                              | <b>(67)</b>                         | –          | <b>(30)</b> | (61)                  | –     | –     | (21) |
| Non-current liabilities                          | <b>(142)</b>                        | –          | <b>(33)</b> | (124)                 | (220) | (178) | (26) |
| <b>Exposure on external balances</b>             | <b>257</b>                          | <b>7</b>   | <b>80</b>   | 265                   | (219) | (178) | 42   |
| Net exposure on balances between Group companies | –                                   | –          | –           | –                     | –     | –     | –    |
| <b>Total net exposure</b>                        | <b>257</b>                          | <b>7</b>   | <b>80</b>   | 265                   | (219) | (178) | 42   |

# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 33. RISK MANAGEMENT

continued

Financial risk

Market risk

Foreign exchange risk

*Sensitivities analysis*

The table below analyses the impact on the Group's FCTR from continuing operations. The analysis is based on the assumption that the ZAR had strengthened/weakened by 10% (2023: 15%) against the USD (2023: GBP and EUR) with all other variables held constant.

|                                                                 | 2024<br>R'm | 2023<br>R'm |
|-----------------------------------------------------------------|-------------|-------------|
| <b>Impact on movement in FCTR in other comprehensive income</b> |             |             |
| Rand strengthened                                               | (149)       | (1 728)     |
| Rand weakened                                                   | 149         | 1 728       |

The tables below analyse the impact on the Group's revenue and post-tax profit. The analysis is based on the assumption that the ZAR had strengthened/weakened by 10% against the foreign currency with all other variables held constant.

|                                                                        | Rand strengthened     |      | Rand weakened |       |
|------------------------------------------------------------------------|-----------------------|------|---------------|-------|
|                                                                        | 2024                  | 2023 | 2024          | 2023  |
|                                                                        | Continuing operations |      |               |       |
|                                                                        | R'm                   | R'm  | R'm           | R'm   |
| <b>Impact on revenue</b>                                               |                       |      |               |       |
| BWP                                                                    | (57)                  | (62) | 57            | 62    |
| EUR                                                                    | (46)                  | (19) | 46            | 19    |
| USD                                                                    | (197)                 | (47) | 197           | 47    |
| <b>Impact on profit/(loss) after tax</b>                               |                       |      |               |       |
| BWP                                                                    | -                     | (5)  | -             | 5     |
| GBP                                                                    | (10)                  | 11   | 10            | (11)  |
| EUR                                                                    | (2)                   | (1)  | 2             | 1     |
| USD                                                                    | (49)                  | 2    | 49            | (2)   |
| <b>Exchange rates used for conversion of foreign denominated items</b> |                       |      |               |       |
| <i>Assets and liabilities</i>                                          |                       |      |               |       |
| BWP                                                                    |                       |      | 1.32          | 1.38  |
| GBP                                                                    |                       |      | 22.87         | 23.18 |
| EUR                                                                    |                       |      | 19.07         | 20.07 |
| USD                                                                    |                       |      | 17.07         | 18.96 |
| <i>Income/expense items</i>                                            |                       |      |               |       |
| BWP                                                                    |                       |      | 1.37          | 1.38  |
| GBP                                                                    |                       |      | 23.52         | 22.31 |
| EUR                                                                    |                       |      | 20.12         | 19.38 |
| USD                                                                    |                       |      | 18.56         | 18.12 |

### 33. RISK MANAGEMENT continued

#### Financial risk continued

#### Market risk continued

#### Interest rate risk

|                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk exposure</b>                                                                             | Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates economically expose the Group to fair value interest rate risk. Refer note 20.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>How the risk arises</b>                                                                       | The Group's interest rate risk primarily arises from a mix of short-and long-term borrowings. The Group's income and operating cash flows are substantially independent of changes in market interest rates.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Objectives, policies and processes for managing the risk and methods used to measure risk</b> | The Group manages its interest rate exposure in total and mainly borrows or invests at Group level, unless it is more appropriate to do so at subsidiary level. Based on the various scenarios, the Group manages its cash flow interest rate risk by using interest rate collars, caps and swaps. Such interest rate hedges have the economic effect of capping the exposure to floating rates to a maximum rate. Generally, the Group raises long-term borrowings at floating rates and then hedges floating rates to a known maximum exposure. Under the interest rate collars, caps or swaps contracts, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between the fixed and the floating rate interest amounts calculated on agreed notional principal amounts. Interest rate collars, caps and swaps are entered into to fix interest rates from floating rates. |
| <b>Concentration of risk</b>                                                                     | The Group policy is to hedge a maximum of 80% of its borrowings (excluding lease liabilities) and to hedge a quantum of borrowings (excluding lease liabilities) to ensure the difference between the Group's forecast interest cost on unhedged borrowings (excluding lease liabilities) and the yield curve +1%, is not greater than 2.0% of the forecast Group normalised EBITDA* for 24 months. At 30 September 2024, 0% of the Group debt (excluding lease liabilities) was hedged (2023: 27%). Currently the Group has no interest rate hedges in place.                                                                                                                                                                                                                                                                                                                                                                        |

\* Non-IFRS measure.

The Group analyses its interest rate exposure on a dynamic basis. The simulation is done on a quarterly basis to verify that the maximum loss potential is within the Group's limits. The Group's debt is partially hedged by interest rate swap contracts. At 30 September 2024, the interest rate swap contracts hedge Rnil (2023: R2.7 billion) of the Group's net debt (excluding lease liabilities) of R0.8 billion (2023: R10.1 billion).

#### Sensitivity analysis

The scenario is run only for liabilities that represent the major interest-bearing borrowing positions.

|                                                              | <b>2024</b><br><b>R'm</b> | 2023<br>R'm |
|--------------------------------------------------------------|---------------------------|-------------|
| <b>Impact on profit after tax from continuing operations</b> |                           |             |
| 1% increase                                                  | <b>(19)</b>               | (64)        |
| 1% decrease                                                  | <b>19</b>                 | 64          |

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 33. RISK MANAGEMENT continued

### Financial risk continued

#### Liquidity risk

|                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Risk exposure</b>                                                                             | Those financial liabilities of the Group with contractual cash flows and maturity dates are exposed to liquidity risk.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>How the risk arises</b>                                                                       | Liquidity risk arises should the Group not be able to meet its obligations as they become due.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Objectives, policies and processes for managing the risk and methods used to measure risk</b> | <p>Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed banking facilities and the ability to close out market positions. The Group's liquidity risk is mitigated by the availability of funds to cover future commitments. The Group manages liquidity risk through an ongoing review of future commitments and banking facilities. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines.</p> <p>The Group has sufficient available bank facilities that can be utilised to service short-term commitments. Refer note 20.</p> <p>Cash forecasts are prepared and utilised facilities are monitored on a daily basis. Longer-term cash flow forecasts are updated quarterly.</p> <p><b>Refinancing debt</b></p> <p>The Group maintains a varied maturity profile for non-current interest-bearing borrowings in line with forecast profitability and cash flow. Acceptable profitability and gearing levels at the time of refinancing will meet lenders' credit criteria and mitigate refinancing risk.</p> <p>The Group ensures that a reasonable balance is maintained between the period over which assets generate funds and the period over which the assets are funded.</p> <p>The Group maintains relationships with a broad range of financial institutions to avoid concentration risk and safeguard the availability of liquidity at all times. To further avoid market concentration risk, the Group diversifies its funding sources between traditional bank markets and debt capital markets, enabling it to target different lenders at different points in their credit cycles. The Group also diversifies its funding geographically to reach lenders familiar in those regions.</p> <p>Bank debt is budgeted to be repaid from cash resources or refinanced with available short-term facilities.</p> <p>The Group reviews maturities at least 12 months in advance and ensures that adequate cash resources and/or committed banking facilities will be in place and available at least six months before a significant refinancing date.</p> <p><b>JIBAR transition</b></p> <p>The Group currently has ZAR term loans and interest rate swaps which reference to JIBAR. The South African Reserve Bank is spearheading the transition from JIBAR to a new benchmark reference rate, South African Rand Overnight Index Average (ZARONIA), by 2026. The Group continues to follow developments relating to the benchmark reform as and when communicated by financial and regulatory authorities.</p> <p>As at 30 September 2024, none of the Group's JIBAR linked instruments have transitioned to ZARONIA.</p> <p>Refer note 20.</p> |

33. RISK MANAGEMENT continued

Financial risk continued

Liquidity risk continued

**Concentration of risk** The table below analyses the Group's financial liabilities into relevant maturity groupings, based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

|                                                | Southern Africa       |                       | International         |                       |
|------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                                | Continuing operations | Continuing operations | Continuing operations | Continuing operations |
|                                                | 2024<br>R'm           | 2023<br>R'm           | 2024<br>R'm           | 2023<br>R'm           |
| <b>Interest-bearing borrowings<sup>1</sup></b> | <b>4 074</b>          | 3 696                 | –                     | 9 611                 |
| Less than 6 months                             | 146                   | 314                   | –                     | 284                   |
| 6 months to 1 year                             | 636                   | 1 513                 | –                     | 283                   |
| 1 to 2 years                                   | 245                   | 950                   | –                     | 9 044                 |
| 2 to 3 years                                   | 2 176                 | 379                   | –                     | –                     |
| 3 to 5 years                                   | 58                    | 540                   | –                     | –                     |
| Over 5 years                                   | 813                   | –                     | –                     | –                     |
| <b>Lease liabilities</b>                       | <b>1 467</b>          | 1 435                 | –                     | –                     |
| Less than 1 year                               | 573                   | 503                   | –                     | –                     |
| 1 to 2 years                                   | 205                   | 167                   | –                     | –                     |
| 2 to 5 years                                   | 370                   | 366                   | –                     | –                     |
| Over 5 years                                   | 319                   | 399                   | –                     | –                     |
| <b>Trade and other payables</b>                | <b>2 142</b>          | 2 270                 | <b>494</b>            | 364                   |
| Less than 1 year                               | 2 142                 | 2 270                 | 487                   | 353                   |
| 1 to 2 years                                   | –                     | –                     | 7                     | 11                    |
| <b>Contingent consideration liabilities</b>    | <b>116</b>            | 84                    | <b>660</b>            | 682                   |
| Less than 1 year                               | 35                    | 19                    | –                     | –                     |
| 1 to 2 years                                   | 14                    | –                     | –                     | –                     |
| 2 to 5 years <sup>2</sup>                      | 67                    | 65                    | 660                   | 682                   |
| <b>Total</b>                                   | <b>7 799</b>          | 7 485                 | <b>1 154</b>          | 10 657                |

<sup>1</sup> Refer note 20 for date of maturity for each interest-bearing loan.

<sup>2</sup> International contingent consideration is payable in the 2028 financial year.

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 33. RISK MANAGEMENT continued

### Financial risk continued

#### Credit risk

| Risk exposure                                                                             | Credit risk arises mainly from cash and cash equivalents, trade and other receivables and other assets.<br><br>Trade receivables comprise a widespread customer base.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                       |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--|-------------|------|--|------------------------------|-----------------------|--|------------|-----|-----------------------------|--------------|-------|---------------------------|--------------|-----|--------------|------------|-----|
| How the risk arises                                                                       | Credit risk is the risk of financial loss due to counterparties to financial instruments not meeting their contractual obligations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                       |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
| Objectives, policies and processes for managing the risk and methods used to measure risk | <p>Credit risk is managed using Group policies within the territories it arises in.</p> <p>The Group deposits surplus cash with banks and financial institutions and maintains an appropriate spread of cash deposits to limit exposure to any one counterparty. Only independently rated parties with a minimum Moody's rating of "B1" or equivalent for South African banks are accepted and counterparties with a minimum Moody's rating of "Baa1" (2023: Fitch BB+) for LMI.</p> <p>The Group evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. If there is no independent rating, the Group's central credit risk function assesses the credit quality of the non-government customer, taking into account its financial position, past experience and other factors. Individual risk limits are set for patients without medical aid insurance. Services to customers without medical aid insurance are settled in cash or using major credit cards on discharge date as far as possible. Credit guarantee insurance is not purchased.</p> |                       |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
| Concentration of risk                                                                     | The maximum exposures to credit risk at the reporting date are cash and cash equivalents, the carrying value of each class of trade and other receivables as well as other assets. The Group does not hold any collateral as security. The Group is exposed to a number of guarantees for the overdraft facilities of Group companies. Refer note 31 for additional details.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                       |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
| Maximum exposure to credit risk by class of financial instrument                          | <p>Financial assets exposed to credit risk at year-end were as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="text-align: right; width: 15%;"><b>2024</b></th> <th style="text-align: right; width: 15%;">2023</th> </tr> <tr> <th></th> <th style="text-align: right;"><b>Continuing operations</b></th> <th style="text-align: right;">Continuing operations</th> </tr> <tr> <th></th> <th style="text-align: right;"><b>R'm</b></th> <th style="text-align: right;">R'm</th> </tr> </thead> <tbody> <tr> <td>Trade and other receivables</td> <td style="text-align: right;"><b>3 864</b></td> <td style="text-align: right;">3 372</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;"><b>2 462</b></td> <td style="text-align: right;">846</td> </tr> <tr> <td>Other assets</td> <td style="text-align: right;"><b>180</b></td> <td style="text-align: right;">121</td> </tr> </tbody> </table>                                                                                                     |                       |  | <b>2024</b> | 2023 |  | <b>Continuing operations</b> | Continuing operations |  | <b>R'm</b> | R'm | Trade and other receivables | <b>3 864</b> | 3 372 | Cash and cash equivalents | <b>2 462</b> | 846 | Other assets | <b>180</b> | 121 |
|                                                                                           | <b>2024</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2023                  |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
|                                                                                           | <b>Continuing operations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Continuing operations |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
|                                                                                           | <b>R'm</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | R'm                   |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
| Trade and other receivables                                                               | <b>3 864</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3 372                 |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
| Cash and cash equivalents                                                                 | <b>2 462</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 846                   |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |
| Other assets                                                                              | <b>180</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 121                   |  |             |      |  |                              |                       |  |            |     |                             |              |       |                           |              |     |              |            |     |

### 33. RISK MANAGEMENT continued

#### Financial risk continued

#### Credit risk continued

#### Cash and cash equivalents

The cash and cash equivalents carrying amount is denominated in the following currencies:

|                                                                                                                                         | <b>2024</b>       | 2023       |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------|
|                                                                                                                                         | <b>Continuing</b> | Continuing |
|                                                                                                                                         | <b>operations</b> | operations |
|                                                                                                                                         | <b>R'm</b>        | R'm        |
| South African rand                                                                                                                      | <b>1 627</b>      | 582        |
| Botswana pula                                                                                                                           | <b>92</b>         | 143        |
| British pound sterling                                                                                                                  | <b>149</b>        | 16         |
| European euro                                                                                                                           | <b>44</b>         | 14         |
| Polish zloty                                                                                                                            | <b>–</b>          | 27         |
| United States dollar                                                                                                                    | <b>550</b>        | 64         |
| Balance at 30 September                                                                                                                 | <b>2 462</b>      | 846        |
| Overdraft facilities within the Group are secured by means of cross sureties by Group companies.                                        |                   |            |
| Based on where current business is conducted, the credit quality of cash at bank and short-term money market instruments is as follows: |                   |            |
| Southern Africa <sup>1</sup>                                                                                                            | <b>1 626</b>      | 581        |
| Botswana <sup>2</sup>                                                                                                                   | <b>92</b>         | 143        |
| Poland                                                                                                                                  | <b>–</b>          | 27         |
| LMI <sup>3</sup>                                                                                                                        | <b>743</b>        | 94         |
| Cash on hand                                                                                                                            | <b>1</b>          | 1          |
|                                                                                                                                         | <b>2 462</b>      | 846        |

<sup>1</sup> The counterparties have a South African Moody's Ratings of Ba2 (2023: Ba2).

<sup>2</sup> The counterparties have a Botswana Standard & Poor rating of BBB+ (2023: BBB+).

<sup>3</sup> The counterparties have a minimum Moody's rating of Baa1 (2023: Fitch BB+).

#### Trade and other receivables

An impairment analysis is performed at each reporting date using a provision matrix (ECL model) to measure ECLs. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (mainly by customer type).

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events and current conditions. Trade receivables are written off when the Group has exhausted all options regarding collection of the debt. Refer 1.2.1 judgements and annexure A – material accounting policy information (section 1.11 financial instruments).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in this note. The Group does not hold collateral as security.



# Notes to the consolidated annual financial statements

continued

for the year ended 30 September 2024

## 33. RISK MANAGEMENT

**Financial risk** continued

**Credit risk** continued

**Trade and other receivables** continued

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

| R'm                                         | Current | 31 – 60 days | 61 – 90 days | 91 – 120 days | >120 days | Total |
|---------------------------------------------|---------|--------------|--------------|---------------|-----------|-------|
| <b>2024 CONTINUING OPERATIONS</b>           |         |              |              |               |           |       |
| Trade receivables                           | 1 715   | 446          | 204          | 183           | 1 675     | 4 223 |
| Private patients and corporates             |         |              |              |               |           |       |
| Southern Africa                             | 59      | 37           | 22           | 27            | 645       | 790   |
| International                               | 191     | 39           | 8            | 17            | 9         | 264   |
| Medical aids                                | 1 299   | 273          | 112          | 76            | 319       | 2 079 |
| Government and public healthcare facilities | 166     | 97           | 62           | 63            | 702       | 1 090 |
| ECL(R'm)                                    | 18      | 13           | 13           | 14            | 626       | 684   |
| Private patients and corporates             |         |              |              |               |           |       |
| Southern Africa                             | 5       | 7            | 7            | 9             | 473       | 501   |
| International                               | 5       | 1            | 2            | 1             | 9         | 18    |
| Medical aids                                | 8       | 5            | 4            | 4             | 85        | 106   |
| Government and public healthcare facilities | –       | –            | –            | –             | 59        | 59    |
| Weighted average ECL rate                   | 1.0%    | 2.9%         | 6.4%         | 7.7%          | 37.4%     | 16.2% |
| Private patients and corporates             |         |              |              |               |           |       |
| Southern Africa <sup>1</sup>                | 8.5%    | 18.9%        | 31.8%        | 33.3%         | 73.3%     | 63.4% |
| International                               | 2.6%    | 2.6%         | 25.0%        | 5.9%          | 100.0%    | 6.8%  |
| Medical aids                                | 0.6%    | 1.8%         | 3.6%         | 5.3%          | 26.6%     | 5.1%  |
| Government and public healthcare facilities | 0.0%    | 0.0%         | 0.0%         | 0.0%          | 8.4%      | 5.4%  |
| <b>2023 CONTINUING OPERATIONS</b>           |         |              |              |               |           |       |
| Trade receivables                           | 1 392   | 317          | 174          | 148           | 1 498     | 3 529 |
| Private patients and corporates             |         |              |              |               |           |       |
| Southern Africa                             | 67      | 33           | 23           | 27            | 564       | 714   |
| International                               | 148     | 35           | 3            | 2             | 11        | 199   |
| Medical aids                                | 1 034   | 143          | 75           | 52            | 326       | 1 630 |
| Government and public healthcare facilities | 143     | 106          | 73           | 67            | 597       | 986   |
| ECL (R'm)                                   | 8       | 6            | 8            | 8             | 418       | 448   |
| Private patients and corporates             |         |              |              |               |           |       |
| Southern Africa                             | 3       | 3            | 6            | 6             | 307       | 325   |
| International                               | 2       | 1            | –            | –             | 4         | 7     |
| Medical aids                                | 3       | 2            | 2            | 2             | 57        | 66    |
| Government and public healthcare facilities | –       | –            | –            | –             | 50        | 50    |
| Weighted average ECL rate                   | 0.6%    | 1.9%         | 4.6%         | 5.4%          | 27.9%     | 12.7% |
| Private patients and corporates             |         |              |              |               |           |       |
| Southern Africa                             | 4.5%    | 9.1%         | 26.1%        | 22.2%         | 54.4%     | 45.5% |
| International                               | 1.4%    | 2.9%         | 0.0%         | 0.0%          | 36.4%     | 3.5%  |
| Medical aids                                | 0.3%    | 1.4%         | 2.7%         | 3.8%          | 17.5%     | 4.0%  |
| Government and public healthcare facilities | 0.0%    | 0.0%         | 0.0%         | 0.0%          | 8.4%      | 5.1%  |

<sup>1</sup> The ECL rate for private patients in the > 120 days bucket increased from 54.4% in the prior year to 73.3% for 2024. An improvement of 2% in the average collection rate was noted during 2023, reducing the risk of future default. As a result, a lower ECL rate was applied to the receivable balance outstanding at 30 September 2023.

### 33. RISK MANAGEMENT continued

#### Financial risk continued

##### Other assets

While other assets are also subject to the impairment requirements of IFRS 9, the identified impairment loss was negligible. There has been no significant deterioration in the credit risk associated with these loans.

##### Fair value risk

The following methods are used by the Group to determine the fair value of financial instruments:

##### Investment in first-party Cell Captive (financial asset)

The investment in a first-party Cell Captive is mandatorily recognised at fair value through profit or loss. The fair value is derived from the net assets of the Cell Captive which mainly comprise financial assets and liabilities accounted for at fair value through profit or loss.

##### Doctors' loans (financial asset)

The fair value is derived from discounting the remaining amounts due at a prime related rate.

##### Derivative financial assets

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 2024 based on a discounted cash flow model using a number of key assumptions.

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 2024.

Fair value gains and losses have been accounted for in the statement of profit or loss.

##### Contingent considerations (financial liability)

###### – LMI

Refer 1.2.2 Critical accounting estimates and assumptions.

###### – Imaging businesses in SA

East Coast Radiology Incorporated (ECR), East Coast Radiology Mthatha Incorporated (ECR Mthatha) and Eugene Marais Radiology Proprietary Limited (EMR) were acquired during 2022 financial year.

The contingent considerations are based on the financial performance of the businesses and will be payable in three annual tranches commencing one year after the acquisition date. The maximum amount payable for ECR and ECR Mthatha is R84 million and for EMR R74 million. R59 million relating to ECR and R74 million relating to EMR was paid during the 2023 financial year.

TheraMed and PetVision were acquired during the 2023 financial year.

The contingent considerations are based on the financial performance of the businesses and will be payable in five annual tranches commencing one year after the acquisition date. The maximum amount payable for Theramed is R52 million and for Pet Vision R45 million.

The Imaging practice in KZN was acquired during the 2024 financial year (refer note 27).

The contingent consideration is based on the financial performance of the business and will be payable in five annual tranches commencing one year after the acquisition date. The maximum amount payable is R28 million.

The present value of the contingent considerations were determined by taking into account the probability of the forecasted performance of the forecast periods.

Fair value gains and losses have been accounted for in the statement of profit or loss.

# Notes to the consolidated annual financial statements continued

for the year ended 30 September 2024

## 33. RISK MANAGEMENT continued

### Financial risk continued

#### Fair value hierarchy

**Level 1** Fair value is derived from quoted prices (unadjusted) in active markets for identical instruments

**Level 2** Fair value is derived through the use of valuation techniques based on observable inputs, either directly or indirectly

**Level 3** Fair value is derived through the use of valuation techniques using inputs not based on observable market data

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.

The table below categorises the Group's financial instruments measured at fair value at 30 September into the applicable level:

|                                       | Notes | 2024<br>Continuing operations |                | 2023<br>Continuing operations |                |
|---------------------------------------|-------|-------------------------------|----------------|-------------------------------|----------------|
|                                       |       | Level 2<br>R'm                | Level 3<br>R'm | Level 2<br>R'm                | Level 3<br>R'm |
| <b>Financial assets</b>               |       |                               |                |                               |                |
| Investment a first-party Cell Captive | 24    | 73                            | –              | 66                            | –              |
| Doctors' loans                        | 24    | 63                            | –              | 33                            | –              |
| Derivative financial asset            | 24    | –                             | –              | 16                            | –              |
|                                       |       | <b>136</b>                    | <b>–</b>       | 115                           | –              |
| <b>Financial liabilities</b>          |       |                               |                |                               |                |
| Contingent considerations             | 23    | –                             | 633            | –                             | 521            |
|                                       |       | <b>–</b>                      | <b>633</b>     | –                             | 521            |

The Group has no financial instruments measured at fair value categorised as Level 1.

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

Refer note 23 for the movement in financial instruments measured under Level 3.

# Annexure A

## 1. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these Group and Company financial statements are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

| Summary of material accounting policies                                                                     |                        |                                       |                                |                                                      |
|-------------------------------------------------------------------------------------------------------------|------------------------|---------------------------------------|--------------------------------|------------------------------------------------------|
| 1.1 Revenue   Other income   Operating profit   Finance income   Finance cost                               |                        |                                       |                                |                                                      |
| 1.1.1 Revenue from contracts with customers                                                                 | 1.1.2 Other income     | 1.1.3 Operating profit                | 1.1.4 Finance income           | 1.1.5 Finance cost                                   |
| 1.2 Employee benefits                                                                                       |                        |                                       |                                |                                                      |
| Short-term benefits                                                                                         | Termination benefits   | Post-employment benefits              | Share-based payments (IFRS 2)  |                                                      |
| Group accounting                                                                                            |                        |                                       |                                |                                                      |
| 1.3 Consolidation                                                                                           | 1.4 Equity accounting  | 1.5 Translation of foreign operations |                                |                                                      |
| Operating assets                                                                                            |                        |                                       |                                |                                                      |
| 1.6 Property, plant and equipment                                                                           | 1.7 Intangible assets  | 1.8 Leases                            | 1.9 Inventories                | 1.10 Assets held for sale and discontinued operation |
| 1.11 Financial instruments                                                                                  |                        |                                       |                                |                                                      |
| Initial recognition and measurement                                                                         | Subsequent measurement | Derecognition                         | Impairment of financial assets | Offsetting of financial instruments                  |
| 1.12 Provisions                                                                                             |                        |                                       |                                |                                                      |
| 1.13 Capital and reserves                                                                                   |                        |                                       |                                |                                                      |
| Share capital and equity                                                                                    | Treasury shares        |                                       |                                |                                                      |
| 1.14 Non-IFRS measures                                                                                      |                        |                                       |                                |                                                      |
| 1.15 New and amended accounting standards adopted by the Group                                              |                        |                                       |                                |                                                      |
| 1.16 New accounting standards, amendments and IFRIC interpretations not yet effective and not early adopted |                        |                                       |                                |                                                      |

### 1.1 Revenue | Other income | Operating profit | Finance income | Finance cost

#### 1.1.1 Revenue from contracts with customers

##### Recognition of revenue

The Group is in the business of providing hospital and complementary services (which include acute rehabilitation, mental healthcare, renal dialysis and oncology), healthcare services, diagnostic services as well as sales relating to growth initiatives. Revenue is measured at the amount which the Group expects to become entitled to as a result of providing those goods or services under the specific contract.

Credit risk is accounted for separately as part of the impairment consideration for financial instruments.

##### *Southern Africa*

##### *Hospital and complementary services*

These services include charges for ward, theatre, pathology, equipment, imaging and pharmaceutical goods used.

##### Performance obligations include Recognition

|                                                                              |                                                                                                                                                                                                                                                                                   |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ■ The provision of accommodation, meals and healthcare professional services | Revenue is recognised over time in relation to the services provided, as the customer simultaneously receives and consumes the benefits provided by the Group during the patient's stay.                                                                                          |
| ■ The use of operating theatres and/or equipment                             | Revenue is recognised over time as the services are performed on a per usage basis.                                                                                                                                                                                               |
| ■ Dispensing of medicine and medicine supplies                               | Revenue is recognised at the point in time when the medicine is dispensed to the customer, which is either as the patient consumes the product (for example, consumables used in theatre) or upon delivery to the customer (for example medicine dispensed and medical supplies). |
| ■ The provision of imaging services                                          | Revenue is recognised at a point in time when the services are performed and provided for on a fixed fee basis in terms of the contract.                                                                                                                                          |

# Annexure A continued

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.1 Revenue | Other income | Operating profit | Finance income | Finance cost continued

#### 1.1.1 Revenue from contracts with customers continued

*Southern Africa* continued

##### *Hospital and complementary services* continued

Performance obligations are measured from admission to the point when there are no further services required for the patient, which is the time of discharge.

The transaction price is determined based on gross charges for services provided.

The services are provided on a fee-for-service basis and then repriced according to the various tariff agreements with funders and/or medical aids.

Certain discounts are contractually agreed upon with funders upfront and recorded as a deduction from revenue at the time the related revenues are recorded. Any settlement discounts or other ad hoc discounts approved by funders or at hospital discretion subsequent to discharge are recorded as an expense.

Private patients may be required to make a co-payment or to pay a deposit upfront, and is recognised as revenue when the future goods or services are billed.

##### *Healthcare services*

Healthcare services comprises Life Nkanyisa and Life Health Solutions.

##### ■ *Life Nkanyisa*

Life Nkanyisa care centres work through public-private partnership (PPP) contracts with the South African government.

Through these centres the Group provides long-term chronic mental healthcare, frail care rehabilitation, step-down care, correctional services, primary healthcare and substance abuse recovery programmes to patients from the public sector.

The above is considered to be a single performance obligation as it is considered an interdependent service for providing accommodation, clinical and non-clinical support as well as dispensing medicine. The drug revenue which is separately identifiable is not allocated as it constitutes an insignificant portion of the total cost of the services.

The services are provided on an all-inclusive rate per patient day.

Revenue is recognised over time as the services are provided.

There are instances where the Group together with the government have approved a modification to the contract price, subsequent to the performance of the obligations. In general, these are not significant. In this case the modification is treated as an adjustment to revenue and trade receivables, in the period wherein the modified price is agreed.

##### ■ *Life Health Solutions*

Life Health Solutions provides contracted on-site occupational and primary healthcare services to large employer groups in the commercial, industrial, mining and state-owned sectors as well as encourages and supports healthy and balanced living in employees, improving their well-being and promoting maximum productivity for employers. Wellness services are provided to companies and institutions across the public and private sectors.

The contract with the client is negotiated as a package and includes a series of distinct services that are substantially the same. The services stipulated in the contracts are considered to be a single performance obligation.

The services are provided either on a fixed fee basis for services performed in terms of the contract or on a fee-for-service basis for those services or goods not stipulated in the contract.

The fixed monthly revenue is recognised over time based on the term of the contract.

Fee-for-services revenue is recognised at a point in time when services are performed.

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.1 Revenue | Other income | Operating profit | Finance income | Finance cost continued

#### 1.1.1 Revenue from contracts with customers continued

##### *International*

##### *Radiopharmaceutical products*

Relates to newly developed and emerging products and services.

Revenue mainly consists of the sale of NeuraCeq<sup>®</sup>, an approved product used in the diagnosis of Alzheimer's disease, services for pharma companies as well as fees, milestone payments and royalties relating to the sub-licence of one of LMI's early-stage novel radiotherapeutic and radio diagnostic products.

Revenue is provided on reaching contractual obligations or as a royalty percentage of sales of products for development activities.

Revenue on the sale of NeuraCeq<sup>®</sup> is recognised at the point in time when the goods are dispatched or sold.

##### **Revenue due to sub-licensing**

##### ■ *Upfront payment*

Non-refundable, upfront fees relating to the sub-licence are recognised as revenue at the point in time when the licence is transferred to the customer and the customer is able to use and benefit from the licence.

##### ■ *Milestone payments*

The receipt of milestone payments is recognised at the point in time and is contingent on meeting certain clinical, regulatory or commercial (net sales) targets, and is therefore considered variable consideration.

– At the inception of each arrangement that includes net sales milestone payments, the Group evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price.

– Milestone payments that are not within the control of the Group, such as development and regulatory approvals, are not considered highly probable of being achieved until those approvals are received.

– At the end of each subsequent reporting period, the Group re-evaluates the probability of achievement of such milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect licence and royalty revenues and earnings in the period of adjustment.

##### ■ *Royalty revenue*

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the licence is deemed to be the predominant item to which the royalties relate, the Group recognises revenue at the point in time at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

##### **Contract balances**

##### *Trade receivables*

Where the Group has established an unconditional right to receive consideration (for example, upon discharge), a trade receivable is recognised. Thereafter, as the trade receivable is a financial asset, the recognition and measurement is as per the accounting policies detailed for financial assets (under section 1.11).

#### 1.1.2 Other income

|                        | <b>Includes</b>                                          | <b>Recognition</b>                                                                     | <b>Measurement</b> |
|------------------------|----------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------|
| <b>Rental income</b>   | Rental income arising from leases excluded from IFRS 16. | Accounted for on a straight-line basis over the lease term in profit or loss.          | Fair value.        |
| <b>Dividend income</b> | External dividends.                                      | Recognised in profit or loss when the Group's right to receive payment is established. | Fair value.        |

##### **Company financial statements**

Revenue comprises dividends received from Life Healthcare Group Proprietary Limited.

# Annexure A continued

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.1 Revenue | Other income | Operating profit | Finance income | Finance cost continued

#### 1.1.3 Operating profit

Operating profit is the result generated from the Group's revenue-producing activities (considered core operations), and thus excludes finance income, finance cost and taxes.

Operating profit only includes profit from entities which are controlled by the Group in accordance with IFRS 10: *Consolidated Financial Statements*, and excludes amounts from entities where we share control or have significant influence. The Group therefore does not include its share of associate's and joint venture's net profit or loss after tax in operating profit, as there is no control over the investing, financing and operating decisions of these entities.

#### 1.1.4 Finance income

|                       | <b>Includes</b>                                                                                                                                                        | <b>Recognition</b>                                                                                  | <b>Measurement</b>                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Finance income</b> | Finance income on funds invested, unwinding of the discount on debtors, foreign exchange gains and gains on hedging instruments that are recognised in profit or loss. | Recognised in profit or loss using the effective interest rate (EIR) method, unless it is doubtful. | <b>Effective interest method</b><br>When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original EIR. |

#### 1.1.5 Finance cost

|                     | <b>Includes</b>                                                                                                                                                                                                                                  | <b>Recognition</b>                                                                                                                                                                                                                                                                                                                                     | <b>Measurement</b>                  |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|
| <b>Finance cost</b> | Interest on interest-bearing borrowings and bank overdrafts, interest on lease liabilities, foreign exchange losses, unwinding of contingent considerations, post-employment benefit plan interest costs which are recognised in profit or loss. | Recognised in profit or loss using the EIR method, unless the borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use, in which case the borrowing costs are capitalised as part of the cost of the asset. | Refer 1.11 "Financial liabilities". |

1. MATERIAL ACCOUNTING POLICY INFORMATION continued

1.2 Employee benefits

Short-term benefits

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Includes</b>             | Paid leave, sick leave, bonuses and non-monetary benefits such as medical care.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Accounting treatment</b> | <p>The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service.</p> <p>Accruals for employee entitlement to wages, salaries, bonuses and annual leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided up to the reporting date. The accruals have been calculated at undiscounted amounts based on the current wage and salary rates and are included in trade and other payables in the statement of financial position.</p> <p>The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance and the related liability, and a reliable estimate of the obligation can be made.</p> |

Termination benefits

|                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Includes</b>             | Benefits when an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Accounting treatment</b> | <p>The Group recognises termination benefits at the earlier of the following dates:</p> <p>(a) when the Group can no longer withdraw the offer of those benefits; and</p> <p>(b) when the Group recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits.</p> <p>In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.</p> |

Post-employment benefits

| <b>Defined contribution plan</b> |                                                                                                                                                                                                                                                                                                                   |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Includes</b>                  | A pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. |
| <b>Fund name</b>                 | <ul style="list-style-type: none"> <li>■ Life Healthcare DC Pension Fund</li> <li>■ Life Healthcare Provident Fund</li> </ul>                                                                                                                                                                                     |
| <b>Accounting treatment</b>      | <ul style="list-style-type: none"> <li>■ The payments to defined contribution retirement benefit plans are charged as an expense as they fall due.</li> <li>■ Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.</li> </ul>    |



# Annexure A continued

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.2 Employee benefits continued

#### Post-employment benefits continued

| Defined benefit plan (continued)                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                       |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Includes                                                   | A pension plan that is not a defined contribution plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                       |
| Fund name                                                  | <ul style="list-style-type: none"> <li>■ Life Healthcare DB Pension Fund</li> <li>■ Lifecare Group Holdings Pension Fund</li> <li>■ Life Healthcare Provident Fund (ESA)</li> <li>■ Post-employment medical aid benefit (phased out)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                       |
| Accounting treatment                                       | <p>For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.</p> <p>Actuarial accounting valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to reporting date where the interim valuation is performed at an earlier date.</p> <p>Past-service costs are charged to the statement of profit or loss when the plan amendment or curtailment occurs.</p> <p>Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when curtailment or settlement occurs.</p> |                                                                                                                                                                                                                                                       |
| Statement of financial position                            | <i>Assets or liabilities</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | The present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets, together with adjustments for unrecognised past-service costs.                                                         |
|                                                            | <i>Assets</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Any asset is limited to unrecognised actuarial losses, and unrecognised past-service cost plus the present value of available refunds and reduction in future contributions to the plan.</p> <p>Right to reimbursement measured at fair value.</p> |
| Statement of profit or loss and other comprehensive income | <i>Profit or loss</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>■ Net interest income</li> <li>■ Current service cost</li> </ul> <p>These costs are included in the statement of profit or loss under retirement benefit asset and post-employment medical aid income.</p>     |
|                                                            | <i>Other comprehensive income</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>■ Remeasurements arising from experience adjustments and changes in actuarial assumptions.</li> <li>■ Changes in asset ceiling.</li> </ul>                                                                     |

1. MATERIAL ACCOUNTING POLICY INFORMATION continued

1.2 Employee benefits continued

| Medical aid costs    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Includes             | It is Group policy not to provide for post-employment medical aid benefits. However, due to a previous business combination transaction the Group did become party to a contractual obligation to provide post-employment medical aid benefits to certain employees. The entitlement for an employee to receive these benefits is dependent on the employee remaining in service until retirement age.                                                                               |
| Accounting treatment | For past service, the Group recognises and provides for the actuarially determined present value of post-employment medical aid employer contributions on an accrual basis using the projected unit credit method. Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged to other comprehensive income in the period in which they arise. Independent qualified actuaries carry out annual valuations of these obligations. |

Shared-based payments (IFRS 2)

| Equity-settled       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                             |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Includes             | <i>Long-term incentive schemes (including SIP and CIP)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <i>Life Healthcare employee share trust</i> |
| Accounting treatment | The Group operates these incentive schemes as equity-settled share-based payment schemes. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the grant date. At the end of the reporting period, the Group revises its estimate of the number of awards that are expected to vest, based on the number of employees remaining in the scheme and it recognises the corresponding impact of the revision of original estimates, if applicable, in profit or loss with a corresponding adjustment to equity. Refer note 19. |                                             |

# Annexure A continued

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### Group accounting

#### 1.3 Consolidation

##### Subsidiaries and trust beneficiary accounts

###### *Initial recognition and measurement*

Entities (including structured entities) over which the Group has control are consolidated in the Group annual financial statements. The Group applies the acquisition method to account for business combinations. The financial results of the Group and its subsidiaries are consolidated into the Group's results from acquisition date until control ceases. The financial statements of the subsidiaries are prepared for the same period as the parent Company. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the adjustment is recognised in profit or loss.

At the date of acquisition, acquired deferred income tax assets may not be fully recognised under IFRS Accounting Standards. Adjustments to the initial recognition of acquired deferred tax assets under IFRS Accounting Standards, subsequent to the acquisition date, are recognised in profit or loss unless the adjustment qualifies as a measurement period adjustment in which case it is recognised as an adjustment to goodwill.

###### *Company financial statements*

In the financial statements of the Company, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments.

###### *Non-controlling interest*

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

###### *Contingent consideration*

Contingent consideration is recognised at fair value at the acquisition date. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and the settlement thereof is accounted for wholly within equity. Alternatively other contingent considerations are remeasured at fair value at each reporting date and subsequent changes in fair value are recognised in profit or loss.

###### *Inter-company transactions*

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated on consolidation.

###### *Changes in ownership without change in control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

###### *Loss of control*

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The profit or loss realised on disposal or termination of a subsidiary is calculated after taking into account the carrying amount of any related goodwill.

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### Group accounting continued

#### 1.4 Equity accounting

Equity-accounted investments consists of associates and joint ventures.

The accounting policies of the associated companies do not differ materially from the Group's accounting policies. The Group adjusts for these differences in accounting policies to align with those of the Group.

##### Initial recognition and measurement

Investments in associates and interests in joint ventures are initially recognised at cost in accordance with the equity method of accounting.

##### Changes in ownership interest

If the ownership interest in an associate or joint venture is reduced but significant influence or joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. If the ownership interest is increased, without gaining control, the cost of the additional interest is added to the carrying value of the associate or joint venture.

##### Subsequent measurement

Subsequent to initial recognition, the Group recognises its share of profit or loss and other comprehensive income until the date on which joint control or significant influence ceases. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The Group does not recognise further losses, when the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, unless the Group has incurred legal or constructive obligations, issued guarantees or made payments on behalf of the associate or joint venture.

##### Impairment

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in "share of associates or 'joint ventures' net profit after tax" in profit or loss.

##### Unrealised gains or losses

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.5 Translation of foreign operations

##### Procedures followed to translate to presentation currency

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency using the following procedures:

- Assets and liabilities including goodwill and fair value adjustments arising on acquisition, are translated at the closing rate at reporting date
- Income and expenses are translated at an average exchange rate which is a reasonable approximation of the prevailing exchange rate at the date of each transaction

The resulting differences in translation between these rates are recognised in the FCTR in other comprehensive income.

##### Exchange differences on monetary items

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially in other comprehensive income and recognised in profit or loss on disposal of the net investment as part of the profit or loss on the sale.

##### Cash flows

The cash flows of a foreign subsidiary are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case cash flows are translated at the dates of the transactions).

# Annexure A continued

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### Operating assets

#### Useful lives and impairment for 1.6 property, plant and equipment and 1.7 intangible assets

**Useful lives** The Group depreciates or amortises its assets over their estimated useful lives. The useful lives of assets are based on historic performance as well as expectations about future use and therefore requires a degree of judgement to be applied. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. The useful lives are reviewed at each reporting date to assess whether useful life estimates need to be adjusted.

**Impairment** The Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Impairment indications include:

**External sources of information:**

- Significant adverse changes that have taken place or are expected in the near future in the technological, competitive market, economic or legal environment in which the Group operates
- Increases in interest rates or other market rates of return that may materially affect the discount rate used in calculating the asset's recoverable amount
- The carrying amount of the Group's net assets exceeds the Group's market capitalisation

**Internal sources of information:**

- Obsolescence or physical damage affecting the asset
- Idle or unutilised assets
- Plans to discontinue or restructure the operations to which the asset belongs or the asset's disposal
- Significant decline in management's forecasts of future net cash inflows

### 1.6 Property, plant and equipment

| Categories                                                                                                                                        | Initial measurement and recognition | Subsequent measurement                                    | Estimated useful life                |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-----------------------------------------------------------|--------------------------------------|
| Land                                                                                                                                              | Cost                                | Cost less accumulated impairment losses.                  | Not depreciated                      |
| Assets under construction                                                                                                                         |                                     |                                                           |                                      |
| Buildings – owned                                                                                                                                 |                                     | Cost less accumulated depreciation and impairment losses. | 40 – 50 years                        |
| Medical equipment                                                                                                                                 |                                     |                                                           | 5 – 25 years                         |
| Other equipment- owned                                                                                                                            |                                     |                                                           | 3 – 5 years                          |
| Motor vehicles                                                                                                                                    |                                     | Present value (refer section 1.8)                         | Shorter of useful life or lease term |
| Improvements to right-of-use assets                                                                                                               |                                     |                                                           |                                      |
| Right-of-use assets                                                                                                                               |                                     |                                                           |                                      |
| <ul style="list-style-type: none"> <li>■ Land and buildings</li> <li>■ Medical equipment</li> <li>■ Motor vehicles and other equipment</li> </ul> |                                     |                                                           |                                      |

Replacements of linen, cutlery and crockery and certain medical instruments are charged as an expense in the profit or loss over a 12-month period from the date of purchase.

1. MATERIAL ACCOUNTING POLICY INFORMATION continued

**Operating assets** continued

1.7 Intangible assets

| Categories                               | Initial measurement and recognition                                                                                                                                                                        | Subsequent measurement                                    | Estimated useful life                       |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------|
| Goodwill                                 | Excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired, and liabilities and contingent liabilities assumed. | Cost less accumulated impairment losses.                  | Not amortised                               |
| Customer relations and hospital licences | Cost represents the fair value as at the date of the business combination, valued on the royalty method or the multi-period earnings excess method (MEEM).                                                 | Cost less accumulated amortisation and impairment losses. | 5 – 15 years                                |
| Intellectual property (IP)*              |                                                                                                                                                                                                            |                                                           | Over the life of the relevant patent period |
| Computer software                        | Cost                                                                                                                                                                                                       |                                                           | 3 – 10 years                                |

\* The intangible assets are the IP to NeuraCeq as well as IP to products that are being developed. In portfolio LMI has six products in various stages of development of which two products are actively being developed.

Costs associated with the developing or maintaining of computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software and internally generated intangible assets in respect of product development costs controlled by the Group that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets when the criteria per IAS 38 have been met. For the products in development, the expected approval success rate of each product is used. To determine this, industry guidance as to the likely success of a product ultimately moving from a Phase 3 clinical trial through to gaining market approval was used.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Other development expenditures that do not meet these criteria and research expenditure are recognised as an expense, in profit or loss, as incurred.

**Goodwill**

Goodwill is tested for impairment annually or when there is an indication of impairment.

At acquisition date, goodwill is allocated to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. CGUs are defined as individual hospitals, individual complementary services facilities and healthcare services operating units in southern Africa. LMI is defined as a separate CGU.

The original goodwill and intangible assets are allocated to the various CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill and intangibles arose. Goodwill and intangibles arising from subsequent additions are allocated to the specific CGUs.

# Annexure A continued

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### Operating assets continued

#### 1.8 Leases

##### Group as lessee

The Group leases various properties, medical equipment (including scanning equipment, blood gas machines and renal dialysis units), motor vehicles, IT equipment and gym equipment. Rental contracts are typically entered into for fixed periods of between 1 to 25 years but may have extension options as described under 1.2.1 Critical judgements. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for bank borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

##### Initial measurement and recognition

Assets and liabilities arising from a lease are initially measured at present value. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that are based on CPI or WIBOR
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The discount rate used in calculating the present value of the lease liability and right-of-use asset is the incremental borrowing rate, which is the rate that the relevant business unit (lessee) would have to pay to borrow funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The incremental borrowing rate was calculated using an adjusted Group WACC approach by extracting the pre-tax cost of debt element from the WACC rate, which was adjusted for the following:

- Local borrowing rates
- The unsecured/secured nature
- Lessee-specific credit risk
- Lease start date and term

##### Subsequent measurement

- Right-of-use asset at cost less accumulated depreciation and impairment – refer section 1.6 for depreciation method.
- Liability at amortised cost.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets (defined as assets with a value of less than R60 000 for our southern Africa business and GBP5 000 for our international business) comprise IT equipment and contracts for general business services.

See note 1.2 for the critical judgements, accounting estimates and assumptions.

#### 1.9 Inventories

Inventories are measured at the lower of cost or net realisable value on the first-in-first-out basis.

The cost of inventories written off as expired stock, is recorded as an expense and included in drugs and consumables in profit or loss.

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### Operating assets continued

#### 1.10 Assets held for sale and discontinued operation

Non-current assets and disposal groups are classified as assets held for sale, if their carrying amount will be recovered principally through a sale transaction rather than continuing use. The assets and the liabilities directly associated with the assets classified as held for sale are presented separately in the statement of financial position. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Immediately before classification as held for sale, the assets (and all assets and liabilities in a disposal group) are measured in terms of the applicable IFRS Accounting Standards. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of the carrying amount and the fair value less costs to sell.

Discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of the discontinued operations are presented separately in the statement of profit or loss.

#### 1.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

The Group has the following financial assets:

- Cash and cash equivalents
  - Consists of cash on hand and demand deposits immediately available
- Trade and other receivables
- Other assets, which include:
  - Loans receivable
  - Loans to associates
  - Investment in first-party Cell Captive

##### Initial recognition and measurement

Financial assets in the Group are classified at initial recognition and subsequently measured as either amortised cost or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing it.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

On initial recognition:

- financial assets held at fair value through profit or loss are measured initially at fair value, excluding transaction costs;
- trade receivables, which do not have a significant financing component, are initially measured at the transaction price determined under IFRS 15, including transaction costs; and
- all other financial assets are initially measured at fair value, including transaction costs.

##### Subsequent measurement

Financial assets are subsequently measured as either at amortised cost or at fair value through profit or loss.

##### *Financial assets at amortised cost*

The Group's financial assets at amortised cost includes trade and other receivables, loans to associates, loans receivable and cash and cash equivalents.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held with the objective to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.



# Annexure A continued

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.11 Financial instruments continued

#### Financial assets continued

#### Subsequent measurement continued

#### *Financial assets at amortised cost continued*

This assessment is referred to as the solely payments of principal and interest test (SPPI) and is performed at an instrument level.

If it fails the above criteria, it will be classified as fair value through profit or loss.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### *Financial assets at fair value through profit or loss*

The Group's financial assets at fair value through profit or loss include:

- Other assets, which include:
  - Doctor's loans
  - Investment in a first-party Cell Captive

The investment in a first-party Cell Captive is mandatorily recognised at fair value through profit or loss.

#### Derecognition

The Group derecognises a financial asset (ie removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation and either:
  - the Group has transferred substantially all the risks and rewards of the asset; or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

#### Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR.

#### *Trade receivables*

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for critical judgements, accounting estimates and assumptions – refer note 1.2
- Risk management – credit risk relating to trade receivables note 33

For trade receivables, the Group applies a simplified approach in calculating ECLs.

The Group established an ECL model that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment affecting the ability of the customer to settle outstanding balances. For instance, if the forecast economic conditions (ie GDP, unemployment, repo rate), are expected to lead to an increased number of defaults, the historical default rates are adjusted. The Group does not track significant increases in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Group considers a financial asset in default when contractual payments are past due (described under 1.2.1 Critical judgements relating to trade receivables). However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.11 Financial instruments continued

#### Financial assets continued

##### Impairment of financial assets continued

##### *Trade receivables continued*

The Group considers the following factors:

- The history of the specific customer
- Indications of financial difficulties of the specific customer
- Credit terms specific to the customer
- General economic conditions

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. This is when the Group has exhausted all options regarding the debt, and it also includes the following factors:

- The account is handed back from the debt collectors as uncollectable, ie the Group has followed full legal process
- The debtor is deceased and the estate is insolvent
- The debtor cannot be traced

##### Financial liabilities

The Group has the following financial liabilities:

- Interest-bearing borrowings (include redeemable preference shares when applicable)
- Contingent consideration liabilities
- Trade and other payables
  - These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.
  - Trade and other payables also include employee-related payables, which represent the pro rata portion of a 13th cheque, accrued annual leave and a performance bonus scheme. Refer section 1.2 “short-term employee benefits”.
- Bank overdraft
- Other liabilities, which include:
  - Solar-related financial liabilities

##### Initial recognition and measurement

Financial liabilities in the Group are classified at initial recognition and subsequently measured as either amortised cost or fair value through profit or loss.

On initial recognition:

- financial liabilities held at fair value through profit or loss are measured initially at fair value, excluding transaction costs; and
- all other financial liabilities are initially measured at fair value, including transaction costs.

##### Subsequent measurement

Financial liabilities are subsequently measured as either:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through profit or loss.

##### *Financial liabilities at amortised cost*

Within the Group, this category applies to interest-bearing borrowings, redeemable preference shares, trade and other payables and bank overdrafts.

After initial recognition, these financial liabilities are subsequently measured at amortised cost, using the EIR method.

Gains or losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

This EIR amortisation is included as finance costs in the statement of profit or loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

##### *Financial liabilities at fair value through profit or loss*

Within the Group, this category applies to contingent consideration liabilities and derivative liabilities.

The Group has derivative financial instruments that are not designated as hedging instruments in hedge relationships. These liabilities are mandatorily measured at fair value through profit or loss in terms of IFRS 9.

As a result, gains or losses on the liabilities are recognised in the statement of profit or loss.

The Group has not designated any financial liability at fair value through profit or loss.

The unwinding of contingent consideration is included as finance costs in the statement of profit or loss.

# Annexure A continued

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.11 Financial instruments continued

#### Financial liabilities continued

##### Derecognition

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset, an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 1.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

##### Property related

- Property restoration provisions include the estimated costs to restore leased properties to their original condition when the lease term expires.

##### Insurance provision

- Judgement is required in estimating the insurance provision. This is calculated based on the probability of future claims arising, taking into consideration the Group insurance excess applicable to the claim and the liability is the present value of the exposure at a pre-tax average cost of debt rate.

### 1.13 Capital and reserves

Stated capital comprises ordinary share capital, share premium and treasury shares.

##### Share capital and equity

Share capital issued by the Company is recorded at the proceeds received, net of issue costs. Incremental costs directly attributable to the issue of new shares or options, other than in connection with a business combination, are shown in equity as a deduction, net of tax, from the proceeds.

##### Treasury shares

Treasury shares held by subsidiary companies and special-purpose entities are treated as a deduction from the issued and weighted average number of ordinary shares. The consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from the Group's total equity until the shares are cancelled, disposed of or vest in accordance with the terms of the Life Healthcare employee share trust or long-term incentive schemes.

## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.14 Non-IFRS measures

To provide a more meaningful assessment of the Group's performance, non-IFRS measures are included.

The non-IFRS measures include:

- Normalised EBITDA (refer note 9)  
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.
- EBITA (refer note 9)  
EBITA is defined as normalised EBITDA less depreciation.
- Operating profit before non-trading items (refer note 9)  
Operating profit before non-trading items is defined as operating profit before any non-trading-related costs or income.
- Net debt (refer note 9)  
Net debt comprises all interest-bearing borrowings, overdraft balances and cash and cash equivalents.
- Normalised earnings and NEPS (refer note 8)  
The calculation of NEPS excludes non-trading related items as listed under note 8 and is based on the normalised profit attributable to equity holders of the parent, divided by the weighted average number of ordinary shares in issue during the year.

Non-IFRS measures are the responsibility of the Group's directors. Due to its nature, the non-IFRS measures may not fairly present the Group's financial position, results of operations, changes in equity or cash flows for the year. These measures as disclosed above may not be comparable to other similarly titled measures of performance of other companies.

Non-IFRS measures are not an IFRS Accounting Standards requirement, nor a JSE Listings Requirement and is a measurement used by the CODM.

### 1.15 New and amended accounting standards adopted by the Group

The Group has applied the following standards, amendments and interpretations for the first time for their annual reporting period commencing 1 October 2023:

- Amendment of IAS 1 and IFRS Practice Statement 2 – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.
- Amendment of IAS 8 – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates.
- Amendment of IAS 12 – the amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
- Amendment to IAS 12 – International Tax Reform – Pillar Two Model Rules.  
The IASB amended the scope of IAS 12 to clarify that the standard applies to income taxes arising from tax law enacted or substantively enacted to implement Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduced a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Group discloses that it has applied this exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes where applicable.
- Amendment to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

#### Impact

The implementation of these standards and amendments had no material financial impact on the Group.

# Annexure A continued

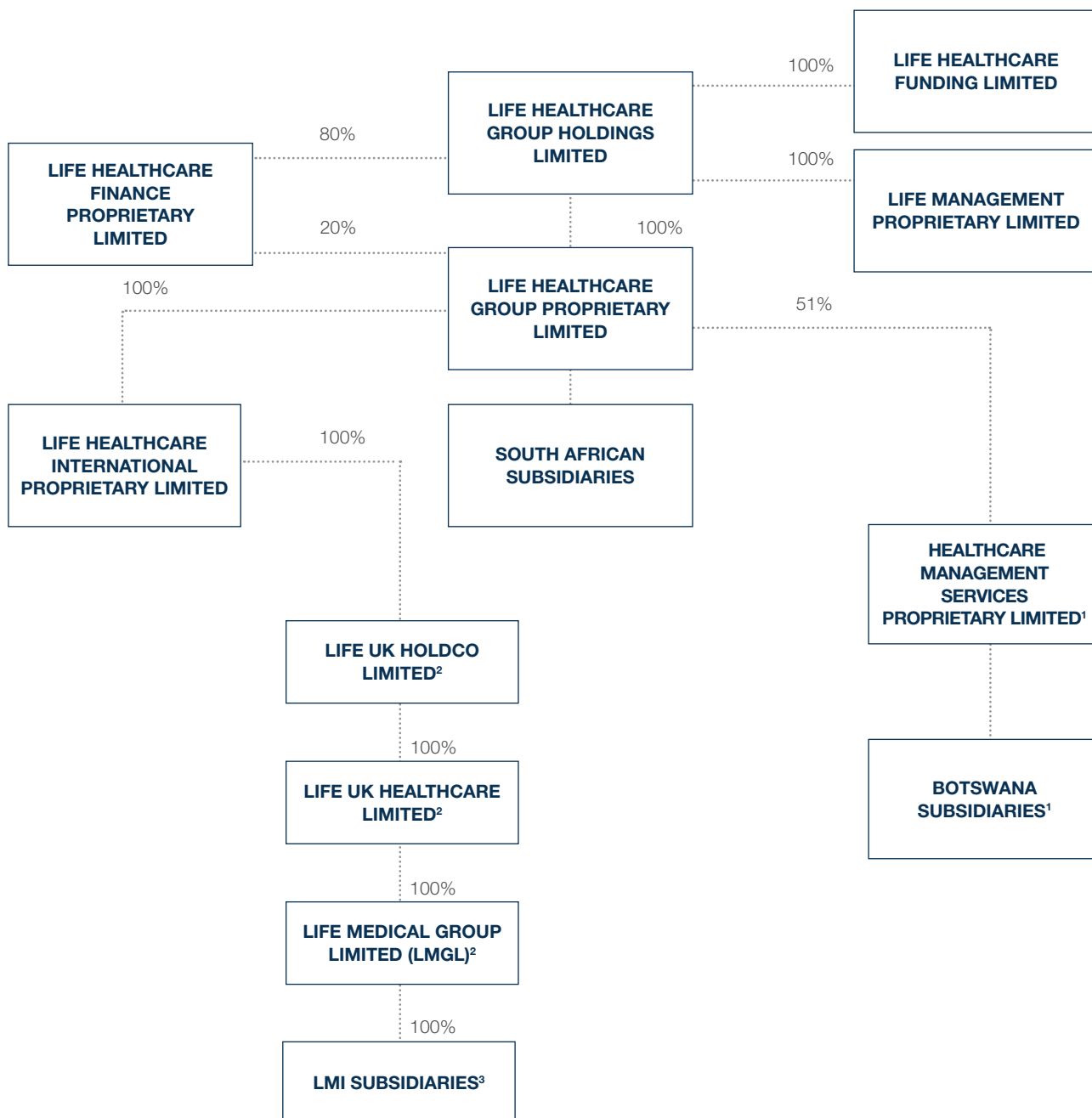
## 1. MATERIAL ACCOUNTING POLICY INFORMATION continued

### 1.16 New accounting standards, amendments and IFRIC interpretations not yet effective and not early adopted

| <b>Standard</b>                                                                                           | <b>Effective date for annual periods beginning on or after</b> |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Classification of Liabilities as Current or Non-current Liabilities with Covenants' (Amendments to IAS 1) | 1 January 2024                                                 |
| Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)                                           | 1 January 2024                                                 |
| Lack of Exchangeability (Amendments to IAS 21)                                                            | 1 January 2025                                                 |
| Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)                 | 1 January 2026                                                 |
| Presentation and Disclosure in Financial Statements (IFRS 18)                                             | 1 January 2027                                                 |
| Subsidiaries without Public Accountability Disclosures (IFRS 19)                                          | 1 January 2027                                                 |

# Annexure B

## SIMPLIFIED GROUP STRUCTURE FOR THE YEAR ENDED 30 SEPTEMBER 2024



All South African investments are unlisted and incorporated in the Republic of South Africa.

All Botswana and LMI investments are unlisted.

The shareholding percentages are the same for 2024 and 2023, except for Group changes disclosed in note 27.

<sup>1</sup> Incorporated in Botswana. The functional currency is pula.

<sup>2</sup> Incorporated in England. The functional currency is pound sterling.

<sup>3</sup> Life Molecular Imaging Limited is incorporated in England and holds the investments in LMI subsidiaries. The functional currencies used include United States dollar and euro.

A full list of the Group's subsidiaries is available on request from the Company's registered office.

# Annexure C

## ASSOCIATE UNDERTAKINGS FOR THE YEAR ENDED 30 SEPTEMBER 2024

### Associates

| Name of associate                                 | Functional currency | Issued share capital |            | Interest in share capital |        | Book value of the shares |          |
|---------------------------------------------------|---------------------|----------------------|------------|---------------------------|--------|--------------------------|----------|
|                                                   |                     | 2024 Total           | 2023 Total | 2024 %                    | 2023 % | 2024 R'm                 | 2023 R'm |
| <b>Unlisted investments</b>                       |                     |                      |            |                           |        |                          |          |
| Wilgers Onkologie Spreekkamer Trust <sup>1</sup>  | R                   | 10 000               | 10 000     | 25                        | 25     | –                        | –        |
| Wilgers Onkologie Radiologiese Trust <sup>1</sup> | R                   | 10 000               | 10 000     | 40                        | 40     | 2                        | 2        |
| Wilgers Stralingsonkologie Trust <sup>1</sup>     | R                   | 10 000               | 10 000     | 25                        | 25     | –                        | –        |
|                                                   |                     |                      |            |                           |        | 2                        | 2        |

All the associates provide medical and surgical services through private hospitals and/or same-day surgical centres.

### Joint ventures

| Name of joint venture                                            | Functional currency | Issued share capital |            | Interest in share capital |        | Book value of the shares |          | Amounts owing by/(to) joint ventures |          |
|------------------------------------------------------------------|---------------------|----------------------|------------|---------------------------|--------|--------------------------|----------|--------------------------------------|----------|
|                                                                  |                     | 2024 Total           | 2023 Total | 2024 %                    | 2023 % | 2024 R'm                 | 2023 R'm | 2024 R'm                             | 2023 R'm |
| <b>Unlisted investments</b>                                      |                     |                      |            |                           |        |                          |          |                                      |          |
| Brenthurst MRI <sup>1</sup>                                      | R                   | –                    | –          | 70                        | 70     | 1                        | 1        | –                                    | –        |
| Brenthurst Equipment Trust 1 <sup>1</sup>                        | R                   | –                    | –          | 50                        | 50     | –                        | –        | –                                    | –        |
| Brenthurst Equipment Trust 2 <sup>1</sup>                        | R                   | –                    | –          | 70                        | 70     | –                        | –        | –                                    | –        |
| Brenthurst Radiology Cat Scan <sup>1</sup>                       | R                   | –                    | –          | 50                        | 50     | –                        | –        | –                                    | –        |
| Axim Life Isotopes South Africa Proprietary Limited <sup>1</sup> | R                   | –                    | –          | 50                        | 50     | –                        | 3        | 100                                  | –        |
|                                                                  |                     |                      |            |                           |        | 1                        | 4        | 100                                  | –        |

<sup>1</sup> Indirectly held through Life Healthcare Group Proprietary Limited.

# Company statement of profit or loss and other comprehensive income

for the year ended 30 September 2024

|                                                | Note | 2024<br>R'm  | 2023<br>R'm |
|------------------------------------------------|------|--------------|-------------|
| Revenue                                        | 1    | 9 479        | 617         |
| Other income                                   | 1    | 7            | –           |
| <b>Profit before tax</b>                       |      | <b>9 486</b> | 617         |
| Tax expense                                    |      | –            | –           |
| <b>Profit after tax</b>                        |      | <b>9 486</b> | 617         |
| Other comprehensive income                     |      | –            | –           |
| <b>Total comprehensive income for the year</b> |      | <b>9 486</b> | 617         |

# Company statement of financial position

at 30 September 2024

|                                     | Notes | 2024<br>R'm  | 2023<br>R'm |
|-------------------------------------|-------|--------------|-------------|
| <b>ASSETS</b>                       |       |              |             |
| <b>Non-current assets</b>           |       |              |             |
| Interest in subsidiaries            | 2     | 9 340        | 9 338       |
| <b>Current assets</b>               |       |              |             |
| Cash and cash equivalents           |       | 11           | –           |
| <b>Total assets</b>                 |       | <b>9 351</b> | 9 338       |
| <b>Equity and liabilities</b>       |       |              |             |
| <b>Capital and reserves</b>         |       | <b>9 338</b> | 9 331       |
| Stated capital                      | 3     | 13 888       | 13 888      |
| Accumulated loss                    |       | (4 550)      | (4 557)     |
| <b>Non-current liabilities</b>      |       |              |             |
| Financial liabilities               | 7     | 2            | –           |
| <b>Current liabilities</b>          |       | <b>11</b>    | 7           |
| Trade and other payables            |       | –            | 2           |
| Shareholders for dividend           |       | 11           | 5           |
| <b>Total equity and liabilities</b> |       | <b>9 351</b> | 9 338       |



# Company statement of changes in equity

for the year ended 30 September 2024

|                                         | Stated<br>capital<br>R'm | Retained<br>earnings<br>R'm | Total<br>R'm   |
|-----------------------------------------|--------------------------|-----------------------------|----------------|
| <b>Balance at 30 September 2023</b>     | <b>13 888</b>            | <b>(4 557)</b>              | <b>9 331</b>   |
| Total comprehensive income for the year | –                        | <b>9 486</b>                | <b>9 486</b>   |
| Distribution to shareholders            | –                        | <b>(9 479)</b>              | <b>(9 479)</b> |
| <b>Balance at 30 September 2024</b>     | <b>13 888</b>            | <b>(4 550)</b>              | <b>9 338</b>   |
| <b>Balance at 30 September 2022</b>     | 13 888                   | (4 557)                     | 9 331          |
| Total comprehensive income for the year | –                        | 617                         | 617            |
| Distribution to shareholders            | –                        | (617)                       | (617)          |
| <b>Balance at 30 September 2023</b>     | 13 888                   | (4 557)                     | 9 331          |

# Company statement of cash flows

for the year ended 30 September 2024

|                                                         | 2024<br>R'm    | 2023<br>R'm |
|---------------------------------------------------------|----------------|-------------|
| <b>Cash flows from operating activities</b>             |                |             |
| Cash generated from operations                          | <b>9 490</b>   | 617         |
| <b>Net cash generated from operating activities</b>     | <b>9 490</b>   | 617         |
| <b>Cash flows from financing activities</b>             |                |             |
| Dividends paid                                          | <b>(9 479)</b> | (617)       |
| <b>Net cash utilised from financing activities</b>      | <b>(9 479)</b> | (617)       |
| Net increase in cash and cash equivalents               | <b>11</b>      | –           |
| Cash and cash equivalents – beginning of the year       | –              | –           |
| <b>Cash and cash equivalents at the end of the year</b> | <b>11</b>      | –           |

# Notes to the Company annual financial statements

for the year ended 30 September 2024

|                                                                                                                                                                                                                                                                                                                                                                                | 2024<br>R'm      | 2023<br>R'm |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------|
| <b>1. REVENUE AND OTHER INCOME</b>                                                                                                                                                                                                                                                                                                                                             |                  |             |
| <b>Revenue</b>                                                                                                                                                                                                                                                                                                                                                                 |                  |             |
| Revenue comprises dividends received from Life Healthcare Group Proprietary Limited                                                                                                                                                                                                                                                                                            | <b>9 479</b>     | 617         |
| <b>Other income</b>                                                                                                                                                                                                                                                                                                                                                            |                  |             |
| Unclaimed dividends                                                                                                                                                                                                                                                                                                                                                            | <b>7</b>         | –           |
| <b>2. INTEREST IN SUBSIDIARIES</b>                                                                                                                                                                                                                                                                                                                                             |                  |             |
| Unlisted investment in:                                                                                                                                                                                                                                                                                                                                                        |                  |             |
| Life Healthcare Group Proprietary Limited                                                                                                                                                                                                                                                                                                                                      | <b>8 897</b>     | 8 897       |
| Life Management Proprietary Limited                                                                                                                                                                                                                                                                                                                                            | <b>50</b>        | 50          |
| Life Healthcare Finance Proprietary Limited <sup>1</sup>                                                                                                                                                                                                                                                                                                                       | –                | –           |
| Life Healthcare Funding Limited <sup>1</sup>                                                                                                                                                                                                                                                                                                                                   | –                | –           |
| Balance at 30 September                                                                                                                                                                                                                                                                                                                                                        | <b>8 947</b>     | 8 947       |
| Financial guarantee contracts (refer note 7)                                                                                                                                                                                                                                                                                                                                   | <b>2</b>         | –           |
| Amounts owing by subsidiary                                                                                                                                                                                                                                                                                                                                                    |                  |             |
| Balance at 1 October                                                                                                                                                                                                                                                                                                                                                           | <b>391</b>       | 393         |
| Repayment                                                                                                                                                                                                                                                                                                                                                                      | –                | (2)         |
| Balance at 30 September <sup>2</sup>                                                                                                                                                                                                                                                                                                                                           | <b>391</b>       | 391         |
| <b>Total investment</b>                                                                                                                                                                                                                                                                                                                                                        | <b>9 340</b>     | 9 338       |
| <sup>1</sup> The Company's investments in Life Healthcare Finance Proprietary Limited and Life Healthcare Funding Limited are less than R1 million.                                                                                                                                                                                                                            |                  |             |
| <sup>2</sup> The loan is subject to the impairment requirements of IFRS 9. The ECL rate was determined to be 0% due to the Group's intention to provide sufficient support to ensure that inter-company loans can be repaid in the normal course of business and there have been no significant change in economic conditions and forward-looking indicators within the Group. |                  |             |
| The loan is unsecured, has no fixed repayment terms and bears interest as determined by the directors. No interest was received during the current year or prior financial year.                                                                                                                                                                                               |                  |             |
| <b>3. STATED CAPITAL</b>                                                                                                                                                                                                                                                                                                                                                       |                  |             |
| <b>Stated capital comprises:</b>                                                                                                                                                                                                                                                                                                                                               |                  |             |
| Share capital                                                                                                                                                                                                                                                                                                                                                                  | <b>10 515</b>    | 10 515      |
| Share premium                                                                                                                                                                                                                                                                                                                                                                  | <b>3 373</b>     | 3 373       |
|                                                                                                                                                                                                                                                                                                                                                                                | <b>13 888</b>    | 13 888      |
| <b>Ordinary shares</b>                                                                                                                                                                                                                                                                                                                                                         | <b>'000</b>      | '000        |
| Authorised (Share capital of R0.000001 each)                                                                                                                                                                                                                                                                                                                                   | <b>4 149 980</b> | 4 149 980   |
| Total value = R4 149 (2023: R4 149)                                                                                                                                                                                                                                                                                                                                            |                  |             |
| Issued and fully paid:                                                                                                                                                                                                                                                                                                                                                         |                  |             |
| Balance at 30 September                                                                                                                                                                                                                                                                                                                                                        | <b>1 467 349</b> | 1 467 349   |
| Total value = R1 467 (2023: R1 467)                                                                                                                                                                                                                                                                                                                                            |                  |             |

# Notes to the Company annual financial statements

continued

for the year ended 30 September 2024

|                                                                                                                                                                                                                                                                                                                                                                    | 2024<br>R'm | 2023<br>R'm |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| <b>4. CASH GENERATED FROM OPERATIONS</b>                                                                                                                                                                                                                                                                                                                           |             |             |
| Reconciliation of profit before tax to cash generated from operations                                                                                                                                                                                                                                                                                              |             |             |
| Profit before tax                                                                                                                                                                                                                                                                                                                                                  | 9 486       | 617         |
| Adjusted for:                                                                                                                                                                                                                                                                                                                                                      |             |             |
| Unclaimed dividends                                                                                                                                                                                                                                                                                                                                                | 4           | –           |
| Cash generated from operations                                                                                                                                                                                                                                                                                                                                     | 9 490       | 617         |
| <b>5. ACCOUNTING POLICIES</b>                                                                                                                                                                                                                                                                                                                                      |             |             |
| The basis of preparation is the same for the Group and Company.                                                                                                                                                                                                                                                                                                    |             |             |
| – Presentation of annual financial statements – refer page 23                                                                                                                                                                                                                                                                                                      |             |             |
| <b>The following accounting policies are applicable to the Company - refer Annexure A:</b>                                                                                                                                                                                                                                                                         |             |             |
| – Dividend income refer note 1.1.2                                                                                                                                                                                                                                                                                                                                 |             |             |
| – Group accounting refer note 1.3 (only section regarding Company financial statements)                                                                                                                                                                                                                                                                            |             |             |
| – Financial instruments (excluding section regarding derivatives) refer note 1.11                                                                                                                                                                                                                                                                                  |             |             |
| – Capital and reserves refer note 1.13                                                                                                                                                                                                                                                                                                                             |             |             |
| – New accounting standards and IFRIC interpretations refer note 1.16                                                                                                                                                                                                                                                                                               |             |             |
| <b>Accounting policy specifically relating to the Company:</b>                                                                                                                                                                                                                                                                                                     |             |             |
| A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.                                                                                                        |             |             |
| The Company has elected to account for financial guarantee contracts under IFRS 9, which are initially measured at their fair values and are subsequently measured at the higher of:                                                                                                                                                                               |             |             |
| – The ECL in accordance with IFRS 9; and                                                                                                                                                                                                                                                                                                                           |             |             |
| – The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IFRS 15.                                                                                                                                                                                                                                          |             |             |
| The ECLs are a probability-weighted estimate of credit losses (the cash shortfalls) over the expected life of the guarantee. Accordingly, the cash shortfalls are the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, debtor or any other party.                  |             |             |
| Where guarantees in relation to loans to related parties are provided for no compensation, the fair values are accounted for as capital contributions and recognised as part of the cost of the investment.                                                                                                                                                        |             |             |
| <b>6. EVENTS AFTER THE REPORTING PERIOD</b>                                                                                                                                                                                                                                                                                                                        |             |             |
| 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:                                                                                                                                                                                                          |             |             |
| <b>Final cash dividend declaration</b>                                                                                                                                                                                                                                                                                                                             |             |             |
| The Board of Directors approved a final gross cash dividend of 31.00 cents per ordinary share for the year ended 30 September 2024. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 24.80 cents per share.   |             |             |
| <b>Special cash dividend declaration</b>                                                                                                                                                                                                                                                                                                                           |             |             |
| The Board of Directors approved a special gross cash dividend of 70.00 cents per ordinary share for the year ended 30 September 2024. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 56.00 cents per share. |             |             |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2024<br>R'm  | 2023<br>R'm |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|
| <b>7. COMMITMENTS AND CONTINGENCIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |              |             |
| No commitments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |             |
| <b>Financial Guarantee Contracts</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |             |
| The Company along with subsidiaries in the Group have guaranteed the term loans and senior unsecured floating rate notes as per note 20 of the Group financial statements. Under the terms of the guarantee, the Company will make payments to reimburse lenders upon failure of the guaranteed entity to make payments when due.                                                                                                                                                                                 |              |             |
| The Group's credit rating as determined by Standard and Poor (S&P) has been used to assess whether there has been a significant increase in credit risk in relation to the financial guarantees issued over the term loans and senior unsecured floating rate notes. The Group's credit rating by S&P was determined during 2022 at zaAA. It was determined that use of lifetime ECL for these debt instruments was appropriate.                                                                                  |              |             |
| The following formula was used to determine the ECL: exposure at default x probability of default (PD) x loss given default (LGD) x discount rate. PDs have been determined with reference to S&P Global BB average cumulative default rates for corporates mapped to zaAA, being the Group's current credit rating by S&P. The LGD specific to the Group was determined at 40% based on the Basel III framework. The original effective interest rate of the underlying borrowings is used as the discount rate. |              |             |
| PD used:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |              |             |
| Life Healthcare DMTNs (senior unsecured floating rate notes) – weighted maturity of four years                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>3.88%</b> |             |
| Term loan – maturity of three years                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>2.76%</b> |             |
| At 30 September 2024, the financial guarantees over the debt instruments were measured at the carrying amount and no remeasurements have been recognised in profit or loss.                                                                                                                                                                                                                                                                                                                                       |              |             |
| The ECL in accordance with IFRS 9:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |              |             |
| Life Healthcare DMTNs (senior unsecured floating rate notes)                                                                                                                                                                                                                                                                                                                                                                                                                                                      | –*           |             |
| Term loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>2</b>     |             |
| Financial liability relating to financial guarantee contracts                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>2</b>     |             |
| * Rounds to less than R1 million.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |             |
| <b>8. RELATED PARTIES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |              |             |
| <b>Relationships</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |              |             |
| Subsidiary company: Life Healthcare Group Proprietary Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |             |
| Subsidiary company: Life Management Proprietary Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                           |              |             |
| Subsidiary company: Life Healthcare Finance Proprietary Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |             |
| Subsidiary company: Life Healthcare Funding Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                               |              |             |
| <b>Related-party balances</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |              |             |
| Refer note 2 of the Company financial statements                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |             |
| <b>Related-party transactions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |             |
| Dividend received                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |              |             |
| Life Healthcare Group Proprietary Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>9 479</b> | 617         |

# Annexure D

## SHAREHOLDER DISTRIBUTION

### 1. Analysis of registered shareholders and Company schemes

#### Registered shareholder spread

In accordance with the JSE LR, the following table confirms the spread of registered shareholders as detailed in the annual report and accounts dated 27 September 2024 was:

#### Registered shareholder spread

| Shareholder spread         | Number of holders | % of total shareholders | Number of shares     | % of issued capital |
|----------------------------|-------------------|-------------------------|----------------------|---------------------|
| 1 – 1 000 shares           | 12 132            | 65.99                   | 1 737 405            | 0.12                |
| 1 001 – 10 000 shares      | 4 354             | 23.68                   | 14 967 193           | 1.02                |
| 10 001 – 100 000 shares    | 1 283             | 6.98                    | 42 014 313           | 2.86                |
| 100 001 – 1 000 000 shares | 464               | 2.52                    | 154 486 709          | 10.53               |
| 1 000 001 shares and above | 152               | 0.83                    | 1 254 143 542        | 85.47               |
| <b>Total</b>               | <b>18 385</b>     | <b>100.0</b>            | <b>1 467 349 162</b> | <b>100.00</b>       |

#### Public and non-public shareholdings

| Shareholder type                                         | Number of holders | % of total shareholders | Number of shares     | % of issued capital |
|----------------------------------------------------------|-------------------|-------------------------|----------------------|---------------------|
| <b>Non-public shareholders<sup>1</sup></b>               | <b>10</b>         | <b>0.05</b>             | <b>27 799 538</b>    | <b>1.89</b>         |
| Directors and associates                                 | 5                 | 0.03                    | 2 349 419            | 0.16                |
| Life Healthcare employees share trust                    | 1                 | 0.01                    | 15 125 833           | 1.03                |
| Life Healthcare Provident Fund                           | 1                 | 0.01                    | 925                  | –                   |
| Life Healthcare Deposit A/C                              | 1                 | 0.01                    | 16 711               | –                   |
| Life Healthcare Group Proprietary Limited                | 1                 | 0.01                    | 106 446              | 0.01                |
| The Life Healthcare Share Matching and Performance Trust | 1                 | 0.01                    | 10 200 204           | 0.70                |
| <b>Public shareholders</b>                               | <b>18 376</b>     | <b>99.95</b>            | <b>1 439 549 624</b> | <b>98.11</b>        |
| <b>Total</b>                                             | <b>18 386</b>     | <b>100.00</b>           | <b>1 467 349 162</b> | <b>100.00</b>       |

<sup>1</sup> Includes directors, pension/retirement funds and treasury shares.

**SHAREHOLDER DISTRIBUTION** *continued*

**2. Substantial investment management and beneficial interests**

**Substantial investment management and beneficial interests above 3%**

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 27 September 2024:

| Investment management shareholdings      | Total              |             |
|------------------------------------------|--------------------|-------------|
| Investment manager                       | shareholding       | %           |
| Government Employees Pension Fund (PIC)  | 225 577 871        | 15.4        |
| Allan Gray Proprietary Limited           | 141 818 400        | 9.7         |
| Lazard Asset Management LLC Group        | 129 888 233        | 8.9         |
| Ninety One SA Proprietary Limited        | 90 142 789         | 6.1         |
| Industrial Development Corporation (IDC) | 69 867 972         | 4.8         |
| Sanlam Investment Management             | 59 907 557         | 4.1         |
| The Vanguard Group Inc                   | 55 274 041         | 3.8         |
| <b>Total</b>                             | <b>772 476 863</b> | <b>52.8</b> |

| Beneficial shareholdings | Total              |             |
|--------------------------|--------------------|-------------|
| Investment manager       | shareholding       | %           |
| PIC                      | 285 161 105        | 19.4        |
| IDC                      | 69 867 912         | 4.8         |
| Allan Gray Balanced Fund | 56 250 735         | 3.8         |
| <b>Total</b>             | <b>411 279 752</b> | <b>28.0</b> |

**Previously disclosed holdings**

Investment managers now holding below 3% – none

| Investment manager | Total        | Current  | Previous |
|--------------------|--------------|----------|----------|
| Investment manager | shareholding | %        | %        |
| <b>No holdings</b> | <b>-</b>     | <b>-</b> | <b>-</b> |

**Beneficial owners now holding below 3%**

| Investment manager           | Total             | Current    | Previous   |
|------------------------------|-------------------|------------|------------|
| Investment manager           | shareholding      | %          | %          |
| Alexander Forbes Investments | 19 991 322        | 1.4        | 3.1        |
| <b>Total</b>                 | <b>19 991 322</b> | <b>1.4</b> | <b>3.1</b> |

# Annexure D continued

## SHAREHOLDER DISTRIBUTION continued

### 3. Geographic split of investment managers and Company-related holdings

| Region                              | Total shareholding   | % of issued capital |
|-------------------------------------|----------------------|---------------------|
| South Africa                        | 1 041 056 887        | 70.9                |
| United States of America and Canada | 307 405 517          | 20.9                |
| United Kingdom                      | 66 834 973           | 4.6                 |
| Rest of Europe                      | 27 775 301           | 1.9                 |
| Rest of World <sup>1</sup>          | 24 276 484           | 1.7                 |
| <b>Total</b>                        | <b>1 467 349 162</b> | <b>100</b>          |

#### Geographic split of beneficial shareholders

| Region                              | Total shareholding   | % of issued capital |
|-------------------------------------|----------------------|---------------------|
| South Africa                        | 1 000 908 734        | 68.2                |
| United States of America and Canada | 276 482 689          | 18.8                |
| United Kingdom                      | 54 771 262           | 3.7                 |
| Rest of Europe                      | 60 578 794           | 4.1                 |
| Rest of World <sup>1</sup>          | 74 607 683           | 5.1                 |
| <b>Total</b>                        | <b>1 467 349 162</b> | <b>100</b>          |

<sup>1</sup> Represents all shareholdings except those in the above regions.

**SHAREHOLDER DISTRIBUTION** continued**4. Shareholder categories**

An analysis of beneficial shareholdings, supported by the section 56 enquiry process, confirmed the following beneficial shareholder types:

| Category                     | Number of<br>shareholdings | Total<br>shareholding | % of issued<br>capital |
|------------------------------|----------------------------|-----------------------|------------------------|
| Pension funds                | 170                        | 495 540 296           | 33.8                   |
| Unit trusts                  | 251                        | 359 661 906           | 24.5                   |
| Mutual fund                  | 121                        | 206 592 888           | 14.1                   |
| Private investor             | 258                        | 66 527 895            | 4.5                    |
| Trading position             | 29                         | 36 627 401            | 2.5                    |
| Insurance companies          | 22                         | 34 471 110            | 2.3                    |
| Sovereign wealth             | 11                         | 33 481 806            | 2.3                    |
| American Depository Receipts | 1                          | 27 427 446            | 1.9                    |
| Corporate holding            | 4                          | 23 897 331            | 1.6                    |
| Exchange-traded fund         | 23                         | 13 317 342            | 0.9                    |
| Investment trust             | 2                          | 11 839 378            | 0.8                    |
| Custodians                   | 21                         | 8 349 196             | 0.6                    |
| Hedge fund                   | 14                         | 4 523 771             | 0.3                    |
| Medical aid scheme           | 10                         | 3 979 234             | 0.3                    |
| University                   | 7                          | 3 072 747             | 0.2                    |
| Local authority              | 1                          | 2 946 929             | 0.2                    |
| Charity                      | 6                          | 1 033 781             | 0.1                    |
| Other managed funds          | 3                          | 442 218               | —*                     |
| Foreign government           | 1                          | 198 656               | —*                     |
| Stock Brokers                | 1                          | 28 814                | —*                     |
| Remainder                    | 17 429                     | 133 389 017           | 9.1                    |
| <b>Total</b>                 | <b>18 385</b>              | <b>1 467 349 162</b>  | <b>100</b>             |

\* Rounded to less than 0.0%.



# Annexure E

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION PER REGION AT 30 SEPTEMBER 2024

This information is presented for analysts. This information as presented below is not reviewed by the CODM.

|                                                                                |    | 2024          |               |            |              |
|--------------------------------------------------------------------------------|----|---------------|---------------|------------|--------------|
|                                                                                |    | Group         | South         | Botswana   | LMI          |
|                                                                                |    | R'm           | Africa        | R'm        | R'm          |
| Notes                                                                          |    |               |               |            |              |
| <b>ASSETS</b>                                                                  |    |               |               |            |              |
| <b>Non-current assets</b>                                                      |    | <b>16 809</b> | <b>15 158</b> | <b>229</b> | <b>1 422</b> |
| Property, plant and equipment                                                  | 10 | 10 765        | 10 495        | 185        | 85           |
| Intangible assets                                                              | 11 | 3 570         | 2 584         | –          | 986          |
| Investment in associates and joint ventures                                    | 12 | 104           | 104           | –          | –            |
| Employee benefit assets                                                        | 13 | 349           | 349           | –          | –            |
| Deferred tax assets                                                            | 14 | 1 835         | 1 442         | 42         | 351          |
| Other assets                                                                   | 24 | 186           | 184           | 2          | –            |
| <b>Current assets</b>                                                          |    | <b>7 292</b>  | <b>5 745</b>  | <b>384</b> | <b>1 163</b> |
| Cash and cash equivalents                                                      | 15 | 2 462         | 1 627         | 92         | 743          |
| Trade and other receivables                                                    | 16 | 4 157         | 3 502         | 250        | 405          |
| Inventories                                                                    | 17 | 466           | 436           | 15         | 15           |
| Income tax receivable                                                          |    | 77            | 50            | 27         | –            |
| Other assets                                                                   | 24 | 130           | 130           | –          | –            |
| <b>Assets held for sale</b>                                                    |    | <b>243</b>    | <b>243</b>    | <b>–</b>   | <b>–</b>     |
| <b>Total assets</b>                                                            |    | <b>24 344</b> | <b>21 146</b> | <b>613</b> | <b>2 585</b> |
| <b>Total equity</b>                                                            |    | <b>13 514</b> | <b>11 675</b> | <b>338</b> | <b>1 501</b> |
| <b>LIABILITIES</b>                                                             |    |               |               |            |              |
| <b>Non-current liabilities</b>                                                 |    | <b>5 560</b>  | <b>4 802</b>  | <b>187</b> | <b>571</b>   |
| Interest-bearing borrowings                                                    | 20 | 3 394         | 3 229         | 165        | –            |
| Deferred tax liabilities                                                       | 14 | 1 492         | 1 470         | 22         | –            |
| Trade and other payables                                                       | 21 | 49            | 12            | –          | 37           |
| Provisions                                                                     | 22 | 6             | 6             | –          | –            |
| Contingent consideration liabilities                                           | 23 | 599           | 65            | –          | 534          |
| Cash-settled share-based payment liability                                     |    | –             | –             | –          | –            |
| Other liabilities                                                              |    | 20            | 20            | –          | –            |
| <b>Current liabilities</b>                                                     |    | <b>5 255</b>  | <b>4 654</b>  | <b>88</b>  | <b>513</b>   |
| Bank overdraft                                                                 | 15 | –             | –             | –          | –            |
| Trade and other payables                                                       | 21 | 3 910         | 3 336         | 88         | 486          |
| Interest-bearing borrowings                                                    | 20 | 1 027         | 1 027         | –          | –            |
| Provisions                                                                     | 22 | 143           | 143           | –          | –            |
| Contingent consideration liabilities                                           | 23 | 34            | 34            | –          | –            |
| Cash-settled share-based payment liability                                     |    | –             | –             | –          | –            |
| Income tax payable                                                             |    | 98            | 71            | –          | 27           |
| Other liabilities                                                              |    | 43            | 43            | –          | –            |
| <b>Liabilities directly associated with assets classified as held for sale</b> |    | <b>15</b>     | <b>15</b>     | <b>–</b>   | <b>–</b>     |
| <b>Total liabilities</b>                                                       |    | <b>10 830</b> | <b>9 471</b>  | <b>275</b> | <b>1 084</b> |
| <b>Total equity and liabilities</b>                                            |    | <b>24 344</b> | <b>21 146</b> | <b>613</b> | <b>2 585</b> |

2023

| Group<br>R'm | South Africa<br>R'm | Botswana<br>R'm | LMI<br>R'm | AMG<br>R'm |
|--------------|---------------------|-----------------|------------|------------|
| 16 201       | 14 699              | 208             | 1 294      | –          |
| 10 572       | 10 304              | 179             | 89         | –          |
| 3 287        | 2 327               | –               | 960        | –          |
| 6            | 6                   | –               | –          | –          |
| 416          | 416                 | –               | –          | –          |
| 1 733        | 1 461               | 27              | 245        | –          |
| 187          | 185                 | 2               | –          | –          |
| 4 971        | 4 134               | 415             | 422        | –          |
| 846          | 609                 | 143             | 94         | –          |
| 3 625        | 3 092               | 234             | 299        | –          |
| 451          | 421                 | 15              | 15         | –          |
| 33           | 10                  | 23              | –          | –          |
| 16           | 2                   | –               | 14         | –          |
| 24 443       | –                   | –               | –          | 24 443     |
| 45 615       | 18 833              | 623             | 1 716      | 24 443     |
| 21 289       | 9 397               | 368             | (262)      | 11 786     |
| 13 128       | 3 797               | 171             | 1 566      | 7 594      |
| 11 010       | 2 169               | 167             | 1 080      | 7 594      |
| 1 535        | 1 531               | 4               | –          | –          |
| 27           | –                   | –               | 27         | –          |
| –            | –                   | –               | –          | –          |
| 504          | 48                  | –               | 456        | –          |
| 3            | –                   | –               | 3          | –          |
| 49           | 49                  | –               | –          | –          |
| 6 135        | 5 639               | 84              | 412        | –          |
| 187          | 187                 | –               | –          | –          |
| 3 743        | 3 254               | 84              | 405        | –          |
| 1 992        | 1 992               | –               | –          | –          |
| 139          | 139                 | –               | –          | –          |
| 17           | 17                  | –               | –          | –          |
| 1            | –                   | –               | 1          | –          |
| 41           | 35                  | –               | 6          | –          |
| 15           | 15                  | –               | –          | –          |
| 5 063        | –                   | –               | –          | 5 063      |
| 24 326       | 9 436               | 255             | 1 978      | 12 657     |
| 45 615       | 18 833              | 623             | 1 716      | 24 443     |