

NETCARE LIMITED
(Registration number 1996/008242/06)
JSE ordinary share code: NTC
ISIN: ZAE000011953
JSE preference share code: NTCP
ISIN: ZAE000081121
("Netcare" or the "Group")

TRADING STATEMENT

In terms of paragraph 3.4 (b) of the JSE Listings Requirements, a listed company is required to publish a trading statement as soon as it is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon next will differ by at least 20% from those of the previous corresponding period.

Netcare will be releasing its unaudited interim Group results for the six months ended 31 March 2021 ("H1 2021") on Monday, 24 May 2021. The results for H1 2021 have been affected by the following factors:

Impact of COVID-19

As indicated in the voluntary trading update published on 22 April 2021, Netcare's operational and financial performance in H1 2021 was impacted by the emergence of a more contagious, nation-wide COVID-19 variant, which resulted in a second wave of infections. As a result, the period under review experienced the impacts of the tightening and subsequent easing of lockdown regulations, the sporadic suspension and re-commencement of elective surgeries and a marked reduction in non-COVID-19 medical admissions.

The comparative six-month period ended 31 March 2020 ("H1 2020" or "prior period") was largely free of the impact of COVID-19 other than for the last two weeks of March 2020, whereas the second wave of the COVID-19 pandemic has impacted Netcare's operations over the past six months and adversely affected earnings.

Broad-based Black Economic Empowerment transaction implemented in H1 2020

Included in the H1 2020 results is a once-off, non-cash share-based payment expense of R348 million arising from the implementation of a B-BBEE transaction, equating to a charge of 26.0 cents against Earnings per Share ("EPS") and Headline Earnings per Share ("HEPS") respectively. However, it was excluded from the calculation of adjusted HEPS, which is the primary measure used by management to assess Netcare's underlying financial performance.

EPS, HEPS and adjusted HEPS

As a result of the matters discussed above, the financial results for H1 2021 are expected to vary from the prior period's results as follows:

- **EPS** for H1 2021 is anticipated to be between 25.0 cents and 27.6 cents, representing a decrease of between 36.7% and 42.7% from the 43.6 cents per share reported for H1 2020.
- **HEPS** for H1 2021 is anticipated to be between 25.3 cents and 27.9 cents, representing a decrease of between 36.6% and 42.5% from the 44.0 cents per share reported for H1 2020.
- **Adjusted HEPS** for H1 2021 is anticipated to be between 25.9 cents and 28.7 cents, representing a decrease of between 60.0% and 63.9% from the 71.7 cents per share reported for H1 2020.

The information provided in this trading statement has not been reviewed or reported on by Netcare's external auditors.

Johannesburg
20 May 2021

Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited