

Contents

ABOUT OUR REPORT	
About our report	1
WHAT WE DO	
Geographic footprint	4
HOW WE CREATE VALUE	
Our business model	12
Our operating environment	14
Our stakeholders	19
Our material matters	20
Chairman's review	24
Chief Executive's (CE) review	28
Our 2029 strategy	32
HOW WE RUN OUR BUSINESS	
Corporate governance overview	48
Board of Directors	60
Executive leadership team	62
How we manage risk	64
Remuneration report	75
Implementation report	79
HOW WE PERFORMED	
Financial capital	92
Statement of value added	93
Chief Financial Officer's (CFO) review	94
Southern Africa business review	98
International business review	104
Seven-year performance review	106
Human capital	111
Manufactured capital	118
Natural capital	120
Our 2024 sustainability performance	123
Social capital	137
Patients	137
Doctors and specialists	138
Funders	138
Safety and quality performance	140
Suppliers	145
Society	146
Intellectual capital	147
ADMINISTRATION	
Glossary	152
Independent assurance practitioner's report	154
Corporate information	157
Shareholders' diary	157

We are pleased to present our 2024 integrated annual report – our primary report for all our stakeholders. This report comprehensively showcases who we are as a Company, why and how we conduct our business, and the value we create for our shareholders.

The integrated annual report details how we sought to apply our six capitals in a balanced and carefully considered manner and whether we created, preserved or eroded stakeholder value during the year. The performance review chapter (page 88) follows the six-capital model so the stakeholders can see how these resources were used and what outcomes and trade-offs resulted from their use.

The report also demonstrates how we achieve our purpose of **Making life better** for all our stakeholders. Our strategic decision-making and business model are shaped by stakeholder aspirations, our operating environment, risks and opportunities. Our robust corporate governance framework, processes and controls protect value creation.

This report is interactive, enabling you to move quickly between sections by using the various navigation tools.

Feedback

At Life Healthcare, we value your feedback as we endeavour to provide accurate, transparent and balanced information for stakeholders. We invite you to contact the Company Secretary, Joshila Ranchhod, at +27 11 219 9000 or CompanySecretary@life.co.za or our chief strategy and growth officer, Adam Pyle, at investor.relations@lifehealthcare.co.za.



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

About our report

REVENUE

from continuing operations

↑12.7%

to R25.5 billion

NORMALISED EBITDA

from continuing operations

↑19.9%

to R4.3 billion

TOTAL NORMAL DIVIDEND

for the year

↑13.6%

to 50 cents per share

SPECIAL DIVIDEND

R8.8 billion 600 cents per share
R1.0 billion 70 cents per share

SIGNIFICANT TRANSACTION CONCLUDED

The Alliance Medical Group (AMG) disposal was concluded on 31 January 2024. The Company received a net R10.2 billion in cash proceeds, and a special dividend of R8.8 billion was paid to shareholders on 8 April 2024.

OPERATIONAL HIGHLIGHTS

- **+7.7%** revenue growth in southern Africa (SA) driven by +1.6%* paid patient day (PPD) growth
- **+181.3%** growth in Life Molecular Imaging (LMI) revenue driven by 91.9% growth in NeuraCeq® doses sold
- Concluded \$36 million sub-licensing agreement for RM2

ESG STATISTICS

- Maintained a level **3 B-BBEE** rating
- Environmental targets achieved

* On a like-for-like basis as it excludes PPDs of facilities closed in the prior years.

Navigation

For easy navigation and cross-referencing, we use the following icons throughout this report:

Stakeholders	Material matters
Patients	1 Attract and retain employees and specialists
Doctors and specialists	2 Deliver care which is high-quality, cost-effective and people-centred
Healthcare funders	3 Adapt and grow our diversified business in a sustainable manner
Industry regulatory bodies	4 Be a trusted partner for all our stakeholders
Shareholders, investors and financiers	5 Value creation
Government	6 Good progress
Employees	7 Value created
Suppliers	8 Limited progress
Society	9 Value preserved
	No progress
	Value eroded

Movements in our key performance indicators (KPIs)


- Indicates a decrease or increase that is positive
- Indicates a decrease or increase that is not positive
- Indicates the KPI remained the same
- A non-financial indicator for which BDO has provided a limited assurance conclusion
- This icon indicates that further information is available online
- This icon indicates that further information can be found elsewhere in this report



About our report


Reporting scope and boundary

Our report provides a comprehensive view of Life Healthcare Group Holdings Limited (Life Healthcare, the Group or the Company). It covers the year from 1 October 2023 to 30 September 2024 as well as all relevant information and material events after our year-end up to date of distribution. Unless otherwise stated, references to years such as 2023, 2024 and 2025 refer to our financial year.

We provide an overview of the Company's main segments on  pages 6, 98 and 104.

We explain our business model, governance structures, strategy and progress against our strategic objectives, and explain how these are influenced by the material matters, risks and opportunities, stakeholder concerns and the external environments that we face. We also outline the direct or indirect impact these factors could have on our ability to create and preserve value for the Company and our stakeholders over the short (less than one year), medium (one to two years) and long term (three or more years).

The report includes financial and non-financial information relating to our two primary business segments (southern Africa and international) and their underlying business units.

We describe our environmental, social and governance (ESG) and corporate social investment (CSI) initiatives, and how we contributed to our selected United Nations Sustainable Development Goals (SDGs), from  page 122.

Process disclosures


The Life Healthcare Executive Management Committee (ExCo) is responsible for the compilation and presentation of this report, while the Board of Directors (Board) and its Committees review and approve the reporting suite.

We took the following steps to ensure the quality and accuracy of our integrated annual report and related material:


- The Audit and Risk Committee discussed areas for improvement in our disclosure and agreed on responsibilities for compiling the report in August 2024.
- We determined our material matters ( page 20) by analysing Board and ExCo papers relating to the Company's strategy, operating environment and key business risks. We then grouped the matters into key themes and mapped them to show how they relate to the Company's risks and stakeholders. ExCo and the relevant Committees considered and approved our material matters.
- ESG matters (from  page 120) remain a focus at ExCo and Board levels. The Sustainable Development Committee (SDC) has driven the increased reporting of our ESG metrics. It is responsible for developing group-wide ESG targets and the roadmap for achieving these targets.
- Our sustainability report was compiled by the SDC, reviewed by ExCo and approved by the Social, Ethics and Transformation Committee (SETCO) in November 2024.
- Our long-term environmental targets were approved by the SETCO on 19 November 2024 and are published in this report ( page 126).

Our integrated annual reporting boundary covers risks, opportunities and outcomes arising from:


Our business model

 page 12


Our operating environment

 page 14


Our material matters

 page 20


Our strategy

 page 32

Our governance

 page 48

Our performance

 page 88

Our stakeholders



 page 19

Our financial reporting boundary (determined by control and significant influence*)

Life Healthcare Group Holdings Limited


Subsidiaries

Joint ventures


Associates

Our financial reporting information can be found in the following places:

CFO's review

 page 94

Seven-year performance review


 page 106

Annual financial statements

 [website](#)

* Information relating to our major subsidiaries, joint ventures and associates, including an organogram, can be found within our annual financial statements which can be accessed via our [website](#).

Combined assurance

We followed a combined assurance process in preparing this integrated annual report, with the Board, its Committees and management responsible for finalising the disclosures contained herein. The Group's annual financial statements were independently audited by our external auditors, Deloitte. The summarised financial information included in this report was extracted from the audited annual financial statements. However, this report in its entirety has not been independently assured. BDO has provided limited assurance over several non-financial indicators. Read more in the independent assurance report on  page 154.

Our 2024 reporting suite and frameworks

The 2024 reporting suite (and the frameworks and legislation to which it adheres and complies) consists of the following elements and is available on our [website](#).

Integrated Annual Report	Annual Financial Statements	Sustainability Report	Remuneration Report
 <p>Our primary report to stakeholders, provides material information on who we are as a company, why and how we conduct our business, and the value we create for our stakeholders.</p>	 <p>Sets out the Group's audited annual financial statements, including the independent auditor's report.</p>	 <p>Describes our environmental and social impacts and governance practices, which determine how we run our Company to create value for stakeholders. Provides numerous data points of interest to shareholders, analysts and ESG rating agencies.</p>	 <p>Explains our remuneration philosophy and how we implemented this in the current year and prior years. Includes a remuneration summary on  page 75.</p>

Key regulatory and reporting frameworks

	Integrated Annual Report	Annual Financial Statements	Sustainability Report	Remuneration Report
International Integrated Reporting Framework	✓			
South African Companies Act, No. 71 of 2008, as amended (Companies Act)	✓	✓		✓
JSE Listings Requirements	✓	✓		✓
JSE Debt and Specialist Securities Listing Requirements	✓	✓		✓
King Report on Corporate Governance for South Africa, 2016* (King IV™)	✓	✓	✓	✓
International Financial Reporting Standards (IFRS)	✓	✓	✓	
Global Reporting Initiative (GRI) Standards			✓	
Sustainable Development Goals (SDGs)			✓	
Task Force on Climate-related Financial Disclosures (TCFD) for health sector reporting guidelines			✓	

* Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

Additional information

The following information is available on our website:

- Capital market day presentation
- Results presentations
- Notice of our annual general meeting (AGM) and proxy voting form (available January 2025)
- King IV™ compliance supplementary report
- Our Broad-Based Black Economic Empowerment (B-BBEE) certificate
- Quality metrics for each Life Healthcare hospital

Board responsibility and approval

Life Healthcare's Board, assisted by its respective Committees and the ExCo, is responsible for the integrity and completeness of this integrated annual report. Based on the completeness of the information collected and the assurance thereof, the Board concluded that the report aligns with the integrated reporting framework and provides a true, complete and material account of the Company's performance and strategic direction.

This integrated annual report was approved by the Board on 6 December 2024 and signed on its behalf by:

Dr Victor Litlhakanyane
Chairman

Peter Wharton-Hood
Chief Executive

Forward-looking statements

This integrated annual report contains forward-looking statements that, unless otherwise indicated, reflect the Company's expectations as at 6 December 2024. The actual results may differ materially from our expectations if known or unknown risks or uncertainties affect the business or if estimates or assumptions prove inaccurate. The Company cannot guarantee that any forward-looking statement will materialise. Readers are cautioned not to place undue reliance on these forward-looking statements, and the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement.

What we do

Geographic footprint southern Africa

We are a diversified healthcare provider. We provide care and value do our patients and stakeholders by focusing on our employees, clinicians and clinical excellence, using analytics and technology to impact the care we deliver positively. We are committed to being a good corporate citizen and conducting our business ethically and sustainably.

Botswana

Life Gaborone Private

South Africa

Gauteng

Baneng Care Centre
 Life Bedford Gardens
 Life Brackenview
 Life Brenthurst
 Life Brooklyn Day
 Life Carstenhof
 Life Carstenview
 Life Dalview
 Life Eugene Marais
 Life Faerie Glen
 Life Flora
 Life Fourways
 Life Glynnview
 Life Groenkloof
 Life New Kensington
 Life Poortview
 Life Pretoria North Surgical
 Life Renal Dialysis Atteridgeville
 Life Renal Dialysis Groenkloof
 Life Renal Dialysis Kempton Park
 Life Renal Dialysis Lenasia
 Life Renal Dialysis Midstream
 Life Renal Dialysis Morningside
 Life Renal Dialysis Pretoria
 Life Renal Dialysis Pretoria (Les Marais)
 Life Renal Dialysis Randfontein
 Life Renal Dialysis Vaal
 Life Renal Dialysis Westrand
 Life Renal Dialysis Wits
 Life Riverfield Lodge
 Life Robinson Private
 Life Roseacres
 Life Springs Parkland
 Life Suikerbosrand
 Life The Glynnwood
 Life Wilgeheuwel
 Life Wilgers
 Waverly Care Centre

North West

Life Anncron
 Life Renal Dialysis Brits
 Life Renal Dialysis Potchefstroom
 Life Peglerae

Free State

Life Renal Dialysis Bloemfontein
 Life Renal Dialysis Sasolburg
 Life Rosepark
 Mangaung Correctional Centre

Mpumalanga

Siyathuthuka Care Centre
 Life Cosmos
 Life Midmed
 Life Renal Dialysis Emalaheni

Western Cape

Life Bay View Private
 Life Kingsbury
 Life Knysna Private
 Life Orthopaedic
 Life Peninsula Eye
 Life Renal Dialysis Athlone
 Life Renal Dialysis Claremont
 Life Renal Dialysis George
 Life Renal Dialysis Hermanus
 Life Renal Dialysis Panorama
 Life Renal Dialysis Parklands
 Red Cross Kidney and Dialysis Centre
 Life Renal Dialysis Western Cape
 Life Renal Dialysis Winelands
 Life Renal Dialysis Worcester
 Life Sports Science
 Orthopaedic
 Life St Vincent's
 Life Vincent Pallotti
 Life West Coast Private

KwaZulu-Natal

Life Chatsmed Garden
 Life Empangeni Private
 Life Entabeni
 Life Hilton Private
 Life Mount Edgecombe
 Life Renal Dialysis Ballito
 Life Renal Dialysis Chatsworth
 Life Renal Dialysis Durban
 Life Renal Dialysis Empangeni
 Life Renal Dialysis Ethekwini
 Life Renal Dialysis Hibiscus
 Life Renal Dialysis Kwazulu-Natal
 Life Renal Dialysis Newcastle
 Life Renal Dialysis Richards Bay
 Life Renal Dialysis Umhlanga
 Life Renal Dialysis Vryheid
 Life St Joseph's
 Life The Crompton
 Life Westville

Eastern Cape

Algoa Frail Care Centre
 Kirkwood Care Centre
 Lorraine Frail Care Centre
 Life Beacon Bay
 Life East London Private
 Life HuntersCraig Private
 Life Isivivana Private
 Life Mercantile
 Life Queenstown Private
 Life Renal Dialysis Jeffreys Bay
 Life Renal Dialysis Kokstad
 Life Renal Dialysis Port Elizabeth
 Life St Dominic's
 Life St George's
 Life St James
 Life St Mark's
 Life St Mary's Private



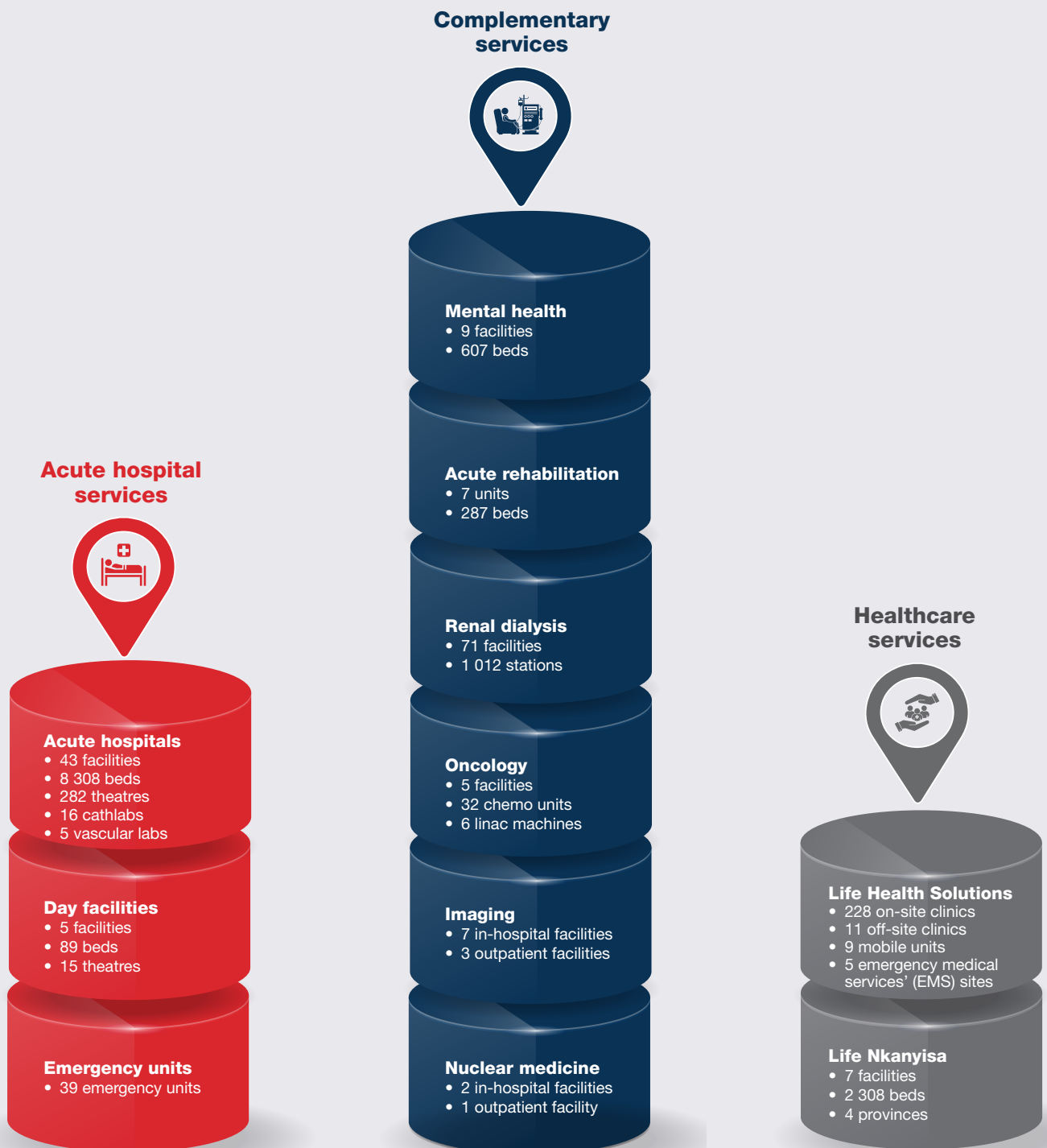
Key					
	Hospitals and same-day surgical centres		Life Renal Dialysis		Life Nkanyisa facilities
	Life Rehabilitation units		Life Oncology units		Life Health Solutions
	Life Mental Health facilities		Diagnostic imaging units (radiology/molecular)		Nursing college learning centres

What we do

Southern Africa

We achieve our purpose of **Making life better** by improving people's lives through the delivery of high-quality, cost-effective care.

We are a leading diversified healthcare provider in southern Africa. We offer a comprehensive suite of acute care and complementary services, including emergency, mental health, acute rehabilitation, renal dialysis, oncology, diagnostics and nuclear medicine.



Our healthcare services are provided by Life Health Solutions and Life Nkanyisa. Life Health Solutions offers integrated health risk management services, providing wellness programmes and occupational and primary healthcare to corporate and institutional clients. Life Nkanyisa partners with South Africa’s provincial health and social development departments to provide comprehensive, long-term services for patients requiring frail care, chronic mental healthcare and substance abuse support.

By focusing on our employees, clinicians and clinical excellence, we provide care that our patients and stakeholders value. We use analytical insights and technology and apply data to positively impact the care we provide. Simultaneously, we identify areas that will sustainably drive down healthcare costs without compromising patient outcomes. We are a good corporate citizen and conduct our business ethically and sustainably.

The Company has a primary listing on the JSE and a secondary listing on A2X.



c. 3 000 doctors and other healthcare professionals

7 nursing college learning centres

#1 network provider in SA



#2 private renal dialysis provider with **1 012** stations

5 dedicated cancer care units



16 108 employees

#2 private mental healthcare provider with **607** beds

What we do

International – Life Molecular Imaging


Life Molecular Imaging (LMI) is a fully integrated research and development (R&D) radiopharmaceutical company, which develops and commercialises innovative molecular imaging agents, for use globally in positron emission computerised tomography (PET-CT) diagnostics. LMI has established a presence across the globe and built relationships with manufacturers, hospitals, imaging centres and neurologists in the United States (US) and European markets.

LMI's core activity is selling NeuraCeq®, a PET-CT diagnostic imaging agent with full Food and Drug Administration (FDA) approval, marketed in the US, Europe and other geographies. The uptake of PET-CT scanning as part of the nuclear medicine pathway for dementia patients is expected to grow substantially following recent approvals for disease-modifying drugs (DMDs) and reimbursement

for amyloid tracers in the US. Further approvals of DMDs and related reimbursement are expected as the demand for diagnostics and treatment monitoring to be used with therapeutics increases.

LMI also owns a pipeline of five potential new products targeting different diseases, including Alzheimer's disease, progressive supranuclear palsy (PSP), cardiac amyloidosis, stroke (thrombo-embolism), neuroinflammation and prostate cancer. Two products are in the late stage (Phase 3) of clinical development.

LMI's R&D services division offers expert services to pharmaceutical companies to support them in conducting research and clinical trials with radiopharmaceuticals.

Read more about our international business from  page 104.

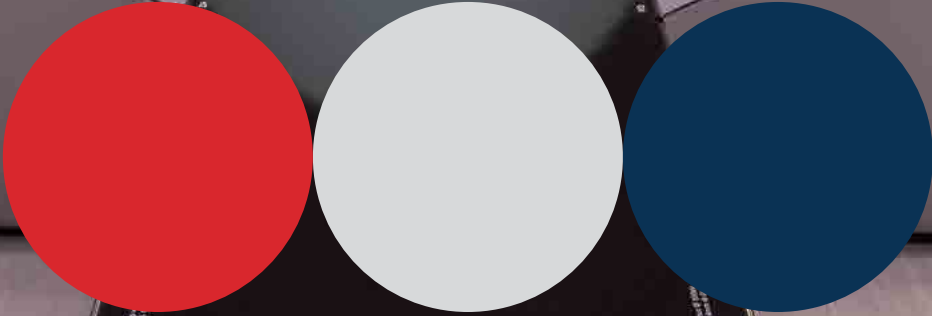
Transactions in 2024

The Company concluded the disposal of its European diagnostic imaging business, AMG, on 31 January 2024. AMG has been disclosed as a discontinued operation and is not included in the results of the continuing operations for 2024 and 2023.

Life Healthcare concluded its acquisition of the assets and operations of 41 renal dialysis units in South Africa from Fresenius Medical Care (FMC) on 1 April 2024. These units have been rebranded as Life Renal Dialysis. This strategic acquisition significantly enhances our renal dialysis footprint, expanding our presence from 30 to 71 units across seven South African provinces.

The Company also concluded a transaction with Kauffman & Partners at Life Hilton Private Hospital and Hilton Health to provide diagnostic and radiology equipment and facility services. This transaction further entrenches our commitment to investing in diagnostics and imaging, including nuclear medicine, in South Africa.





How we create value

IN THIS SECTION

Our business model	12
Our operating environment	14
Our stakeholders	19
Our material matters	20
Chairman's review	24
Chief executive's review	28
Our 2029 strategy	32



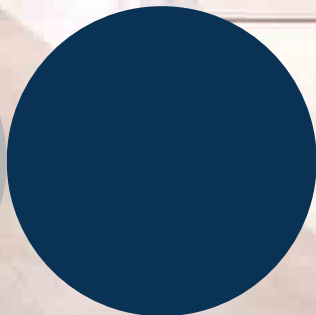
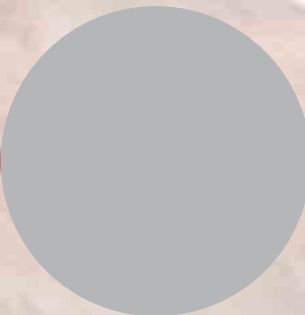
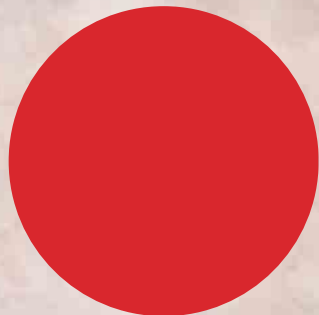
Delivering high-quality care through continuous improvement in patient experience and clinical outcomes.

Making life better for patients is key to what we do.

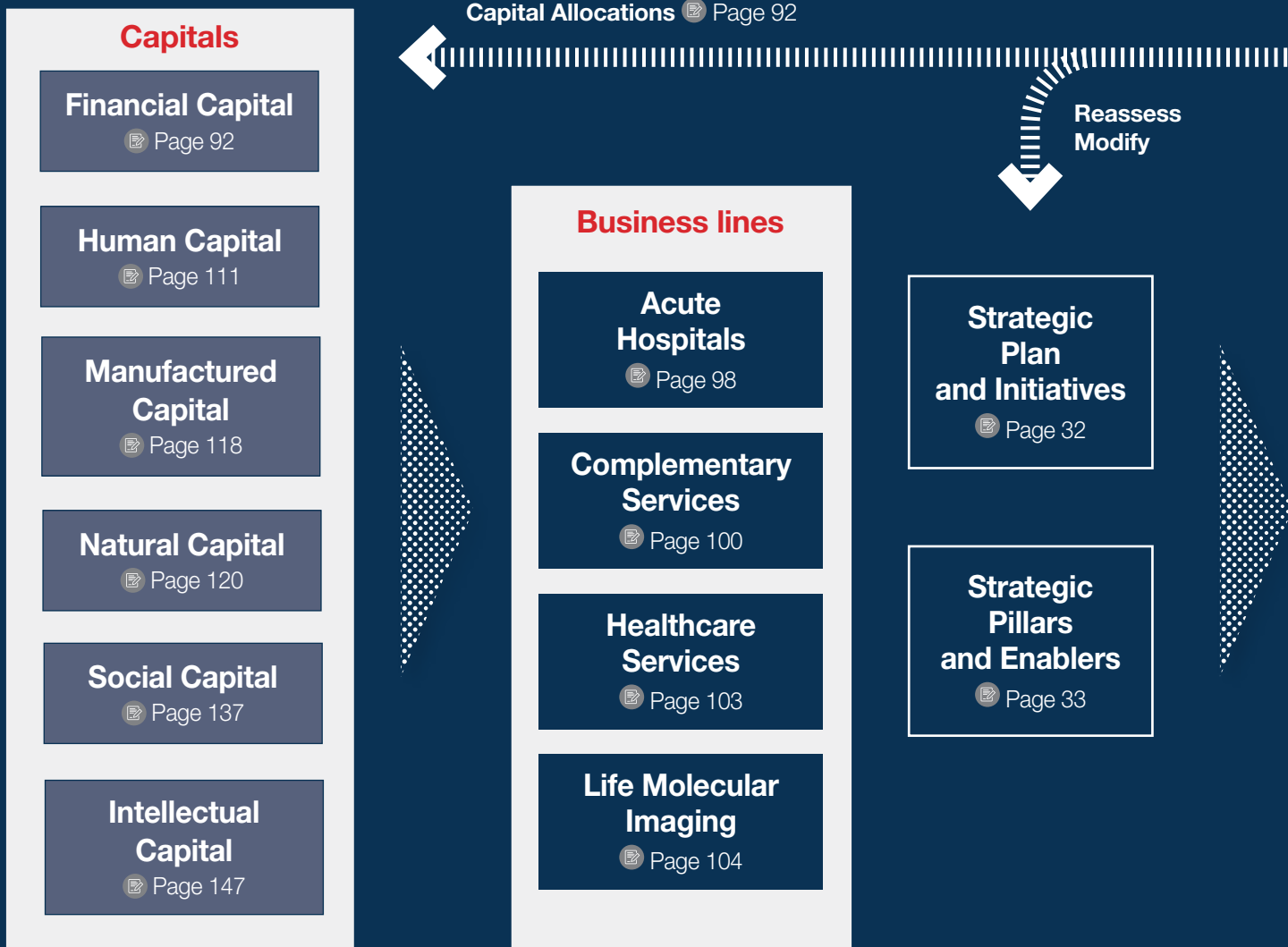
2.2 million
paid patient days

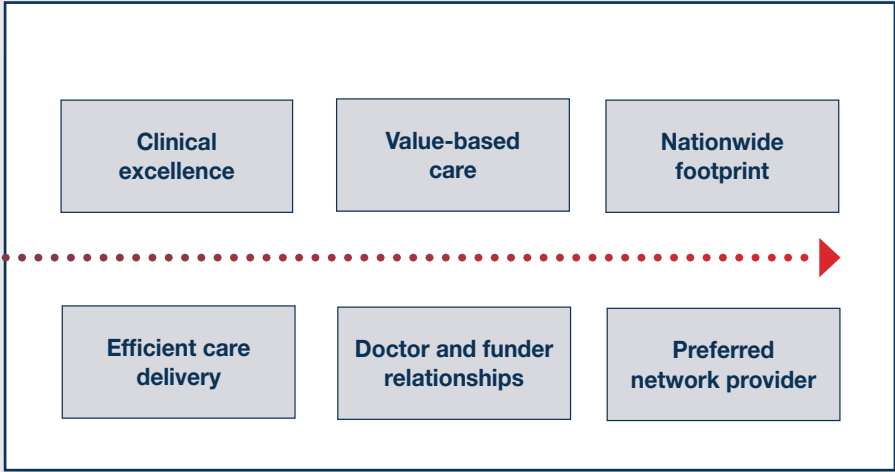
WARD
O 12

WARD
O 12



Our business model





Our Governance

📖 Page 48

Board

Management

Performance Review



Our Environment

📖 Page 137



Material Matters and Risks

📖 Page 64

External Factors

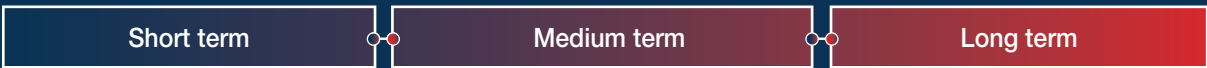
Outputs, Outcomes, Value Created and Trade-offs

📖 Page 42

2029 Strategic Objectives

📖 Page 32

Time Horizon



Our strategic initiatives span short, medium and long-term horizons

Our operating environment

We are navigating a complex and evolving healthcare environment that is affected by global and local economic conditions, regulations, skills shortages and technology trends.

As an advanced, inclusive and patient-centred healthcare company, we must navigate a multi-faceted and evolving healthcare environment. Global and local macro-economic events and trends affect our operations and value creation. South Africa's healthcare sector is challenged by inequality in service provision, a high burden of disease, and pressure on public healthcare systems and exacerbated by uncertainty around planned reforms, particularly the National Health Insurance (NHI) system. This context can influence our profitability, business continuity, risk management and strategic decisions.

Our strategy equips us to manage the impacts of our external environment and adapt to trends as they emerge. Our diverse, high-quality asset portfolio, skilled team and purpose-driven decisions position us to seize opportunities and unlock sustainable value.



GLOBAL AND DOMESTIC ECONOMIES

Context		Key data points	
<p>Good global GDP growth with falling inflation is driving a rate-cutting cycle in the US and Europe, with China deploying fiscal stimuli to achieve economic growth targets.</p> <p>South Africa's economy remained under pressure in 2024 from ongoing logistics and infrastructure constraints, challenging trade conditions, continued high interest rates, and, most notably, ongoing electricity and water supply issues.</p> <p>The Government of National Unity has fostered a spirit of collaboration and reconciliation that has significantly improved the political landscape. More inclusive policymaking and stability have boosted national and international confidence.</p> <p>Looking forward: GDP projections for major global economies continue to be modest for 2025. However, many economists see the likelihood of a recession as diminished.</p> <p>While economic challenges in South Africa persist, we anticipate improvement from a low base in 2024. Despite heightened geopolitical risks, GDP is projected to grow by around 1.5% in 2025 and 2.0% by 2026. Inflation should remain within the Reserve Bank's target range of 3% to 6%, with the prime lending rate decrease in late 2024 aiding consumers.</p>		<p>World and SA CPI (% change year-on-year)</p> <p><i>Bloomberg, Stats SA</i></p>	
Impact	Mitigation	Affected material matters and strategic pillars	
<p>Skills shortages and above-inflation cost of living increases, especially food inflation, puts upward pressure on employee salaries.</p> <p>The trend of existing medical scheme members choosing cheaper networks or lower-cost options continues due to consumer cost pressures and high unemployment. Many South Africans can no longer afford medical scheme cover.</p> <p>Pressure on medical aids to increase their tariffs persists due to patient utilisation and rising healthcare costs. The gap between the increase in revenue tariffs and the increase in costs continues to put pressure on margins.</p>	<p>Our employee value proposition (EVP) offers attractive benefits in addition to competitive salaries (see page 75).</p> <p>Retaining and growing our network contracts and extending our value-based integrated products.</p>		
		<p>World and SA GDP growth (rolling four-quarters, % change year-on-year)</p> <p><i>Bloomberg, Stats SA</i></p>	



EXCHANGE RATES

Context		Key data points	
<p>Foreign exchange rate changes may raise the cost of acquiring equipment for our hospitals and complementary services. Passing these increases on to our customers can be difficult.</p> <p>The Company is further impacted by exchange rates upon consolidation of our international operations.</p> <p>Looking forward: The future of the South African Rand (ZAR) largely hinges on the reaction of central banks to global inflation trends. Considering South Africa's anticipated slower growth and higher inflation trajectory, it is likely that the ZAR will continue to depreciate.</p>		<p>Exchange rates</p> <p>SARB, RMB Global Market research</p>	
Impact	Mitigation	Affected material matters and strategic pillars	
<p>ZAR weakness creates inflationary pressures on fuel, transport, food and capital goods. If these costs cannot be passed on in the form of higher prices, our margins may be impacted.</p> <p>Fluctuations in Company earnings resulting from exchange gains or losses when consolidating our foreign subsidiary, LMI.</p>	<p>Annual pricing discussions with our funders, which incorporate clauses to address significant fluctuations in exchange rates.</p> <p>Hedging of significant capital items when there is a lag between placing an order and completing the purchase.</p> <p>Supplier agreements include repricing clauses for significant foreign exchange fluctuations.</p>		



Our operating environment



REGULATIONS

Context		
<p>The healthcare industry faces strict regulations governing quality of care, pharmaceuticals and supplies utilised, as well as standards at facilities. Changes to regulatory requirements may impact different areas of Life Healthcare's operations, whether individually or collectively. Revisions in building codes, quality standards, or their interpretations could affect our growth plans and capital allocation.</p> <p>Looking forward: The NHI Bill was passed by the National Assembly and National Council for Provinces in 2023 and signed into law by the President on 15 May 2024. Implementing the NHI will take several years.</p>		
Impact	Mitigation	Affected material matters and strategic pillars
<p>Changes in regulations could affect the manner and locations in which we provide care.</p> <p>In its current form, the NHI intends to alter the South African landscape dramatically by making it possible for all South Africans to access private healthcare services while being covered by the NHI.</p> <p>The NHI may lead to increased use of private facilities and higher taxes for both individuals and businesses to support the model.</p> <p>We are committed to improving access to affordable, comprehensive, quality healthcare services for all South Africans. However, certain provisions in the NHI Act could limit private healthcare funding options, and the ambiguity surrounding its funding is cause for concern.</p>	<p>We maintain our reputation and legal standing by adhering to all relevant regulations and adjusting our operations as necessary when these regulations are revised or updated.</p> <p>We are actively engaging with the government to support and promote equitable access to healthcare, demonstrating our commitment to improving health outcomes for all South Africans.</p> <p>Some facility expansion projects require additional capex to comply with updated building regulations and changes in quality standards. This may reduce the economic benefits of the projects.</p>	






INNOVATION

Context		
<p>The healthcare sector is undergoing significant digital transformation spurred by technological breakthroughs and shifting consumer expectations. Innovation continues to accelerate, and recent strides in artificial intelligence (AI) are accelerating this change. The rapid growth of remote monitoring devices, wearables, and enhanced data storage and analysis capabilities are boosting the efficiency and scope of digital healthcare services.</p> <p>Our LMI business offers a range of innovative radiopharmaceutical products which are at different development stages, which aim to enhance diagnostic capabilities for various diseases.</p> <p>Looking forward: We will strengthen our information technology (IT) infrastructure to integrate digital services and platforms that can improve our healthcare offerings and quality. By leveraging technology and data, we aim to enhance the experiences of our patients, clinicians and employees while driving efficiencies and improving clinical outcomes. Within LMI, we will maintain our investment in R&D to advance and eventually gain regulatory approval for our innovative product pipeline.</p>		
Impact	Mitigation	Affected material matters and strategic pillars
<p>Consumer demand is growing for instant healthcare monitoring, data access, and related services such as electronic prescriptions and wearables.</p> <p>Technological advances heighten the need for integration management, seamless billing and security of data.</p> <p>Changing behaviour and service offerings at bricks-and-mortar healthcare facilities.</p> <p>Development of innovative diagnostic products in LMI for early detection of specific diseases.</p>	<p>We continue to improve our data security, storage, and analytical capability to support the future digitisation of our data processes.</p> <p>Our investments in IT and data analytics have enabled the launch of value-based care products and digital patient monitoring in hospitals and remotely.</p> <p>Investment in developing radiopharmaceutical diagnostic products promotes early identification of specific diseases.</p> <p>Although these investments will increase expenses, they are crucial for attracting both employees and patients.</p>	
		 

Our operating environment



CLIMATE CHANGE

Context		
<p>Climate change significantly impacts human health through increased extreme weather events causing injuries and deaths. Worsening air quality exacerbates respiratory and cardiovascular conditions. These changing weather conditions may disrupt food and water security. These factors can lead to heightened mental health issues.</p> <p>This is a critical issue for many stakeholders, and disclosure through ESG or sustainability reporting is now expected. Companies must clearly outline their plans to reach targets rather than make vague commitments to climate goals.</p> <p>Looking forward: We are actively pursuing efficiency initiatives to lower our energy and water consumption and minimise waste production. We are exploring options to increase our solar power generation capabilities. Our environmental goals are integrated into our remuneration scorecard.</p> <p>For more details, refer to our standalone sustainability report and remuneration report.</p>		
		
Impact	Mitigation	Affected material matters and strategic pillars
<p>Severe weather can damage our facilities.</p> <p>Extreme temperatures may affect our ability to maintain comfortable and safe work environments.</p> <p>Additionally, adverse weather can hinder Eskom's electricity generation and affect the water supply in South Africa.</p>	<p>We have installed solar panels at 15 facilities and continue to assess where expansion will make sense to lessen our dependence on grid electricity.</p> <p>We are exploring ways to reduce our water consumption and enhance off-grid water solutions.</p> <p>Though these measures are costly, they will enable our facilities to operate without interruption.</p>	
		

Our stakeholders

Our stakeholders are those groups that are impacted by the Company’s business activities and have an interest in its success. We adopt an inclusive approach, considering stakeholder concerns and offering solutions. This ensures we gain internal and external support for our activities and growth plans, which creates and preserves stakeholder value. Our stakeholder interactions are shaped by our purpose of ***Making life better.***

Our employees within our southern Africa and LMI businesses are critical to the delivery of our services. Our ability to employ and retain talented and passionate employees is a key component of delivering consistent, high-quality care.

See  page 111



The **patients** we treat are our primary stakeholders and **are at the centre of everything we strive to achieve.**

Making life better for them is our purpose and motivation for everything we do.

See  page 137



Doctors and specialists are critical to our healthcare service delivery. In South Africa, we are not allowed to employ doctors and specialists. They act as consulting partners with access to our facilities and have the right to admit patients and carry out procedures within our facilities.

See  page 138



Several key stakeholders shape our operating environment and contribute to our ability to deliver services across our business.




Healthcare funders reimburse us for our services and products. In southern Africa, our services are primarily funded through private medical insurance coverage and occasionally through direct out-of-pocket payments or publicly funded schemes. Life Healthcare is proud to be the leading medical scheme network provider in South Africa and the most efficient hospital group. This is demonstrated by our successful network partnerships with the top three major administrators.

For LMI, the healthcare funders are mainly public payors and, in some cases, pharmaceutical companies that use our services and products in clinical trials.

See  page 138



The growth and sustainability of our Company depend on how efficiently we manage the funds entrusted to us by our **shareholders, investors and financiers**, including noteholders, banks, financial advisers and others.



Healthcare is a heavily regulated sector worldwide. These regulations, from national **governments or industry regulatory bodies**, define what we can and cannot do as a healthcare services provider.



Governments and their regulations reflect the values, beliefs and aspirations of society. **Society** plays a role in holding governments and businesses accountable for their actions.

See  page 146



Our **suppliers** deliver the consumables, drugs, equipment, technology and food we utilise in providing our services. We also rely on utilities to supply us with water, electricity and other municipal services. The reliability of our supply chain and utilities is crucial to the sustainability of our services.

See  page 145

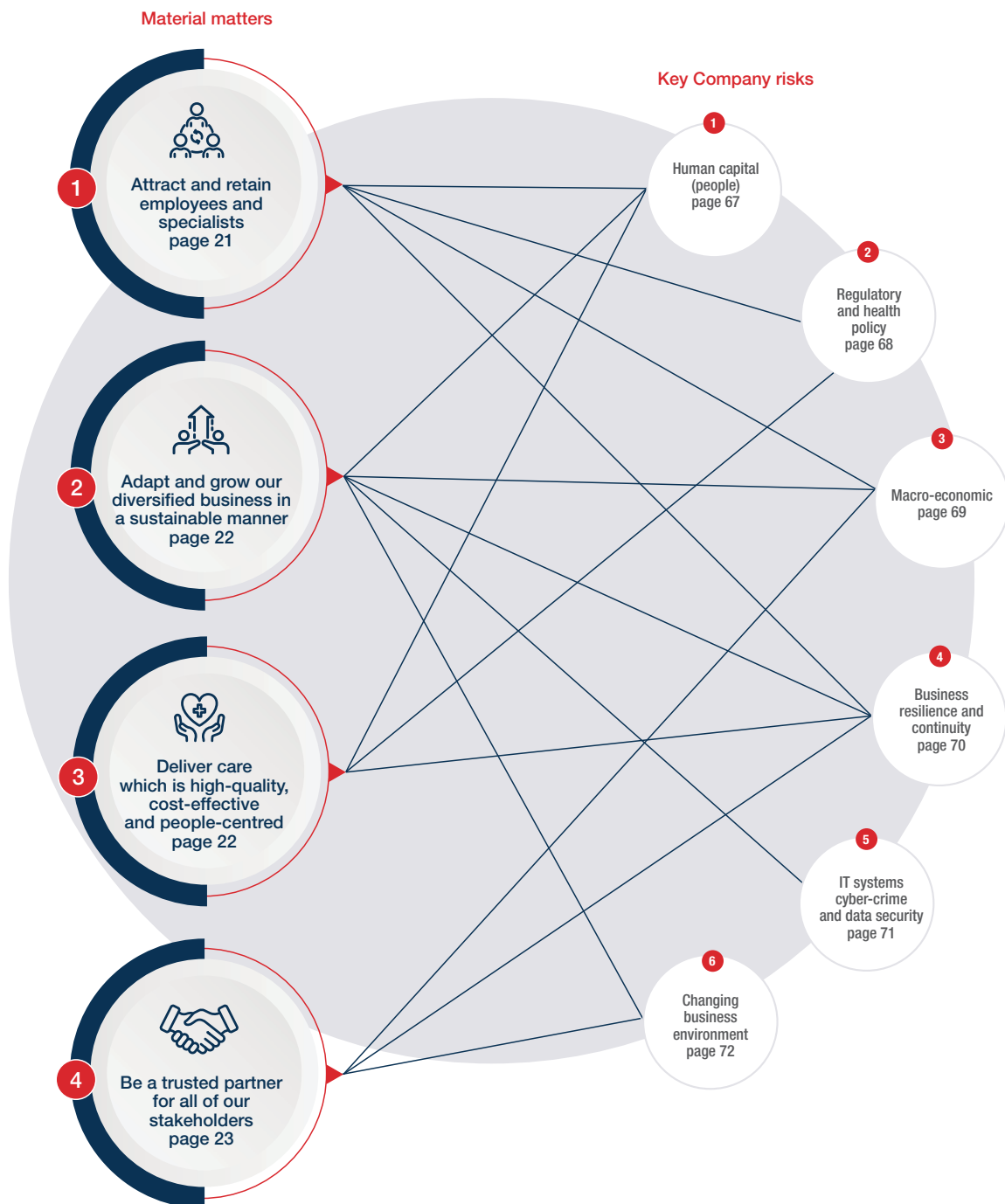


Our material matters

Our material matters influence our strategy and act as a filter for determining the material information included in this report. They also affect the economic, environmental and social value we offer to our stakeholders.

Life Healthcare revisits its material matters every year as we recognise that materiality is dynamic and affected by our changing operating environment. In reviewing our material matters, we consider financial and non-financial factors that could impact our ability to create or preserve value. ExCo and the relevant committees considered and approved our material matters, which remained unchanged for 2024.

We map our four material matters to the Company's key risks, as shown in the diagram below:





Attract and retain employees and specialists

How we address this material matter

- Maintain an engaging and supportive workplace for our employees, offering competitive compensation
- Foster positive relationships with specialists and create a work environment they value and can thrive in
- Offer training programmes for employees, such as nursing education and professional development opportunities
- Assist with professional registration for healthcare professionals and medical malpractice insurance coverage
- Invest in innovative technologies to enhance patient outcomes and strengthen doctor partnerships
- Invest in sub-specialist training, securing advanced skills to provide the best care options to our patients
- Support continuous professional development that includes advances in technology and innovation through in-house initiatives
- Maintain group-wide regulatory compliance with all relevant legislation and the requirements of health authorities and professional healthcare bodies across the public and private sector

Looking forward

- Implement a comprehensive clinical governance framework to achieve quality care and quality improvement with proactive involvement from specialists and allied professionals across all business units
- Continue to collaborate with healthcare officials to expand training programmes for nurses in South Africa and broaden their education range
- Continuously seek advanced medical technologies to support our medical specialists and remain at the forefront of healthcare excellence
- Explore training opportunities in superior skills, such as robotic surgical techniques for our existing specialists
- Entrench a health technology assessment process
- Enhance how we communicate our improved EVP to employees

Further information

- Our strategy (📄 page 32)
- Our people, including our EVP (📄 page 114)
- Safety and quality performance (📄 page 140)
- Infrastructure expenditure (📄 page 119)

Stakeholders impacted



Link to Company risks



Link to strategic pillars



Our material matters



Adapt and grow our diversified business in a sustainable manner

How we address this material matter

- A responsive, decentralised management team ensures business continuity and resilience by effectively adapting to and addressing challenges, including:
 - mitigating the intermittent electricity and water outages in South Africa by enhancing our off-grid electricity generation capabilities and increasing our water storage capacities
 - safeguarding against cyber-security risks
 - expanding current and new business areas to enhance the diversity of revenue streams
- Implement long and short-term ESG strategy to meet our sustainability targets. Monitor and report on performance towards environmental objectives and metrics

Looking forward

- Implement energy and water efficiency solutions to reduce reliance on state utility companies and meet our environmental sustainability targets
- Develop value-based care clinical products
- Enhance data analytics capability to drive improved clinical quality, further cost efficiencies and additional integrated healthcare delivery

Further information

- Our strategy (📄 page 32)
- Human capital (📄 page 111)
- Our natural capital and approach to sustainability are on 📄 page 120 and in our standalone sustainability report

Stakeholders impacted



Link to Company risks



Link to strategic pillars



Deliver care which is high-quality, cost-effective and people-centred

How we address this material matter

- Maintain exceptional quality standards across all facilities in the Company
- Enhance and continue to share our quantifiable clinical outcomes and patient feedback data
- Provide contemporary and secure work environments for employees, doctors and specialists
- Utilise standardised procedures and leverage data and technology to enhance efficiencies, remove waste and duplication, and provide cost-effective services while ensuring patient safety and high-quality clinical delivery

Looking forward

- Develop new comprehensive patient pathways that yield measurable value-based care outcomes, benefiting patients, healthcare providers and funders
- Develop alternative care models that appeal to funders while ensuring patient safety and experience

Further information

- Our strategy (📄 page 32)
- Safety and quality performance (📄 page 140)
- Infrastructure expenditure (📄 page 119)
- IT and technology (📄 page 119)

Stakeholders impacted



Link to Company risks



Link to strategic pillars





Be a trusted partner for all of our stakeholders

How we address this material matter

- Foster positive relationships with key stakeholders and effectively address reputational challenges
- Deliver high-quality, patient-centred care
- Enhance partnerships with private and public payors by offering high-quality, cost-efficient care
- Provide attractive return on investment metrics and capital allocation strategies to enable lender repayment and reward equity partners

Looking forward

- Sustain and grow preferred provider networks
- Explore and examine growth opportunities that provide acceptable returns in southern Africa

Further information

- Our strategy (📄 page 32)
- Safety and quality performance (📄 page 140)
- Chairman's review (📄 page 24)
- Social capital (📄 page 137)

Stakeholders impacted



Link to Company risks



Link to strategic pillars





AMG DISPOSAL

unlocks value
for shareholders

R21.3 BILLION

transaction value

R8.8 BILLION

returned to
shareholders in 2024

Life Healthcare's strategic focus is on unlocking value sustainably across our diverse asset portfolio while allocating our capital effectively. We are a people-centred, diversified healthcare provider with solid fundamentals and a distinct, high-quality asset portfolio. This has positioned us as the preferred hospital provider for the major medical schemes.

Following the successful capital market day focusing on LMI and its significant contributions during the year, we will continue to pursue the unlocking of value from LMI. We will engage with relevant parties around the healthcare reforms needed to achieve quality healthcare for all.

I am pleased to report the solid set of results of the Company, and I am confident that our strategy will continue to deliver the desired value.

Strategic direction

The macro-economic headwinds in South Africa make it ever more pressing for us to deliver sustainable, affordable healthcare through effective, high-quality services.

The creation of the Government of National Unity has created a more positive business environment, and we hope this will lead to more investment and job creation.

The stabilisation of the power supply should help stimulate much-needed economic growth. Despite this, we faced significant challenges in 2024.

We continued to see a shortage of nurses and specialists. Unreliable municipal electricity and water supplies put increased pressure on our facilities. Profitability was constrained by a challenging economic and regulatory environment, increased competition, higher underlying prices and a complex healthcare setting. While our strategy has shifted over time from being an SA-focused acute hospital group to a diversified healthcare provider, the more recent challenges required us to focus on:

- examining our growth strategy and asset portfolio;
- managing our underlying cost base;
- driving our value-based care and integrated care strategies;
- recruiting and retaining key clinical and management skills; and

- attaining improved return on investment (ROI).

As part of our growth strategy and asset portfolio optimisation, we disposed of AMG. This unlocked significant value for shareholders, with a transaction value of R21.3 billion, a special dividend distribution of R8.8 billion in April 2024 and a further special distribution of R1.0 billion to be paid in January 2025.

We have retained the number one preferred network provider in South Africa, highlighting our collaboration with medical scheme administrators to lower healthcare expenses and increase the effective use of our facilities. This strategy helped us raise our occupancy levels to above 70% in the second half of our year. *(Read more about our southern Africa operations from [page 98](#).)*

Since the introduction of our innovative value-based care solution for renal dialysis, funders have acknowledged the improved patient health outcomes and reduced costs achieved. We are well-positioned with a pipeline of value-based care products to deliver accessible, patient-centred and affordable healthcare.

Financial performance

Our southern Africa business achieved substantial success in 2024, and we have taken steps to grow our non-acute complementary services. Internationally, the approval of unconditional reimbursement for NeuraCeq® in the US is a significant milestone, further highlighting the growth potential of LMI. For the year under review, headline earnings from continuing operations increased by 58.9% from R1.3 billion to R2.0 billion, while headline earnings per share (HEPS) from continuing operations increased by 58.9% from 87.5 cents to 139.0 cents.

Life Healthcare generates outstanding cash flow, has a strong balance sheet, and has clearly expressed priorities for capital allocation. These factors position us well for sustained success and good returns.

Addressing nursing shortages

The shortage of nurses poses a critical challenge to the delivery of quality care in South Africa's private healthcare sector. The shortage stems from a combination of factors, including inadequate education and training, tempting opportunities abroad, an ageing workforce with a sizeable number nearing retirement, too few younger people entering the profession, and burnout from a heavy workload.

Despite our ongoing efforts to lobby key stakeholders, progress in forming partnerships with the government has been slow, and limited progress was made in 2024. We will continue to drive this as an imperative in 2025, with a narrowed focus on specialist nursing skills that align with our demand and strategy. With the government cutting the healthcare budget in real terms, the money available for training will likely diminish further, strengthening the case for the private sector to step in where it can. We will continue to pursue positive engagement in this crucial area.

At Life Healthcare, deepening our value proposition for employees, especially in scarce skill areas, is a priority. We understand the pressures nurses face and continually invest in creating a safe, supportive and rewarding work environment. Our people-centred approach focuses on fostering compassionate care for both patients and employees.

NHI and the regulatory landscape

Healthcare reform is imperative to address the stark inequalities in access to high-quality healthcare in South Africa. While the NHI is meant as a solution, it faces financial and operational challenges that threaten the long-term viability of healthcare in South Africa. It is crucial to identify practical and sustainable alternatives that provide wider healthcare access without destabilising the healthcare system.

Life Healthcare has consistently supported the NHI's goal of equitable, quality healthcare for all. However,

the passing of the NHI Bill without addressing the concerns raised by industry, business and consumer bodies represented a missed opportunity for meaningful reform. We anticipate a prolonged journey towards full NHI implementation, as significant operational, legislative and fiscal constraints still need to be resolved.

We are closely monitoring developments around the NHI and will explore all avenues to safeguard the future of the healthcare system. Our commitment is rooted in the best interests of our doctors, nurses and – most importantly – our patients.

We also support the Hospital Association of South Africa's proposal for mandatory healthcare coverage for formally employed individuals and their dependents. This model is founded on the principles of social health insurance, which traces back to the 1980s and informed the ANC's 1994 Health Plan. It offers a bold solution that would enable our public healthcare system to better focus its limited resources on vulnerable groups such as the indigent, unemployed and informally employed. The private healthcare sector is ready and willing to partner with the government to implement these critical reforms.

The recommendations of the Competition Commission's Health Market Inquiry, which seeks to address inefficiencies within the private healthcare sector, should also be implemented with urgency. These



Chairman's review

measures are essential to ensure the sustainability of the private sector while delivering affordable, high-quality care to patients.

Making life better

Our purpose of *Making life better* inspires and motivates our dedication to our patients, employees and communities. We believe that each person plays a vital role in creating a healthier society, driving us to create lasting impacts that benefit individuals and society.

Sustainability is one of our core strategic pillars. Creating value for stakeholders while preserving the environment and enhancing the livelihood of communities forms the basis of our approach to sustainability. We recognise the integration of ESG principles in our value creation strategy as a tool to reach our long-term goals. Having integrated sustainability into our business strategy, we continue to develop and advance our sustainability strategy, setting out specific goals to work towards.

We foster a culture of integrity, ethical values and accountability, and we understand that strong governance is crucial for retaining stakeholder trust. However, our governance approach goes beyond meeting compliance requirements. Recognising that people are our greatest asset and essential to achieving true sustainability, we focus on fostering an inclusive, diverse and supportive workplace. Simultaneously, we invest in important social impact initiatives aligned with health, education and community development.

The Board has taken our ESG responsibility seriously, including as a measure in the new single incentive plan. The measures will be more robust in future allocations. This commitment differentiates our business and underpins all our activities. The Board also supported the Company's various CSI initiatives

and spending, demonstrating its commitment to community upliftment and sustainable development.

Board succession

Succession planning remains high on the Board's agenda. We welcomed Dr Fareed Abdullah and Dr Raymond Campbell as new independent non-executive directors and members of the Clinical Committee with effect from 12 August 2024. Fareed and Raymond are highly accomplished clinicians (for brief curricula vitae, see  page 49). As a company that prides itself on clinical excellence, we welcome their presence and the rich debate and conversation they will bring. I look forward to their contributions as we continue to deliver on our strategy.

My thanks to Peter Golesworthy and Garth Solomon, who stepped down from the Board on 22 February 2024 after first being appointed in June 2010. I thank them for their invaluable contribution to the Company over these many years.

Key Board focus areas for 2024

- Realising shareholder value through the AMG disposal
- Overseeing the delivery of the Life 2.0 strategic plan and revised management structure
- Overseeing the continued focus on sustainable operational delivery
- Monitoring the roll-out and progress of the integrated value-based care products
- Overseeing continuous improvement in clinical quality and patient experience measures
- Monitoring initiatives to promote diversity and inclusion and embed the revised EVP across the Company
- Reviewing plans to educate the market on the LMI value proposition

Key Board focus areas for 2025

- Evaluating the operating model post the AMG sale
- Ensuring LMI is set up for success and monitoring growth in sales
- Overseeing improvements to clinical quality and patient experience
- Ensuring our people and ESG matters are prioritised
- Monitoring and evaluating the strategy of growth into complementary services

Appreciation

On behalf of the Board, I thank Peter Wharton-Hood and his executive team for their outstanding leadership in navigating the Company through another dynamic year and achieving our strategic goals. My heartfelt thanks also go to our employees, nurses and doctors for their unwavering dedication and exceptional care, which makes me immensely proud to serve as Chairman of Life Healthcare.

To our patients, we remain focused on enhancing lives through providing high-quality, cost-effective care. We deeply appreciate your trust in choosing us as your health partner.

Dr Victor Litlhakanyane
Chairman



Chief Executive's review



Revenue from continuing operations grew by **12.7%**

RM2 SUB-LICENSING
unlocks value
for shareholders

R9.8 BILLION
special dividend

Our patients and stakeholders continue to show profound loyalty and trust in the Life Healthcare brands, and we are immensely grateful for this. Trust is the greatest compliment. It is central to our success, and we work tirelessly to maintain it.

As I reflect on the past year, I extend my heartfelt gratitude to our valued employees, dedicated partners and supportive healthcare professionals. Our financial and operational results would not have been possible without their unwavering commitment, resilience and dedication.

Our operating and financial performance

Despite global and local economic headwinds, the Company delivered a robust operational and financial performance, with notable growth in business activity compared to the previous year. The healthcare environment was marked by heightened competition in a stagnant market, new regulations and continually evolving technological and consumer trends.

In South Africa, public infrastructure constraints remain along with a persistent challenge in training, recruiting and retaining skilled healthcare professionals.

The Company's southern Africa operations experienced excellent demand for their services. We focused on increasing volume growth by leveraging our existing infrastructure. This led to higher

utilisation of the Company's hospitals and complementary services occupancies increased to 69.0% on the back of PPD growth of 1.6%, on a like-for-like basis excluding facilities closed in the prior year. Revenue for southern Africa grew by 7.7% to R23.7 billion, EBITDA remained flat at R3.7 billion.

We aim to grow and restructure our network of facilities to ensure:

- focused growth despite a challenging and competitive market and
- growth that delivers appropriate returns and ensures we have the right type of facility with the correct speciality mix in the right areas of the country.

We aim to grow and restructure our network of facilities through:

- brownfield expansion within existing facilities, including the addition of beds, theatres and emergency units;


- possible greenfield expansion in areas where demand exceeds the supply of beds;
- acquisitions that add to our network of facilities or enable us to further diversify; and
- disposal of assets where returns are low or the asset is no longer aligned with our longer-term strategy.

We are continually broadening our range of non-acute complementary services. Excluding the newly acquired renal dialysis units, our renal business reported an 8.3% increase in treatments, driven by improved compliance among patients through our renal dialysis integrated care product. On 1 April 2024, the South African acquisition of the FMC portion of renal dialysis units became effective. This has increased our countrywide footprint of renal dialysis units to 71 and stations from 445 to 1 012. The Namibian leg of the transaction will become effective in Q1 of FY2025, adding a further five units and 82 stations.

Our South African imaging and nuclear medicine business experienced robust growth driven by further acquisitions and an increase in underlying scan volumes. Healthcare Services revenue and normalised EBITDA were negatively impacted due to the loss of contracts in Life Health Solutions and Life Nkanyisa. Our collaboration with the Government continues to address the needs of the most vulnerable by delivering compassionate, dignified and respectful high-quality care.

The conclusion of the AMG disposal enabled a significant return of capital to shareholders and a material improvement in our balance sheet, with R8.8 billion distributed in April 2024 and a further R1.0 billion to be paid in January 2025. We have re-organised our capabilities to enhance the focus on our core southern Africa business and drive the growth optionality of LMI.

On the international front, LMI experienced notable growth and is well-positioned for expansion. Revenue grew 181.3% to R1 845 million from R656 million last year, driven by higher sales of NeuraCeq® and a \$36 million upfront receipt for sub-licensing of RM2. We have invested in preparing the business for the expected growth in commercial sales by increasing our sales team and support functions in the United States.

Our teams excelled in managing working capital, achieving 100.5% cash generated as a percentage of EBITDA. This solid financial position is bolstered by consistent cash flow and cautious capital management. (Read more in the CFO's review from  page 94.) The AMG transaction has significantly lowered our gearing to 0.45x net debt to EBITDA, resulting in a fortress balance sheet and real financial strength to capitalise on future opportunities.

We delivered three key multi-year IT projects this year: network modernisation, cloud migration, and the roll-out of the Impilo hospital information system. This yielded significant improvements in stability, security and availability of technology services.

Delivering tomorrow
Our strategy focuses on maintaining an efficient and resilient healthcare business in southern Africa, providing world-class healthcare through our dedicated nurses, partnering doctors and other healthcare professionals.

Strategic overview of the southern Africa business

Following the disposal of AMG, we streamlined Life Healthcare's ExCo and related governance structures to align with the Life Healthcare 2.0 strategy. This entailed revising the portfolios of the ExCo and senior leadership to improve accountability,



encourage collaboration and create a more focused strategic direction. This has eliminated duplication and improved transparency and accountability, enabling us to effectively navigate short-term challenges and future opportunities.

The Company achieved the following successes in executing our strategy during the current year.

Life Healthcare remains the number one preferred designated network service provider in South Africa. This bold statement reflects our ambition to be an active player in the path to value-based care and the re-engineering of the supply side. We aim to serve the end-to-end needs of defined patient populations while alleviating funder pain points.

We launched our renal dialysis value-based care product in South Africa in 2024. The product has improved clinical outcomes and reduced overall costs, gathering support from the larger medical schemes.


We are rapidly advancing the development of our integrated care product pipeline. This initiative is crucial for sustaining private healthcare. It aims to enhance patient healthcare outcomes, reduce treatment costs and improve patient experience at our facilities.

Chief Executive's review

Our growth in South Africa's imaging and nuclear medicine sectors is moving forward with a strong pipeline. We now have imaging facilities at seven hospitals and three outpatient facilities and nuclear medicine operating at three facilities under the Life Healthcare brand.

Our SA radiopharmacy expansion, through our joint venture with the AXIM group, supports the growth of the Company's nuclear medicine and oncology services. We are moving ahead with the completion of two cyclotrons, and commercial operations are expected to begin in early 2025.

We have invested significantly over the past three years in IT infrastructure which creates a foundation for growth by enhancing digitisation and IT performance to support the Company's strategy going forward.

Read more about our strategy from  page 32.

Significant breakthroughs for LMI

LMI's ambitious growth strategy will be achieved through:

- growing sales in NeuraCeq®;
- maximising the product pipeline and
- sustaining R&D services and supplies.

Alzheimer's disease impacts a considerable proportion of the population today, with an estimated 37 million people suffering from Alzheimer's disease and mild cognitive impairment in the US, UK and Europe. The prevalence in these regions is predicted to increase by approximately 40% by 2030.

LMI's flagship product, NeuraCeq®, is an FDA-approved amyloid tracer that enables early diagnosis of Alzheimer's disease through accurate detection of amyloid plaques. This enables patients to access disease-modifying

drugs (DMDs) and medical support to reduce symptoms and improve their condition.

Recent market events in the US have created an inflection point in the NeuraCeq® growth trajectory. LMI's profitability is driven by approvals and reimbursement of amyloid tracers and related drugs. In October 2023, the Centers for Medicare & Medicaid Services (CMS) approved unrestricted reimbursement for PET-CT scans using amyloid tracers. This milestone decision followed the US FDA approval of the Alzheimer's DMD Leqembi® in July 2023. Another DMD, Kisanla®, was approved in the US in July 2024, while Leqembi™ was approved in the UK in August 2024. Leqembi® has now received European marketing approval.

We increased NeuraCeq® doses sold by 91.9% in FY2024. Our US team is set up to accelerate revenue growth. European growth will be driven by an increase in our partners' manufacturing and distribution capabilities. LMI has 36 active NeuraCeq® supply sites in the US and Europe, with an additional 20 sites contracted and in negotiation. Our targeted approach ensures adequate capacity to match growth in high-demand US locations. We have a pipeline of five potential new products targeting different diseases to diversify the portfolio. The late-stage pipeline includes next-generation radiotracers coming to market in the next three years for the detection of Alzheimer's disease and progressive supranuclear palsy (PSP). The early-stage products relate to the detection of thrombus and strokes of neuroinflammation in Alzheimer's and other neurodegenerative diseases, and the detection and treatment of metastatic resistant prostate cancer.

LMI has entered a contract with Lantheus Holdings, Inc. (Lantheus) to sub-licence one of LMI's early-stage

novel radiotherapeutic and radio diagnostic products (RM2). This includes an upfront payment of \$36 million to LMI for the sub-licensing rights. In addition, several payments will be paid to LMI on the achievement of development and regulatory milestones, followed by royalties and milestone payments when RM2 is sold commercially. We expect to generate significant potential future revenue in the next five to 10 years.

LMI's R&D service offering further differentiates us in the market. We provide clients with access to an end-to-end R&D process supported by teams of world-leading experts in radiopharmaceuticals and diagnostics, complemented by a deep understanding of the evolving regulatory landscape.

Making life better

Integrating complementary services with the Company's network of acute hospitals is an essential part of our value-based care strategy. Our investments in value-based care models are designed to promote a transition towards alternative reimbursement models that improve patient care and clinical efficiency while lowering overall care costs.

Quality care is a strategic pillar for Life Healthcare and is fundamental to the way we work. We deliver quality care through dedicated partnerships with healthcare professionals. We focus on driving improved efficiencies, caring for our employees, attracting the best clinicians and using analytics and technology to improve the care delivered.

Our efforts in reporting have led to Life Healthcare being recognised by South African funders as a leader in efficient value-based care. We ensure that patients receive quality healthcare tailored to individual needs through improved clinical and quality

outcomes, clinical efficiency and outstanding patient experience. We believe that collaboration and continuous improvement will achieve unparalleled patient satisfaction and clinical excellence.

Life Healthcare's integrated care products under development cover maternity, oncology, spinal, mental health, cardiac and stroke, among others. These products will deliver a holistic patient journey supported by technology, data and analytics.

Outlook for 2025

We are a streamlined company with focused governance and embedded operational efficiencies that enable the provision of high-quality, accessible and affordable healthcare.

2024 was a year of significant progress towards delivering our longer-term strategy and the operational initiatives needed to fulfil this. We expect continued volume growth in southern Africa through increased volumes in existing facilities

and further growth and restructuring of our asset portfolio, as well as growth in our complementary services and continued strong growth in LMI, resulting in improved returns.

Appreciation

I thank our Board, our clinicians, our management teams and employees for their hard work throughout the year. I am continually inspired by the dedication and resilience of our employees and clinical partners.

To our employees and the healthcare professionals with whom we collaborate, thank you for your daily passion and commitment.

I am excited about delivering on our ambitions to provide high-quality healthcare to our patients and create sustainable value for our stakeholders in the year ahead.

Peter Wharton-Hood

Chief Executive



Our 2029 strategy

Our strategy aims to increase the Company's diversification while unlocking greater value through efficiencies, technology and people development initiatives.

Strategic overview

To realise our purpose, we have developed a coherent five-year strategy that is embraced and implemented across the Company. The updated strategy was launched in October 2024 and covers how we:

- Think about our growth and asset portfolio
- Think about our southern Africa and international growth and asset portfolio
- Manage our underlying cost base
- Drive our value-based and integrated care strategies
- Recruit and retain key clinical and management skills
- Achieve improved returns on investment

Strategy review process

The comprehensive strategic review is completed annually and incorporates the following:

Analysis	Management assesses the operating environment by evaluating strengths, weaknesses, opportunities, threats, resources, and capabilities. This includes analysis of performance metrics, resource use, operational efficiency, market conditions, regulatory factors and competitive positioning.
Development	ExCo and hospital management develop the Company strategy for Board approval. The action plan focuses on execution, progression and monitoring of recommendations from the strategic review. Communication is cascaded through to management to ensure transparency and alignment.
Annual review	The annual budget approved by ExCo is developed using a top-down approach with approved parameters. The direction of travel is incorporated in a detailed bottom-up budget process throughout the Company's business units and is approved by the Board. The process includes strategic key performance indicators (KPIs) that are incorporated into management's responsibilities for the year.
Board oversight	The Board reviews and approves the strategic plan created by the executive team to ensure alignment with the Company's mission and long-term goals. The Board and its Committees evaluate and approve the Company strategy. They hold the executive team accountable for meeting strategic objectives.

Our 2029 strategy is driven by our ambition to:

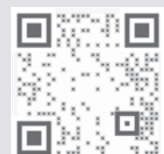
- **Be a diversified business** with a growing share of revenue and earnings from non-acute services – as evidenced by our increased capabilities across the continuum of care spectrum.
- **Deliver measurable quality through a people-centred approach** focusing on our employees, clinicians and clinical excellence while using data analytics and technology to positively impact patient care.

The strategy has been broken down into **strategic deliverables** to be achieved by 2029 and **environmental sustainability targets** that look to 2030 and beyond.

Our strategic deliverables are grouped according to our four strategic pillars of **Quality, Growth, Efficiency,** and **Sustainability** and supported by our strategic enablers and capabilities. If we successfully achieve our strategic objectives through these four pillars, we will also deliver on our purpose.



Watch – **making life better** through the moments that matter





The operating environment influences our strategic objectives and deliverables, the expectations of our stakeholders and the risks arising from the interaction of these factors. By measuring and monitoring these expectations and risks along with the outputs and outcomes of our endeavours, we reinforce and adapt our strategy through robust governance processes.

Read more about our operating environment on page 14 and risk management on page 64.

Our 2029 strategy



Disposal of AMG: Our strategy in action

Following the completion of the AMG transaction, Life Healthcare is positioned as a leading integrated healthcare services provider operating largely in southern Africa with an international radiopharmaceutical business, LMI. We have clear capital allocation priorities, a resilient and sustainable financial profile and strong cash generation ability.

The disposal of AMG to iCON Infrastructure was concluded on 31 January 2024. The Board believed that the transaction was in the best interests of shareholders based on:

- **Unlocking shareholder value:** We paid a special dividend of R8.8 billion to shareholders in April 2024.
- **Accelerating value creation:** The transaction gave shareholders longer-term value upfront and de-risked delivery of AMG's business plan from a shareholder perspective.
- **Avoiding potential undervaluation of AMG in Life Healthcare's share price:** Considering the market's valuation of AMG historically, there was no guarantee that future value creation through AMG would be fully reflected in Life Healthcare's share price going forward.
- **Enhancing Life Healthcare's financial profile and strengthening the Company's financial position:** The transaction resulted in improved return on capital metrics and overall cash generation.
- **Increasing management and capital allocation focus on growth opportunities:** The transaction enabled management to streamline its capital allocation priorities and increase its focus on accelerating integrated care in southern Africa and supporting the growth optionality in LMI to deliver shareholder value.

What does Life Healthcare's strategy look like after the disposal?

We remain centred on providing high-quality, cost-effective care for patients and sustainable value for stakeholders. We will achieve this through clinical excellence, driving improved efficiencies, caring for our employees, attracting the best clinicians and using analytics and technology to positively impact the care we deliver.



Southern Africa

Integrating complementary services with the Company's acute hospital network forms the foundation of the Company's integrated care approach in southern Africa. This approach enhances patient outcomes by providing seamless transitions between different levels of care, from preventative services and primary care to specialised treatments and rehabilitation. By addressing the full spectrum of health needs, we provide individuals with more coordinated, efficient and personalised care, ultimately leading to better health and well-being.

Our strategy includes:

- Investing in value-based care models
- Actively driving a shift with healthcare funders towards alternative reimbursement models and value-based contracting
- Incentivising improved patient care and clinical efficiency
- Reducing the overall cost of care

We are proud to be the preferred network provider and most efficient hospital group, offering funders high-quality patient care at affordable prices. This reflects our ambition to be an active player in the path to value-based care and the re-engineering of the supply side. We aim to serve the end-to-end needs of defined patient populations while alleviating funder pain points.

Value-based care shifts the focus from service volume to quality and value, encouraging providers to prioritise preventative care, early intervention, and evidence-based practices. This approach enhances patient experience and quality care and leads to better chronic condition management, fewer hospital admissions and improved overall health outcomes.



Renal ICP: Our strategy in action

The renal integrated care programme (ICP) aims to transform chronic kidney care by delivering a patient-centric, holistic, digitally enabled integrated care product that improves patients' health and clinical outcomes while lowering the overall cost to the system. Enabling this requires:

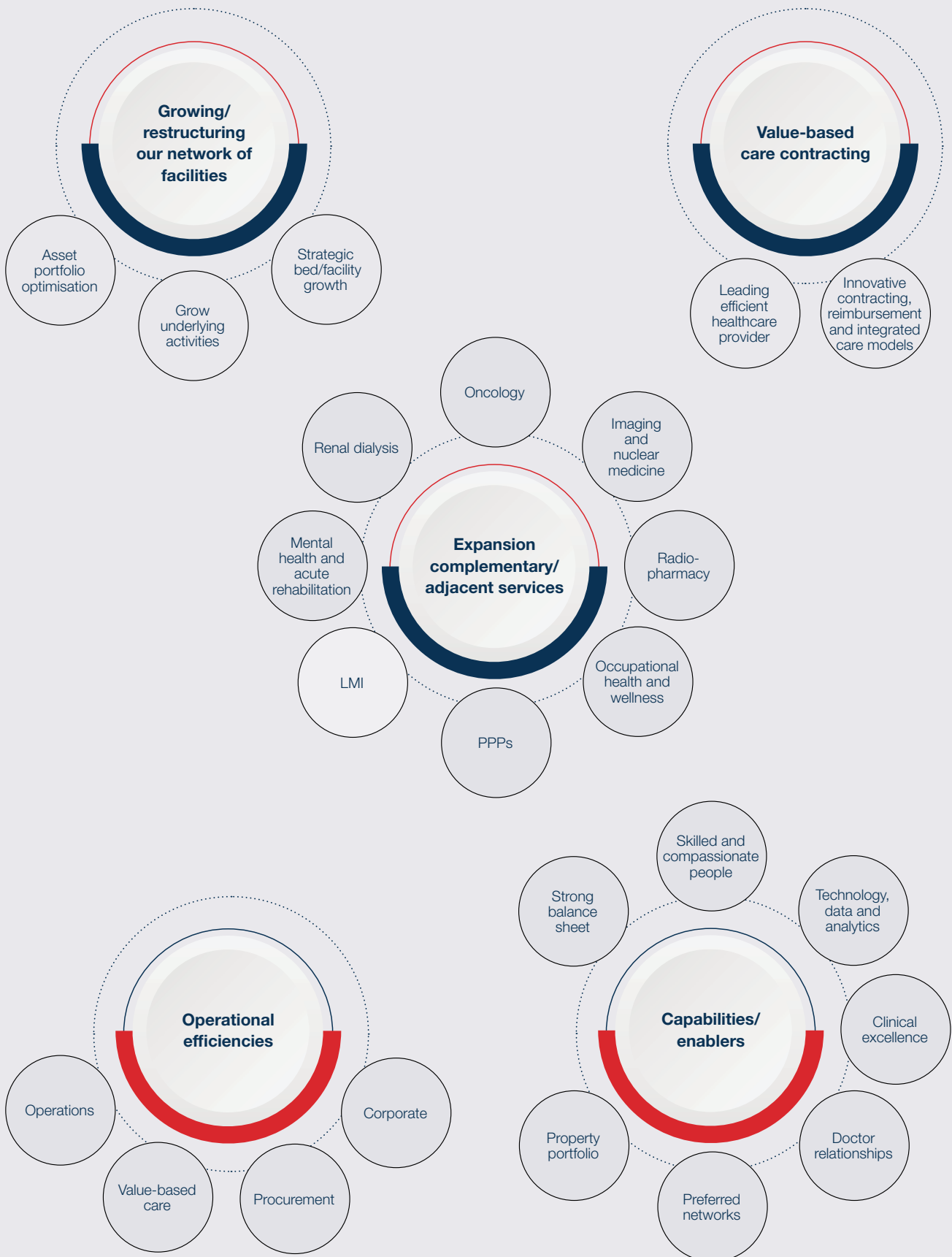
- An enhanced patient experience, including education and holistic care coordination
- Improving compliance and delivering appropriate care
- Delivering managed care pathways by multi-disciplinary teams
- Capturing value through strategic financial flows
- Increasing access to renal dialysis for members by expanding the national footprint

The implementation of the renal ICP in 2024 resulted in:

- Chronic treatment compliance improving from 84% to 97%
- Improved health outcomes, with hospital admissions decreasing by 9.6%
- Overall costs to health funders decreasing by 10.9%

Our 2029 strategy

Our integrated care approach



Our key priorities for southern Africa in the short to medium term include:

Growing the core acute hospital business through a combination of:

- Retaining and adding preferred provider networks
- Doctor and specialist recruitment
- Expansion of ICU, high care and general ward beds in hospitals with high occupancies
- Expansion of key facilities, including additional cardiac catheterisation labs and vascular labs
- Expansion or upgrades of emergency units
- Additional consulting rooms
- Expanding our acute business through new greenfield sites

Growing our complementary services through:

- Growing our renal dialysis business by expanding our renal ICP while expanding our footprint through organic and acquisitive growth
- Expanding our diagnostic services through additional acquisitions and organic growth
- Expanding our nuclear medicine services by developing a South African PET-CT facility network and building two cyclotrons in Gauteng (read more on [page 42](#))
- Developing an integrated end-to-end approach to cancer treatment, including prevention and screening, diagnostics, medical oncology, radiation oncology, clinical trials, and support care in the form of counselling, rehabilitation and palliative care

New product development

- Applying data and analytics within our integrated care platform to develop additional value-based care products, integrated care products and alternative reimbursement models. These will enhance our ability to offer funders high-quality patient care at affordable prices.



International – Life Molecular Imaging

Our strategy for LMI centres on:

- Delivering growth in sales of NeuraCeq® in the markets where NeuraCeq® and Alzheimer's disease drugs are approved and reimbursed by public and private healthcare funders
- Maximising the product pipeline, which currently consists of five potential new products targeting different diseases, and diversifying the portfolio
- Sustaining R&D services to clinical research organisations to drive a consistent revenue stream

Our 2029 strategy

Strategic pillars, priorities and objectives

Strategic pillar	Strategic priority	Strategic objectives
 <p>Quality</p>	<p>Deliver measurable quality through a people-centred approach and a leading patient experience</p> <p>– Linked to remuneration (📄 page 75)</p>	<ul style="list-style-type: none"> • Deliver high-quality, patient-centred care aligned with clinical best practice • Reduce variation in clinical care • Drive quality through integrated care pathways • Continued improvement in patient experience and clinical outcomes
 <p>Growth</p>	<p>Grow through improved utilisation of assets and enhanced ROCE</p>	<ul style="list-style-type: none"> • Maximise asset efficiency and optimise investment returns to drive sustainable growth
	<p>Grow and optimise the core acute hospital business</p> <p>– Linked to remuneration (📄 page 75) – Our strategy (📄 page 32)</p>	<ul style="list-style-type: none"> • Retain and increase preferred provider networks • Expand into key specialities that support our strategy of value-based care delivery
	<p>Grow and accelerate diversified non-acute services</p> <p>– Linked to remuneration (📄 page 75) – Our strategy (📄 page 32)</p>	<ul style="list-style-type: none"> • Leverage existing assets and capabilities to grow new lines of business and diversify revenue
	<p>Strategic investment in LMI to drive growth</p> <p>– Our strategy (📄 page 32)</p>	<ul style="list-style-type: none"> • Deliver sales growth for our globally approved flagship product NeuraCeq® • Maximise our late-stage and early-stage product pipeline • Sustain R&D supplies and services to support pharma companies

Short term (less than 1 year)	Medium term (1 – 2 years)	Long term (3 or more years)
Deliverables short term	Deliverables medium term	Deliverables long term
<ul style="list-style-type: none"> Expand the deployment of the renal ICP Improve quality and clinical metrics Enhance patient experience Increase the range of integrated care products to funders Integrate the newly acquired renal business 	<ul style="list-style-type: none"> Expand the variety of integrated care offerings by leveraging evidence-based standardised care pathways Adopt the oncology hub-and-spoke model Implement digital transformation to enhance patient care and involvement Enhance access to nuclear medicine in South Africa Improve quality and clinical metrics 	<ul style="list-style-type: none"> Enhance access to nuclear medicine in South Africa Expand the portfolio of integrated care products using evidence-based standardised care pathways Improve quality and clinical metrics
<ul style="list-style-type: none"> Increased occupancy at c.70% Ongoing focus on operational efficiencies Continuing improvement of EBITDA margin Continuing improvement in return on capital employed (ROCE) 	<ul style="list-style-type: none"> Occupancy greater than 70% Continued EBITDA growth Continuing improvement in ROCE 	<ul style="list-style-type: none"> Occupancy greater than 70% Continued EBITDA growth Continuing improvement in ROCE
<ul style="list-style-type: none"> Extend partnerships to provide value-based care pricing strategies Specialist recruitment to support strategy 	<ul style="list-style-type: none"> Scale up the portfolio of integrated value-based care products within hospital and complementary service lines Continue examining business models for South Africa public-private partnerships Deliver specialist doctor recruitment 	<ul style="list-style-type: none"> Broaden the selection of integrated value-based care offerings available in hospitals and related services Pursue NHI opportunities in both hospital and complementary service sectors Deliver specialist doctor recruitment
<ul style="list-style-type: none"> Integrate the newly acquired renal business Deliver imaging services pipeline acquisition opportunities in southern Africa Develop radiopharmacy and nuclear medicine capability in southern Africa 	<ul style="list-style-type: none"> Increase portfolio of integrated value-based care products across hospital and complementary service lines Develop radiopharmacy and nuclear medicine capability in southern Africa Increase non-acute revenue and EBITDA 	<ul style="list-style-type: none"> Increase portfolio of integrated value-based care products across hospital and complementary service lines Pursue NHI opportunities in both hospital and complementary service sectors Increase non-acute revenue and EBITDA Develop radiopharmacy and nuclear medicine capability in southern Africa
<ul style="list-style-type: none"> Secure NeuraCeq® production capacity in the US and Europe Strengthen the US commercial team to boost NeuraCeq® sales 	<ul style="list-style-type: none"> Develop additional NeuraCeq® production capacity Develop and maximise the value of our late-stage and early-stage product pipeline Strengthen the US and Europe commercial teams to boost NeuraCeq® sales 	<ul style="list-style-type: none"> Develop additional NeuraCeq® production capacity Strengthen the US and Europe commercial teams to boost NeuraCeq® sales

Our 2029 strategy

Strategic pillars, priorities and objectives

Strategic pillar	Strategic priority	Strategic objectives
 <p>Efficiency</p>	<p>Deliver operational excellence through cost-effective care</p> <p>– Linked to remuneration (page 75)</p>	<ul style="list-style-type: none"> Enhance or maintain operating margin in southern Africa by optimising facility usage and implementing effective cost-control measures
 <p>Sustainability</p>	<p>Ensure the long-term sustainability of our business while positively impacting the communities in which we operate</p> <p>– Linked to remuneration (page 75)</p>	<ul style="list-style-type: none"> Responsible ESG practices Directly align ESG goals with our strategic priorities Maintain a continuous skills pipeline



Strategic enabler	Strategic priority	Strategic objectives
 <p>People</p>	<p>Achieve employer-of-choice standing</p> <p>– Human capital (page 111)</p>	<ul style="list-style-type: none"> Create a culture that drives excellence and embeds diversity and inclusion Attract, motivate, reward and retain our talented people
 <p>Technology, data and analytics</p>	<p>Modernise our IT environment and create value using data and analytics</p>	<ul style="list-style-type: none"> Deliver and maintain a secure, modern IT environment Deliver network modernisation and cloud migration projects Embed data-driven decision-making within the Company

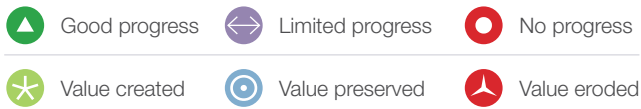
Short term (less than 1 year)	Medium term (1 – 2 years)	Long term (3 or more years)
Deliverables short term	Deliverables medium term	Deliverables long term
<ul style="list-style-type: none"> Enhance bed and theatre occupancy rates in our acute business Ongoing digital transformation to boost operational efficiency 	<ul style="list-style-type: none"> Leverage scale to improve procurement and contracting Reduce clinical staff administrative burden 	<ul style="list-style-type: none"> Further leverage technology, data and advanced analytics to enhance operational efficiency
<ul style="list-style-type: none"> Maintain the measurement, monitoring and management of water, waste and electricity 	<ul style="list-style-type: none"> Improve pipeline of clinical skills (nursing, radiography, hospital managers, pharmacists) and IT, data and analytics employees 	<ul style="list-style-type: none"> Zero general waste to landfill by 2030 Net zero carbon emissions by 2050 Clinical skills pipeline well established

Short term (less than 1 year)	Medium term (1 – 2 years)	Long term (3 or more years)
Deliverables short term	Deliverables medium term	Deliverables long term
<ul style="list-style-type: none"> Continue embedding group-wide EVP plan Deliver on diversity, equity and inclusion targets 	<ul style="list-style-type: none"> Deliver on diversity, equity and inclusion targets Implement core human resources system modernisation in southern Africa 	<ul style="list-style-type: none"> Drive and deliver processes that enhance the retention of critical and scarce skills Deliver on diversity, equity and inclusion targets
<ul style="list-style-type: none"> Decommission legacy systems Migrate IT systems and data to the cloud Digital transformation to improve patient care, engagement and operational efficiencies 	<ul style="list-style-type: none"> Implement an analytics platform to facilitate the development and operationalisation of advanced analytical models Digital transformation to improve patient care, engagement and operational efficiencies 	<ul style="list-style-type: none"> Drive digitisation and automation opportunities

Our 2029 strategy

Strategic deliverables for 2024



Strategic pillar	Key measures	Objective in 2024
 <p>Quality</p>	Clinical governance	Ensure uniform clinical governance and management across the Group
	Patient experience	Maintain or improve patient experience scores
	Quality measurement	<ul style="list-style-type: none"> • Provide accurate and consistent analysis of quality data • Maintain or improve high-quality scores
	Clinical skills shortage	Continue to lobby the South African Nursing Council to increase the number of nurses allowed to be trained in SA (by the public and private sector)
 <p>Growth</p>	Increase activity levels	<ul style="list-style-type: none"> • Develop affordable pricing models for existing lines of business to win/retain networks • Increase preferred provider network participation with funders in South Africa • Continue to look for opportunities to partner with public health services in SA • For LMI: <ul style="list-style-type: none"> – Bolster sales and marketing team to drive NeuraCeq® sales – Develop and maximise the value of our product pipeline – Deliver R&D services to support pharma companies
	SA imaging services	<ul style="list-style-type: none"> • Deliver imaging services pipeline opportunities in SA by acquiring additional imaging practices • Progress on construction of the two cyclotrons in SA
	Expand complementary services	<ul style="list-style-type: none"> • Expand renal dialysis footprint • Roll out renal ICP to funders and enhance our renal geographic footprint • Integration planning for newly acquired renal units

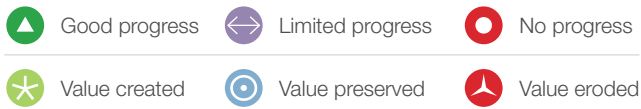


Outcome in 2024	Value created, preserved or eroded	Link to executive remuneration outcomes	More info
Clinical governance framework approved		Strategic innovations Personal scorecard	Safety and quality review page 140
Patient experience score improved to 8.5 (out of 10) and 71.9% of patients would recommend our services (2023: 72.1%)		Strategic innovations Clinical outcomes	Safety and quality review page 140
Overall quality outcomes have remained satisfactory and in line with historic Life Healthcare trends		Strategic innovations Clinical outcomes	Safety and quality review page 140
No material progress was made. We will continue to lobby for additional training		Strategic innovations Personal scorecard	CE's review page 28
<ul style="list-style-type: none"> Life Healthcare remained the designated service provider for the major networks across the major administrators Partnering with public health services in SA continues to disappoint Increased commercial sales of NeuraCecq[®] following DMD approval and CMS reimbursement approval in the US 		Strategic innovations Personal scorecard	How we performed – SA operations page 98 and – International operations page 104
<ul style="list-style-type: none"> Acquisition of Kauffman in 2024 Construction of two cyclotrons in SA completed, commercial sales anticipated by early 2025 		Strategic innovations Personal scorecard	How we performed – SA operations page 98
<ul style="list-style-type: none"> Outperformed our peers with our integrated care chronic dialysis model, achieving lower cost of care and admission rates than the rest of the industry Acquisition of FMC's SA renal units effective 1 April 2024 		Strategic innovations Personal scorecard	How we performed – SA operations page 98 – Our strategy page 32

Our 2029 strategy

Strategic deliverables for 2024

Strategic pillar	Key measures	Objective in 2024
 <p data-bbox="260 801 371 831">Efficiency</p>	<p data-bbox="523 501 730 562">Stabilise SA operating margins</p> <p data-bbox="523 692 759 779">Develop efficient, affordable integrated care products</p>	<p data-bbox="805 501 1401 589">Drive further efficiencies through a combination of volume growth, cost control and new business lines enabled by technology and data analytics</p> <ul data-bbox="805 692 1417 804" style="list-style-type: none"> • Use technology, data and advanced analytics to develop new integrated value-based care products • Continue to roll out renal dialysis product to additional funders
 <p data-bbox="236 1305 392 1335">Sustainability</p>	<p data-bbox="523 1012 671 1041">ESG strategy</p> <p data-bbox="523 1173 571 1202">EVP</p> <p data-bbox="523 1305 775 1335">Diversity and inclusion</p> <p data-bbox="523 1406 671 1435">B-BBEE level</p>	<ul data-bbox="805 1012 1417 1128" style="list-style-type: none"> • Agree on ESG strategy and targets and link to executive performance • Set ESG baseline and define short, medium and long-term ESG targets <ul data-bbox="805 1173 1393 1263" style="list-style-type: none"> • Ensure the Life Healthcare EVP remains fresh, relevant and compelling • Implement the single incentive plan (SIP) <p data-bbox="805 1305 1281 1335">Meet or exceed diversity and inclusion targets</p> <p data-bbox="805 1406 1142 1435">Maintain a level 3 B-BBEE rating</p>



Outcome in 2024	Value created, preserved or eroded	Link to executive remuneration outcomes	More info
<ul style="list-style-type: none"> Normalised EBITDA in SA remained flat at R3.7 billion but our margin declined to 15.5% 		Financial metrics related to Company performance	How we performed – SA operations page 98
Rolled out renal dialysis product to additional funders, secured from 2025, and enhanced the product using data and analytics, including introduction of care co-ordinators Maternity integrated product contributed to improved patient outcomes and streamlined care processes within the pilot maternity unit sites		Strategic innovations Personal scorecard	How we performed – SA operations page 98
ESG targets agreed using 2023 as baseline. Targets were incorporated into 2024 remuneration scorecards		Strategic innovations Personal scorecard (from 2024 onwards)	Sustainability performance page 123 Sustainability report
Achieved		Strategic innovations Personal scorecard	Our people page 111
81.8% of SA employees are ACI: 46.7% in top management and 47.9% in senior management, all improving on FY2023		Strategic innovations Personal scorecard	Our people page 111
Achieved		Strategic innovations Personal scorecard	Sustainability report

How we run our business

IN THIS SECTION

Corporate governance overview	48
Board of Directors	60
Executive leadership team	62
How we manage risk	64
Remuneration report	75
Implementation report	79



549 862
patients admitted

Our people remain at the heart of Life Healthcare and are key to our success.

Our good financial performance in 2024 was thanks to their exceptional contributions and unwavering dedication.



Corporate governance overview

Our governance practices and structures safeguard value creation and support discipline and well-informed decision-making at all levels across the Company.

The Board's succession plans allow for the graceful exit of longer-standing members through steady handover and careful induction. This has led to a diverse and skilled Board poised to guide the business in its new form following the AMG disposal. The governance structures, including the executive structure, were revisited to accommodate the Company's new form and business needs. This ensured that the Company's operational and governance needs were met, its strategy appropriately reviewed and implemented, and stakeholder interests considered.

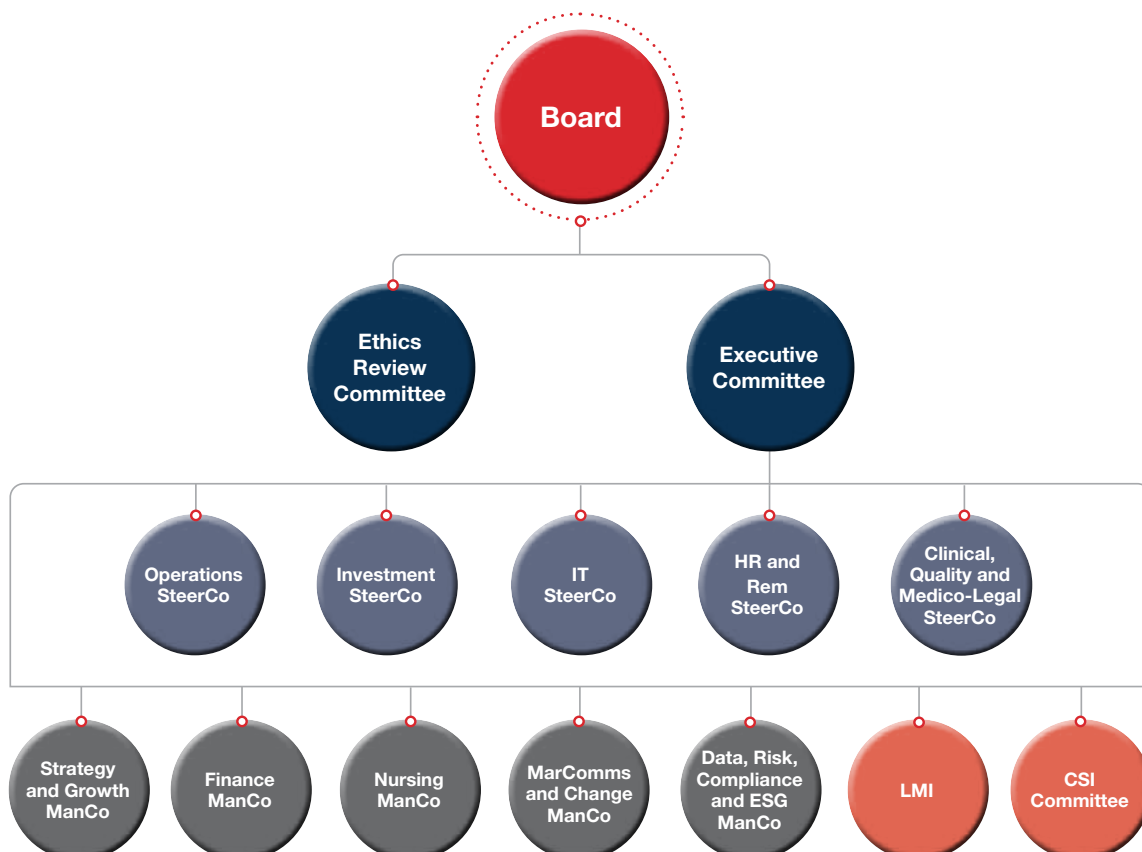
The Governance Framework

Following the disposal of AMG, the governance framework was updated to reflect the renewed focus areas. The Board remains the focal governance structure supported by the various Committees and ExCo to implement the Company's strategy. The governance framework, set out below, allows for an easy understanding of how the Board and Committees are structured to enable the effective operation of the Company.

The Board was previously supported by seven Committees but following a review of the governance structures in May 2024, the Board decided that the Risk, Compliance and IT Governance Committee would merge into the Audit and Risk Committee. The respective business key risks have been delegated to the appropriate Committees to ensure the necessary oversight. Each Committee has been carefully constituted to ensure it has the necessary mix of skills and expertise to guide the management team. In carrying out its functions, the Board adheres to the provisions of the Companies Act, the JSE Listings Requirements and the Company's memorandum of incorporation (MOI) and is guided by the King IV™ principles. The King IV™ report can be [accessed here](#).

Our cascaded approach to governance ensures that material matters are appropriately lifted and addressed through the various Committees and find their way to the Board. The annual review of Committees' terms of reference and work plans further ensures that all material matters are ventilated at the appropriate time in the appropriate forum.

The Company previously had a Group Executive, Southern Africa Executive and International Executive. With the sale of AMG, the executive teams have merged into a single executive structure, with a revised set of management committees to ensure that all material areas of the business have appropriate oversight.



The delegation of authority

The delegation of authority (DoA) allows for the delegation of powers from the Board through to the executive and management teams. Within the various operations, this authority is further delegated through southern Africa and LMI to ensure that business activity is carried out in a structured and informed manner with the necessary oversight and approvals.

Included in the DoA are:

- the matrix for approving policies and frameworks;
- the monetary limits in relation to each level within the business;
- guidance on when matters are to be tabled for Board approval;
- roles and responsibilities in relation to Board Committees and management committees;
- guidance on stakeholder engagement; and
- parameters for mergers, acquisitions and disposals.

In addition to the overarching DoA, material areas of the business are governed by sub-delegations. For example, information technology and LMI have their own sub-delegations to assist with the various approvals and authority levels within these business areas.

Board

The Board has evolved over the past few years, with new members providing invaluable contributions with fresh insight and expertise.

In line with the annual review of governance documents, the Board Charter was reviewed to ensure it remains relevant in guiding the Board with respect to its obligations and duties. Director declarations are completed annually and/or updated when required to ensure that Board members declare any conflicts and maintain their capacity to serve on the Board.

The Board convenes every quarter and when required if material matters arise throughout the year. Material

matters that continue to have Board oversight include strategic initiatives in relation to diagnostics, value-based care, nuclear medicine, and the sub-licensing of LMI's products.

In addition, through the various Board Committees, there is a specific focus on:

- Post-investment reviews (as conducted by the Investment Committee)
- Clinical excellence (as overseen by the Clinical Committee)
- Awareness around incidents within IT and the cyber-environment (as communicated to the Audit and Risk Committee)
- Variations to the remuneration philosophy (as explained to the Human Resources and Remuneration Committee)
- Oversight into community and stakeholder engagement and ESG (as reviewed by the Social, Ethics and Transformation Committee)
- Board succession (as overseen by the Nominations and Governance Committee)
- Numerous other matters which are ultimately brought to the Board's attention

The Committees focus on the detailed work of interrogating information and proposals; these are put to the Board for approval, and through this mechanism, the Board obtains an overall picture of the Company.

Board composition

The Board currently comprises 12 non-executive independent directors and two executive directors. This complies with the Company's MOI, which stipulates that the Board may not have more than 15 members.

Independence

An assessment of non-executive Board members' independence is conducted annually as per the Companies Act, the JSE Listings Requirements and King IV™. The Chairman of the Board holds an interest in the Company, and on assessment, the Chairman's holdings were found not to be material to him

personally. As such, all non-executive members have been assessed by the Nominations and Governance Committee and found to be independent.

The two Board members that remain non-independent are the executive directors: Peter Wharton-Hood, the CE, and Pieter van der Westhuizen, the CFO.

New appointments, Board changes and succession

At the 2024 AGM, Garth Solomon and Peter Golesworthy stepped down from the Board. Garth and Peter have a long history with the Company, and their contributions and insights led to rich discussion in Board and Committee meetings. Peter's attention to detail and critical review of all documentation placed before him ensured that the interests of the Company were taken care of and shareholders adequately protected. Garth's financial acumen and incisive input on the Investment Committee were always valuable. Peter and Garth served the Board with loyalty, humility and insight. They have left an indelible mark on the Company. The Board thanks them and wishes them well in their retirement.

In line with our Board succession plans, we appointed two new Board members: Dr Fareed Abdullah and Dr Raymond Campbell. Fareed and Raymond are accomplished clinicians who will serve on the Clinical Committee.

Fareed is a director of the Office of AIDS and TB Research at the South African Medical Research Council. He has a part-time appointment as an HIV clinician in the Division of Infectious Diseases at the Steve Biko Academic Hospital and is an honorary professor in the University of Pretoria's Department of Public Health Medicine. He previously served in leadership roles at the SA National AIDS Council, The Global Fund in Geneva, Switzerland, the International HIV/AIDS Alliance in the UK and the Western Cape Department of Health.

Corporate governance overview

He is the recipient of numerous awards in recognition of his work in HIV and TB, including a Knight of French National Order of Merit received in 2022.

As a urology specialist, Dr Raymond Campbell has consulted at the Steve Biko Academic Hospital and Dr George Mukhari Academic units for more than 15 years. He was the founding partner of the multi-disciplinary pelvic wellness unit at the Pretoria Urology Hospital and is passionate about preparing the next generation of clinicians as he is actively involved in the postgraduate training programme and remains an examiner for the College of Surgeons. An advocate of quality healthcare for all, Raymond launched a CSI programme in the Eastern Cape to support men who have complications from circumcisions. To date, his team have completed more than 50 reconstructions.

A statement was issued on 12 August 2024 that two Board members, Joel Netshitenzhe and Lars Holmqvist, would retire from the Board at the upcoming AGM in February 2025. With the merging of the Risk, Compliance and IT Governance Committee into the Audit and Risk Committee, Joel joined the newly constituted Audit and Risk Committee to ensure appropriate oversight of risk. His extended tenure has been deliberate to allow for a smooth transition.

Board diversity

The diversity policy guides the Nominations and Governance Committee when recommending new appointments to the Board. The focus is on recruiting diverse skills and expertise while considering gender,

ethnicity and age. Four out of six Committees are chaired by women, and our lead independent director is an accomplished professional woman.

The Board's diversity policy can be found on our [website](#).

Rotation of directors

In accordance with the Company's MOI, one-third of the Board will retire and be up for re-election at the upcoming AGM. The directors who will stand for re-election are Prof Marian Jacobs, Adv Mahlape Sello and Audrey Mothupi. The appointments of the two new directors, Dr Fareed Abdullah and Dr Raymond Campbell, will also be confirmed.

Joel Netshitenzhe and Lars Holmqvist will be stepping down after the 2025 AGM, and the Company's profile in terms of director tenure will change.

Induction

Over the past few years, the composition of the Board has significantly evolved in line with succession plans. The plans were deliberately put in place to ensure a phased approach in onboarding new directors, bearing in mind the institutional knowledge being lost with the retirement of longer-standing directors. To this end, the induction programme for new directors provides comprehensive oversight of the business as they not only engage with the management and executive team but also visit various facilities to understand how operations are run. This is in addition to the statutory training provided to the Board on the JSE Listings Requirements and an orientation around the Company's founding documents.

The Nominations and Governance Committee reviews the programme annually to ensure it remains relevant and enables a deeper understanding of the business and meaningful contributions at meetings.

Board evaluation and skills

An external evaluation of the Board was conducted in 2023. An internal evaluation performed in 2024 found that the Board operates effectively, with collegial relationships among members allowing for open and honest discussions.

The Board will continue developing its skills and expertise by inviting subject matter experts to explain the latest trends and/or legislation in the corporate environment and their impact on the healthcare industry.

Key Board focus areas for 2024

- Realising shareholder value through the AMG disposal
- Overseeing the delivery of the Life 2.0 strategic plan and revised management structure
- Overseeing the continued focus on sustainable operational delivery
- Monitoring the roll-out and progress of the integrated value-based care products
- Overseeing continuous improvement in clinical quality and patient experience measures
- Monitoring initiatives to promote diversity and inclusion and embed the revised EVP across the Company
- Reviewing plans to educate the market on the LMI value proposition

Board and Committee attendance in 2024 – scheduled meetings

Meeting	Audit [^]	Board	Investment	Nominations and Governance	Human Resources and Remuneration	Risk, Compliance and IT Governance [^]	Social Ethics and Transformation	Clinical	Audit and Risk	% Attendance
Members										
Dr JE Bolger		4/4	4/4					4/4		100%
PJ Golesworthy [#]	1/1	1/1	1/1	1/1		1/1				100%
CM Henry	3/3	4/4	4/4*				3/3		1/1	100%
LE Holmqvist	2/3	4/4	4/4						1/1	92%
Prof ME Jacobs		4/4				3/3	3/3	4/4*		100%
Dr VL Lithakanyane		4/4*	4/4	3/3*				4/4		100%
TP Moeketsi	2/2	4/4	4/4		5/5	3/3			1/1	100%
AM Mothupi [•]		4/4			5/5*	3/3	3/3		1/1	100%
JK Netshitenzhe [°]		4/4		0/1		3/3*	3/3		1/1	92%
Adv M Sello		4/4		3/3	5/5	3/3	3/3*			100%
GC Solomon [#]		1/1	1/1		2/2			1/1		100%
F Tonelli	3/3*	4/4		3/3	5/5	2/2			1/1*	100%
PP van der Westhuizen		4/4	4/4			3/3				100%
PG Wharton-Hood		4/4	4/4			3/3	3/3	4/4		100%
% Overall attendance	92%	100%	100%	91%	100%	100%	100%	100%	100%	99%

Board and Committee attendance in 2024 – ad hoc meetings

Meeting	Audit	Board	Investment	Human Resources and Remuneration	Audit and Risk	% Attendance ^Δ
Members						
Dr JE Bolger		4/4	4/4			100%
PJ Golesworthy [#]	4/4	2/2	1/1			100%
CM Henry	4/4	4/4	4/4*		1/1	100%
LE Holmqvist	2/4	2/4	1/4		0/1	33%
Prof ME Jacobs		3/4				75%
Dr VL Lithakanyane		4/4*	4/4			100%
TP Moeketsi		4/4	4/4	5/5	1/1	100%
AM Mothupi [•]		3/4		5/5*	1/1	90%
JK Netshitenzhe		4/4			1/1	100%
Adv M Sello		2/4		5/5		78%
GC Solomon [#]		2/2	1/1	5/5		100%
F Tonelli	4/4*	4/4		4/5	1/1*	93%
PP van der Westhuizen		4/4	4/4			100%
PG Wharton-Hood		3/4	3/4			75%
% Overall attendance	88%	87%	87%	96%	83%	90%

* Chairman.

Retired as Board member on 22 February 2024.

• Appointed to the Audit and Risk Committee on 1 July 2024.

° Appointed to the Audit and Risk and Nominations and Governance Committees on 1 July 2024.

^ The Audit Committee and the Risk, Compliance and IT Governance Committee were dissolved by the Board on 21 May 2024.

Δ Ad hoc meetings are occasionally called at very short notice, influencing the ability of directors to attend.

Corporate governance overview

Board Committees

Risk, Compliance and IT Governance Committee

Joel Netshitenzhe (Chairman)

The Committee oversees and ensures that the Company has implemented an effective policy and plan for risk management and compliance which encompasses the inclusion of opportunities and associated risks to be considered when developing the Company's strategy. The Committee assists the Board in positioning the approach for managing and addressing risk, compliance, and IT governance while adopting a stakeholder-inclusive stance. In addition, the Committee oversees IT strategy and related risks.

Key outcomes for 2024

- Considered crisis management plans and business continuity plans in light of load shedding, potential grid failure and the water crisis
- Oversight of the management of the risks faced by the business and the action plans implemented to mitigate these risks
- Oversight of the cell captive arrangement which replaced insurance in certain areas of the business
- Reviewed Health Policies, which included amendments to the Health Professions Council of South Africa (HPCSA) ethical rules and the progress of the NHI Bill
- Implementation of the Botswana Data Protection Act
- Approval of the Combined Assurance Plan
- Oversight of the IT network modernisation and Cloud migration projects
- Approved the IT Strategy which is aligned with business priorities, with a focus on data quality and security
- Review of cyber-security controls and cyber-architecture
- Monitored training awareness on cyber-security
- Approval of the Risk Appetite Framework and the Compliance Framework
- Approval of the Risk Management Strategy and Plan
- Approval of the Enterprise Risk Management Policy and Framework

The Committee was dissolved on 21 May 2024.

Read more about our risks and how we manage them on [page 64](#).

Read more about our material matters on [page 20](#).

Members

Peter Golesworthy*
 Prof Marian Jacobs
 Paul Moeketsi
 Audrey Mothupi
 Adv Mahlape Sello
 Fulvio Tonelli**
 Pieter van der Westhuizen
 Peter Wharton-Hood

Permanent invitees

Dr Victor Litlhakanyane
 Brett Mill
 Asanda Myataza

* Retired 22 February 2024

** Appointed 1 January 2024

Independence

75%

Attendance

100%



Audit Committee **Fulvio Tonelli (Chairman)***

The Committee is constituted as a statutory committee and has an independent role with accountability to both the Board and shareholders. The Committee supports the Board in discharging its governance oversight duties, which include the safeguarding of assets and the operation of adequate and effective systems and control processes.

The Committee oversees the effectiveness of the Company’s external and internal audit assurance functions. It also oversees the preparation of the integrated annual report and annual financial statements to ensure these comply with legal and regulatory requirements and accounting standards.

Key outcomes for 2024

- Accounting for the disposal of AMG in terms of IFRS 5 and approval of the shareholder circular
- Approval of the integrated annual report, annual financial statements, trading updates and trading statement
- Approval of half-year and year-end dividend distributions
- Approval of the special dividend distribution post AMG disposal transaction
- Consideration of the key areas of judgement, assumptions and impairments as well as bank covenants
- Consideration of the JSEs 2024 Proactive Monitoring Report
- Approval of the internal audit plans and consideration of the internal audit opinion on the internal control environment
- Oversight of the key finance initiatives across the Company
- Regular updates on the IT environment relating to internal controls and financial reporting
- Review of the recovery from the IT infrastructure hardware failure in March/April 2023

Additional information, including the 2024 annual financial statements, Audit Committee report, and circular to shareholders regarding the AMG transaction, is on our [website](#)

Members

- Peter Golesworthy**
- Caroline Henry
- Lars Holmqvist
- Paul Moeketsi***

Permanent invitees

- Dr Victor Litlhakanyane
- Brett Mill
- Asanda Myataza
- Pieter van der Westhuizen
- Peter Wharton-Hood

- External audit
- Internal audit

* Appointed 1 January 2024
 ** Retired 22 February 2024
 *** Appointed 1 July 2024

Independence

100%

Attendance

89%

(overall)

92%

(scheduled meetings)

88%

(ad hoc meetings)

With the disposal of AMG, it was acknowledged that the Company was now smaller and the Nominations and Governance Committee conducted a review of all the Committees. It was found that risk was discussed in several Committees, and not just in the Risk, Compliance and IT Governance Committee and in this way the risk discussion was in fact duplicated. On this basis, it made sense to have a standing risk agenda item in a majority of the Committees with the Audit Committee taking overarching responsibility for risk. In this framework, the Board agreed to merge the Risk, Compliance and IT Governance Committee with the Audit Committee in May 2024.

Corporate governance overview

Audit and Risk Committee

Fulvio Tonelli (Chairman)

The Committee is constituted as a statutory committee and has an independent role with accountability to both the Board and shareholders. The Committee supports the Board in discharging its governance oversight duties, which include the safeguarding of assets and the operation of adequate and effective systems and control processes.

The Committee oversees the effectiveness of the Company's external and internal audit assurance functions. It also oversees the preparation of the integrated annual report and annual financial statements to ensure these comply with legal and regulatory requirements and accounting standards.

Key outcomes for 2024

- Approval of the Internal Audit Charter and Internal Audit plan for FY2025
- Approval of the external auditors' plan and fee for FY2025
- Approval of the Tax Policy
- Evaluating proposals for new acquisitions and new lines of business
- Evaluation and input in relation to hedging proposals
- Oversight of the key finance initiatives across the Company
- Reviewing IT risk report and IT audit update for the Company
- Oversight on the Company's compliance with legislation, in both the southern African and international businesses

Additional information including the 2024 annual financial statements, Audit and Risk Committee report, and circular to the shareholders regarding the Alliance Medical Group transaction, can be found on our [website](#)

Read more about our risks and how we manage them on [page 64](#).

Read more about our material matters on [page 20](#).



Members

Caroline Henry
Lars Holmqvist
Paul Moeketsi
Audrey Mothupi**
Joel Netshitenzhe**

Permanent invitees

Dr Victor Litlhakanyane
Brett Mill
Asanda Myataza
David Price
Pieter van der Westhuizen
Peter Wharton-Hood

External audit
Internal audit

* Committee formulated on 21 May 2024

** Joined the Committee on 1 July 2024

Independence

100%

Attendance

92%

(overall)

100%

(scheduled meetings)

83%

(ad hoc meetings)


Clinical Committee **Prof Marian Jacobs (Chairman)**

The Committee provides oversight and strategic guidance to assist the Board in promoting a culture of clinical excellence and ensuring continued improvement in patient safety, clinical quality and patient experience. It ensures that clinical initiatives align with the Company's overall strategy and comply with its ethical standards and obligations.

The Committee provides external oversight of the Company's clinical governance arrangements and country-specific clinical and medical regulatory compliance. It ensures that appropriate measures are in place to monitor and promote excellence and continued improvement in patient safety, clinical outcomes and patient experience across the Company.

Key outcomes for 2024

- Review of programmes established for nursing wellness and training
- Received reports on patient experience and safety within the hospitals and the steps taken to continually improve clinical excellence in our acute and complementary services
- Review of governance structures within the hospitals and regions to ensure adequate oversight of clinical processes and patient outcomes
- Oversight of patient metrics in the international business, including externally reportable incidents and scan turnaround times
- Receipt of the medico-legal report
- Regular updates on the performance of doctors working in our facilities
- Review of the clinical governance framework

Read more about our quality and safety performance on  page 140.

Employee training information can be found in our [sustainability report](#).

Members

- Dr Fareed Abdullah**
- Dr Jeanne Bolger
- Dr Raymond Campbell**
- Dr Victor Litlhakanyane
- Garth Solomon*
- Peter Wharton-Hood

Permanent invitees

- Craig Koekemoer
- Brett Mill
- Merle Victor

* Retired 22 February 2024
 ** Appointed 12 August 2024

Independence

100%

Attendance

100%



Corporate governance overview


Human Resources and Remuneration Committee

Audrey Mothupi (Chairman)

The Committee assists the Board in ensuring the Company remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term while adopting a stakeholder-inclusive approach. It ensures the Company has a clear remuneration philosophy and human resource strategy.

Key outcomes for 2024

- Shareholder engagement on the Company's remuneration and implementation report
- Review of the Company's remuneration policy
- Implementation and embedding of the Company's SIP
- Review of diversity and inclusion across the Company
- Approval of the newly introduced CFROI policy
- Onboarding Life Renal Care employees
- Successful roll-out of the two-pot system by educating and engaging with employees
- Winding-up the AMG disposal transaction in terms of payments
- Review of head office structures following the disposal of AMG

Read more about our remuneration policy on  page 75 and in our [remuneration report](#).

Read more about diversity and inclusion in Our people from  page 111.

Members

Paul Moeketsi
Adv Mahlape Sello
Garth Solomon*
Fulvio Tonelli

Permanent invitees

Dr Victor Litlhakanyane
Avanthi Parboosing
Peter Wharton-Hood

* Retired 22 February 2024

Independence

100%

Attendance

98%

(overall attendance)

100%

(scheduled meetings)

96%

(ad hoc meetings)



The Committee evaluates the Company's investment and funding initiatives to ensure they align with Company strategy with due regard to changes in the market environment. It assesses risk exposure in relation to key investments, acquisitions, asset disposals and funding matters.

Key outcomes for 2024

- Approval of the Company's budget
- Monitoring of funding plans and related debt facilities
- Monitoring of investment outcomes by conducting post-investment reviews
- Evaluation of proposals for new acquisitions and new lines of business
- Evaluation and input in relation to hedging proposals
- Review of the domestic medium-term note programme
- Consideration of the proposed transaction principles and metrics in relation to the disposal of AMG
- Assessment of the efficient use of the funds during the AMG disposal transaction and ultimate special distribution proposal on the conclusion thereof
- Evaluation and interrogation of the proposed transaction principles and metrics in relation to the agreement with Lantheus to sub-licence RM2 (Bombesin)
- Extensive engagement, evaluation and interrogation of the proposed transaction principles for the disposal of Life St Mary's Private Hospital
- Review of the CFROI principles and approved the framework for the business

Members

Dr Jeanne Bolger
 Peter Golesworthy*
 Lars Holmqvist
 Dr Victor Lithakanyane
 Paul Moeketsi
 Garth Solomon*
 Pieter van der Westhuizen
 Peter Wharton-Hood

Permanent invitees

Craig Koekemoer
 Brett Mill
 Asanda Myataza
 Adam Pyle

* Retired 22 February 2024

Independence

78%

Attendance

93%

(overall attendance)

100%

(scheduled meetings)

87%

(ad hoc meetings)

Corporate governance overview

Nominations and Governance Committee

Dr Victor Litlhakanyane (Chairman)

The Committee assists the Board in discharging its responsibilities with respect to group-wide governance, Board succession and effectiveness. The Committee ensures that new directors receive a comprehensive induction and that suitable director development training is provided. It monitors the adequacy and effectiveness of the Company's corporate governance structures and processes and oversees the annual review of the DoA and governance framework.

Key outcomes for 2024

- Appointment of two new directors to the Board in line with succession planning
- Oversight in relation to the governance aspects of the AMG disposal
- Review the external evaluation of the Board
- Review of the induction programme for new directors
- Review of the Board Charter, governance framework and DoA
- Ensuring that the Company met its obligations in relation to the Companies Act and JSE Listings Requirements
- Reviewed the independence of the Board and considered the declarations made by directors in respect of conflicts of interest
- Evaluated the performance of the CE and company secretary

Read more about our Board composition and changes on [page 48](#).

Members

Peter Golesworthy*
Adv Mahlape Sello
Joel Netshitenzhe**
Fulvio Tonelli

Permanent invitee

Peter Wharton-Hood

* Retired 22 February 2024

** Appointed 1 July 2024

Independence

100%

Attendance

91%

Social, Ethics and Transformation Committee

Adv Mahlape Sello (Chairman)

The Committee ensures that the Company's activities support its intent to be a responsible corporate citizen and assists the Board in setting the tone for an ethical organisational culture. It does this by overseeing the Company's approach and the way business is conducted with due regard to value creation in society.

The Committee is constituted as a statutory committee. As required by King IV™, it monitors and reviews the Company's reports on ethics and business integrity, transformation, sustainable development, CSI and stakeholder inclusivity.

Key outcomes for 2024

- Finalisation of the ESG targets for the Company
- Review information in relation to diversity and inclusion
- Oversight of matters reported to the whistle blowing hotline and the Ethics Office
- Oversight of CSI

Read more about our ESG targets and CSI projects in our [sustainability report](#).

Read more about diversity and inclusion in our governance overview ([page 48](#)), people section ([page 111](#)) and [sustainability report](#).

Members

Caroline Henry
Prof Marian Jacobs
Audrey Mothupi
Joel Netshitenzhe
Peter Wharton-Hood

Permanent invitee

Dr Victor Litlhakanyane

Brett Mill

Avanathi Parboosing

Independence

100%

Attendance

100%

The ethics imperative and whistle blowing

The Company has a tip-off line for all operating jurisdictions in addition to an ethics office. The tip-off line is widely advertised, and whistle blowers are given comfort that reports are made in good faith and protected in terms of the Protected Disclosures Act.

There continues to be a steady uptick in the number of matters reported to the tip-off line and ethics office as employees gain confidence in reporting matters, they believe may harm the Company. An Ethics Review Committee comprising the chief executive, chief audit executive and company secretary was established. The Committee interrogates the matters reported and provides quarterly reports to the Social, Ethics and Transformation Committee. The code of conduct was amended in 2024, and training on the code is an important part of the induction process.

Company Secretary

The company secretary, Joshila Ranchhod, holds a law degree and is an admitted attorney with over 20 years' experience in the corporate environment. She joined the Company in 2019 and was appointed company secretary in 2021. An external evaluation of her performance was conducted in 2023, and is done so every three years, with an internal evaluation performed in 2024. The evaluation found that she supported the Board with the necessary advice and expertise and executed her responsibilities with the highest level of integrity and professionalism.

Governance embedded in our business

Conflicts of interest

Directors are required to make a declaration of conflicts of interest annually. The document is updated as and when it may be required, and a mandatory review is conducted before each Board meeting.

Codes, regulation, and compliance

In line with our code of conduct and international compliance best practices, Life Healthcare has developed and implemented a robust compliance framework to guide compliance assurance activities within the business. Central to the effective implementation of this framework is the identification and management of our regulatory universe, along with specific compliance risk management plans for material legislation. These plans are regularly reviewed, and reports on the status of compliance are provided to the Audit and Risk Committee and the Social, Ethics and Transformation Committee.

We are pleased to report that there were no significant or repeated regulatory penalties, sanctions or fines for non-compliance with statutory obligations for the year under review.

Given the nature of our business and the significant amounts of sensitive information we process, a key focus area for the compliance and privacy department is the appropriate handling and processing of healthcare information in line with the Protection of Personal Information Act (POPIA) and international best practices. Life Healthcare fosters a culture of privacy awareness to protect the rights of all data subjects processed within our environment. This is achieved through effective systems, measures and processes to safeguard personal information. Regular awareness and training sessions are held for departments that handle sensitive information.

Access to healthcare information is a fundamental right, safeguarded and managed through the Promotion of Access to Information Act (PAIA). We have developed and implemented a PAIA management system to streamline the PAIA approvals process, ensuring timely and efficient access to healthcare information. The system also assists with our annual reporting to the Information Regulator.

The Audit and Risk Committee has oversight of technology, and its focus areas align with King IV™. The Committee reviews the effective integration of people, technology, information and processes across the Company, as well as the integration of technology and information risks in group-wide risk management. It also considers cyber-security, outsourced service providers, and the ethical and responsible use of technology and information.

Insider trading

The Company applies strict rules stipulating that executives may not trade in the Company's shares while in possession of price-sensitive information and must obtain prior permission from the chief executive and company secretary should they wish to trade. Further permissions work on the "two over one principle", which requires that employees obtain permission from their managers before they trade. The chief executive and non-executive directors must obtain permission from the Chairman should they wish to trade.

Material litigation

For the year under review, the Company was not involved in any material litigation. The Audit and Risk Committee receives reports on material matters.

Political party contributions

The Company's code of conduct does not permit donations to political parties, and no such donations were made in the year under review.

Board of directors

Non-Executive Directors

Full biographies of our non-executive directors can be found on our [website](#).



Dr Victor Litlhakanyane⁴
Chairman – Independent non-executive

Qualifications
MBChB, Masters in Medicine (Radiotherapy), Masters in Business Administration

Age 59

Appointed
15 April 2020
(appointed to Board)
27 January 2021
(appointed as Chairman)

Committee membership

CC IC NG



Peter Golesworthy¹
Independent non-executive

Qualifications
BA (Hons), Accountancy Studies, CA

Age 66

Appointed
10 June 2010

Retired
22 February 2024

Committee membership

AC IC NG RCIT



Garth Solomon⁴
Independent non-executive

Qualifications
BCom, BCompt (Hons), CA(SA)

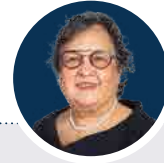
Age 57

Appointed
10 June 2010

Retired
22 February 2024

Committee membership

CC REMCO IC



Prof Marian Jacobs⁴
Independent non-executive

Qualifications
MBChB, Diploma in Community Medicine, Fellow of the College of South Africa (Paediatrics)

Age 76

Appointed
1 January 2014

Committee membership

CC RCIT SETCO



Dr Jeanne Bolger³
Independent non-executive

Qualifications
MB BCh BAU, DCH Dip in Child Health, Cdiip Fin Acc (AACA)

Age 64

Appointed
1 August 2022

Committee membership

CC IC



Caroline Henry⁴
Independent non-executive

Qualifications
BCom, BCompt (Hons), CA(SA)

Age 57

Appointed
1 September 2021

Committee membership

AC ARC IC SETCO



Paul Moeketsi⁴
Independent non-executive

Qualifications
BCom (Hons), CA(SA)

Age 41

Appointed
23 February 2023

Committee membership

AC ARC REMCO IC RCIT



Fulvio Tonelli⁴
Independent non-executive

Qualifications
BCom (Hons), CA(SA)

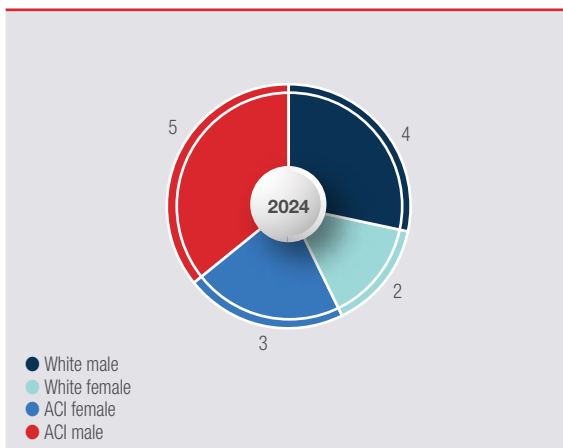
Age 64

Appointed
01 April 2023

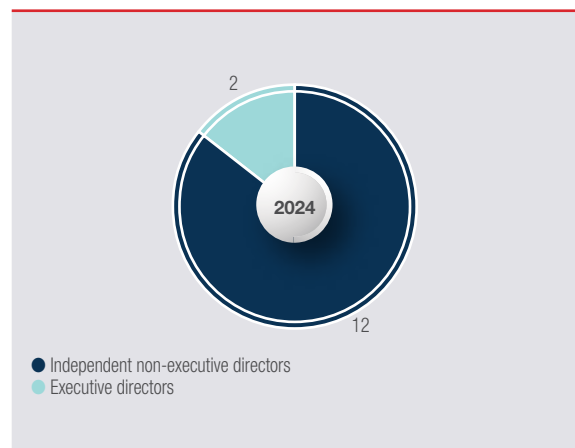
Committee membership

AC ARC REMCO NG RCIT

Board composition – diversity
(as at 30 September)



Board composition – independence
(as at 30 September)





Joel Netshitenzhe⁴

Independent non-executive

Qualifications

Dip PolSci, PGDip (Economic Principles), MSc

Age 67

Appointed

30 November 2010

Committee membership

ARC NG **RCIT** SETCO



Audrey Mothupi⁴

Independent non-executive

Qualifications

BA (Hons) PolSci

Age 54

Appointed

3 July 2017

Committee membership

ARC **REMCO** RCIT SETCO



Adv Mahlape Sello⁴

Lead Independent non-executive

Qualifications

LLB (Wits), Master of Arts and Law

Age 62

Appointed

3 July 2017

Committee membership

REMCO NG RCIT **SETCO**



Lars Holmqvist²

Independent non-executive

Qualifications

BA Economics, International Executive Programme

Age 65

Appointed

1 August 2022

Committee membership

AC ARC **IC**



Dr Raymond Campbell⁴

Independent non-executive

Qualifications

MChB, MMed (Urology), FSC (Urology)

Age 48

Appointed

12 August 2024

Committee membership

CC



Dr Fared Abdallah⁴

Independent non-executive

Qualifications

MChB, BSc (Epi) (Hons), FCPHM, Dip HIV, DSc (hc)

Age 61

Appointed

12 August 2024

Committee membership

CC

Board Committees

Audit Committee (**AC**) (1 October 2023 – 21 May 2024)

Audit and Risk Committee (**ARC**) (with effect from 21 May 2024)

Clinical Committee (**CC**)

Investment Committee (**IC**)

Nominations and Governance Committee (**NG**)

Risk, Compliance and IT Governance Committee (**RCIT**) (1 October – 21 May 2024)

Human Resources and Remuneration Committee (**REMCO**)

Social, Ethics and Transformation Committee (**SETCO**)

Peter Golesworthy retired from the Board on 22 February 2024.

Garth Solomon retired from the Board on 22 February 2024.

Chairman

¹ British

² Swedish

³ Irish

⁴ South African

Executive Directors



Peter Wharton-Hood⁴

Chief Executive – CE

Qualifications

BCom Business (Hons), CA(SA)

Age 59

Appointed

1 September 2020

Committee membership

CC **IC** **RCIT** **SETCO**



Pieter van der Westhuizen⁴

Executive – CFO

Qualifications

BCom Accounting (Hons), CA(SA)

Age 53

Appointed

1 June 2013

Committee membership

IC **RCIT**

Executive leadership team

Full biographies of our executive leadership team can be found on our [website](#).



Peter Wharton-Hood

Chief Executive (CE)

Qualifications
CA(SA)



Pieter van der Westhuizen

Chief Financial Officer (CFO)

Qualifications
CA(SA)



Adam Pyle

Chief Strategy and Growth Officer

Qualifications
BCom, LLB



Craig Koekemoer

Chief Operations Officer

Qualifications
CA(SA)



Merle Victor

Chief Nurse Officer

Qualifications
PG Dip Business Management, Dip General Nursing and Midwifery, Certificate Neonatal Nursing Science (*cum laude*)



Brett Mill

Chief Actuary and Risk Officer

Qualifications
BEconSC, FFA, FASSA



Avanthi Parboosing

Chief People Officer

Qualifications
BA (Hons), Masters (Political Science and International Relations)

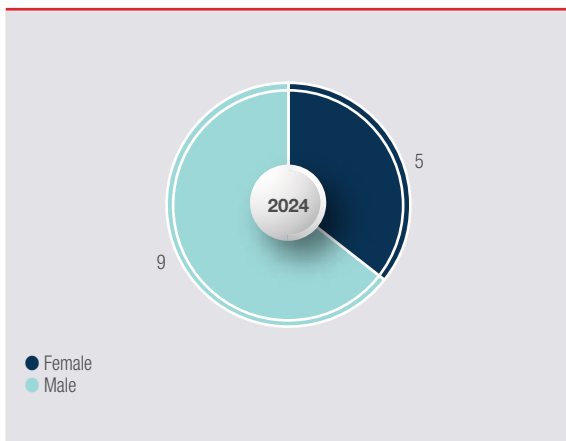


Joshila Ranchhod

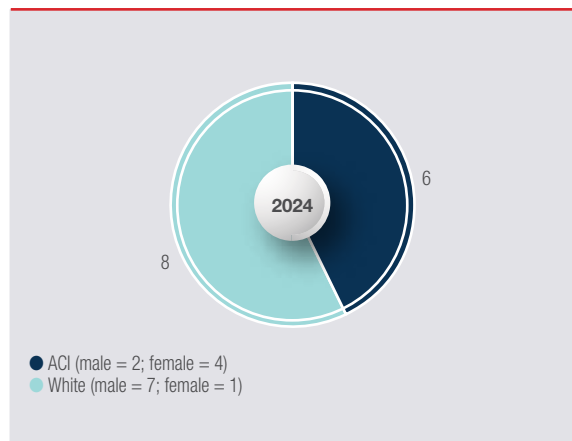
Company Secretary

Qualifications
BA, LLB

ExCo composition – gender



ExCo composition – diversity





Riedwaan Jabaar

Chief Executive: Life Renal Dialysis and Life Integrated

Qualifications

BSc, PDBA, MBA



Pennie Phillips

Marketing & Communications, Change and Life Health Solutions Executive

Qualifications

ICSA (SA)



Asanda Myataza

Finance Executive

Qualifications

CA(SA)



Kurt Wylie

New Business Executive

Qualifications

CA(SA)



David Price

Chief Information Officer

Qualifications

BSc (Eng) MBA



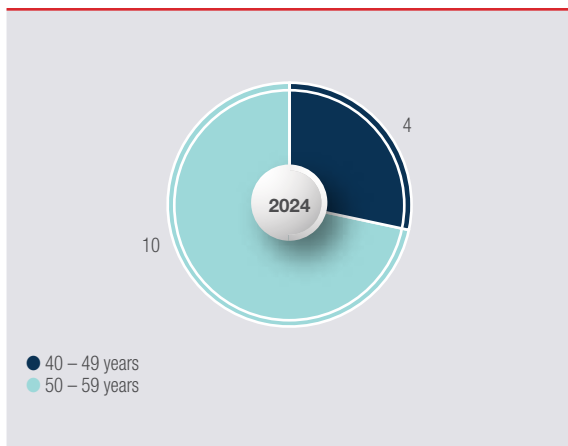
André Joseph

Funders, Product Development and Health Policy Executive

Qualifications

B.Pharm, MSc Public Health

ExCo composition – age distribution



How we manage risk

Our risk management processes are fundamental to our business and align with our core values and strategic focus areas.

Risk management

We face many risks and opportunities in our day-to-day operations. We carefully manage these risks and capitalise on related opportunities to ensure our business remains sustainable and profitable.

The Board is ultimately responsible for governing enterprise risk management and ensuring that effective and robust enterprise risk management frameworks and processes are in place. The Audit and Risk Committee (ARC) and the risk function support and assist the Board with the Company's risk management. See [page 54](#) for more information on the ARC.

Our risk management function is centralised and provides oversight under the leadership of the chief actuary and risk officer. Our risk governance and combined assurance models are based on three lines of defence to ensure accountability and to distinguish between owning, managing or overseeing risks or providing independent assurance.

Our LMI business operates in a highly regulated environment in which many of the material risks are technical. Management has set up structures and processes to meet the stringent regulatory requirements. Oversight of LMI's risks by the centralised risk function is in proportion to the risks prevalent in this business.

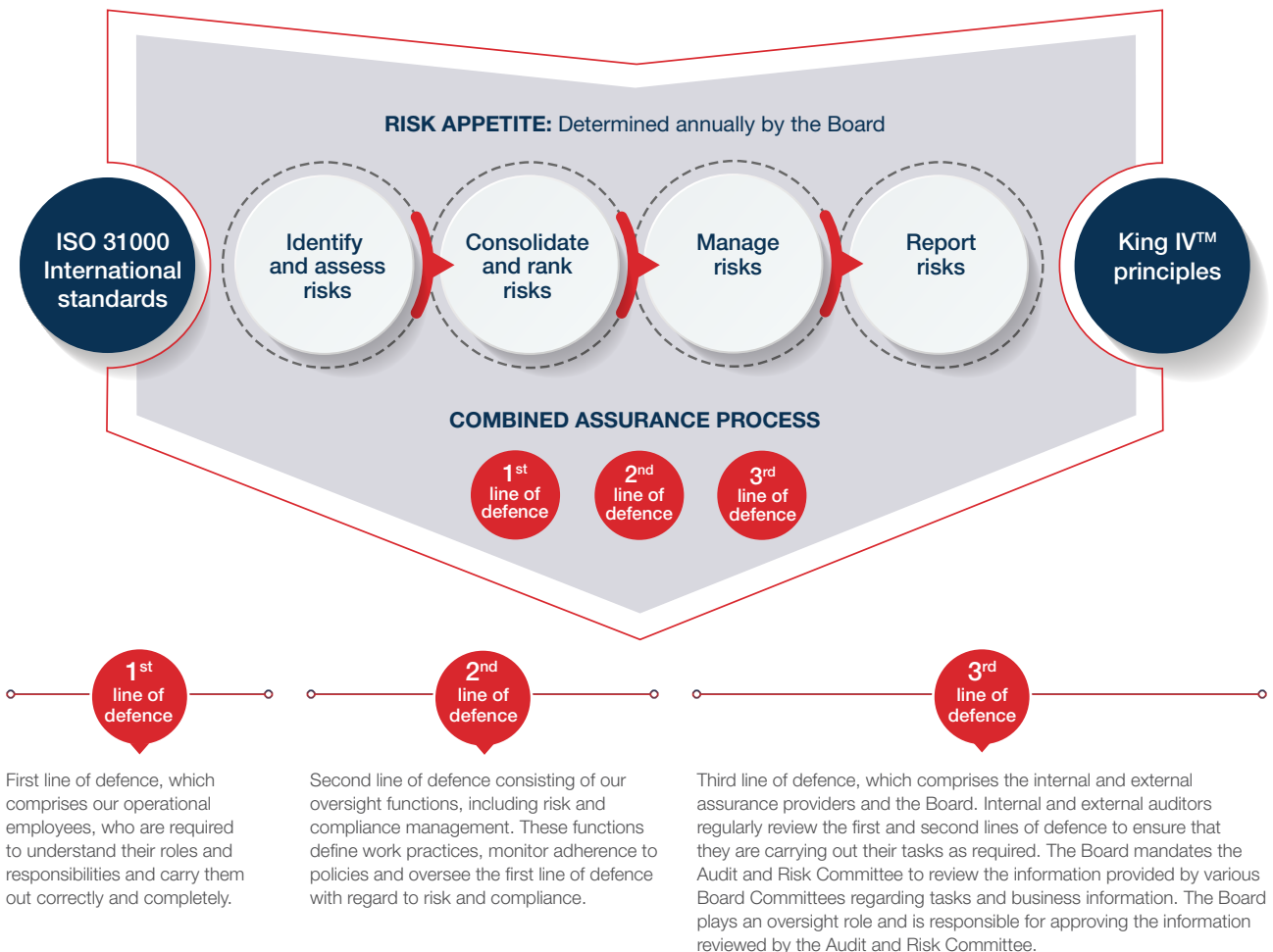
Risk management process

Our enterprise risk management process is seamlessly integrated into our business approach. We recognise that risks can be complex and interconnected, which is why we adopt a holistic approach to risk

management. Consistent application of the risk classification process ensures that all potential risks are effectively identified and measured during strategy development and across all business operations.

We identify key risks through a combination of bottom-up and top-down methodologies. The key risks inform the establishment of our risk appetite and tolerance levels. By thoroughly assessing these risks, we ensure that management addresses the Board's concerns regarding risk. This systematic approach facilitates effective reporting and compliance with applicable laws and regulations and mitigates potential reputational risks.

We periodically review our enterprise risk management process to incorporate current and emerging best practices, relevant risk research findings, industry trends and changes in regulation.



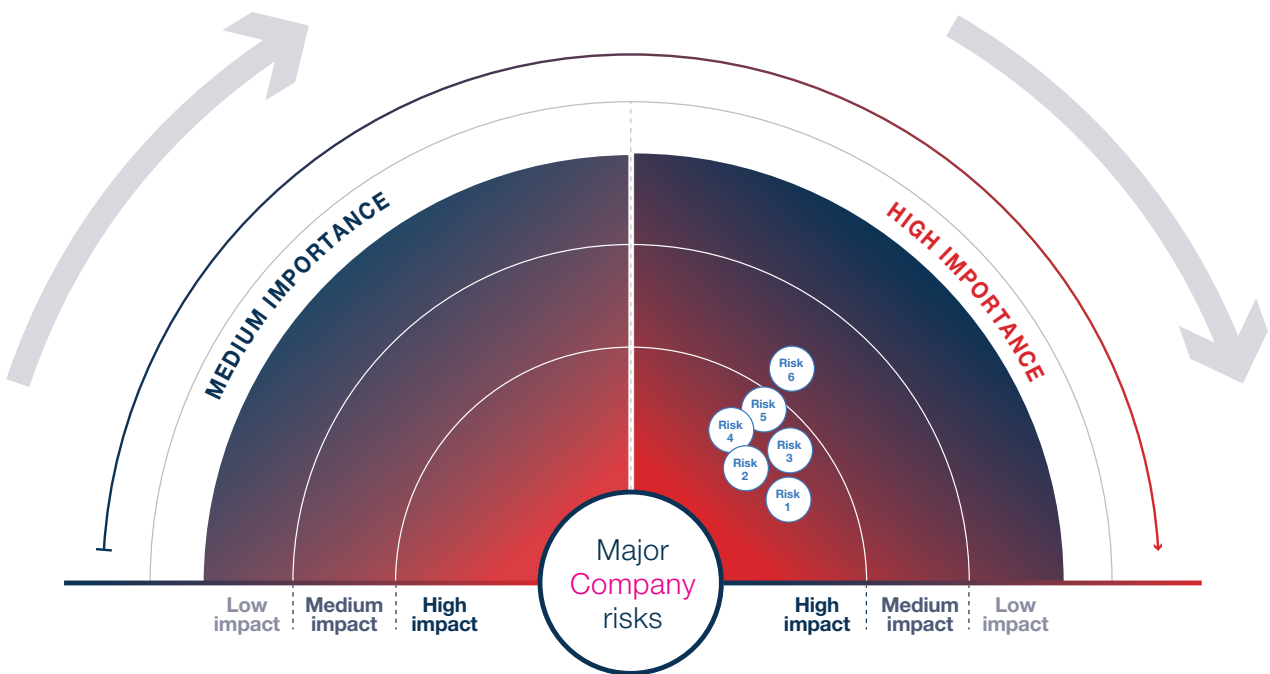
Risk appetite

Effective risk management hinges on the precise definition of risk appetite and tolerance levels. The qualitative statements and quantitative metrics related to risk appetite are derived from the Company's business activities and further segmented into measurable tolerance levels.

These quantitative indicators are established through consultation with senior management. The risk function consistently monitors the approved risk appetite, providing updates to the ARC and the Board at least quarterly. In the event of a breach of a risk appetite, immediate escalation to the Board is required.

The risk appetite and tolerance levels undergo comprehensive review at least once a year.






























The Company key risk matrix shows the potential impact of identified top risks (residual and inherent) and their relative importance for the Company's operations.



How we manage risk

Top risks

The table below ranks the Company's top six residual risks (2023: nine risks) as at 30 September 2024.

2024 Risk ranking	2023 Risk ranking	Risk description	Probable short-term trend	Link to strategic pillar	Link to material matters	Line of defence
Risk 1	Risk 1	Human capital (people)	↑	 	  	1, 2
Risk 2	Risk 7	Regulatory and health policy	↔	 	  	1, 2, 3
Risk 3	Risk 4	Macro-economic	↔	 	 	1, 2
Risk 4	Risk 3	Business resilience and continuity	↑	 	   	1, 2, 3
Risk 5	Risk 2	IT systems, cyber-crime and data security	↑	 		1, 2, 3
Risk 6	Risk 6	Changing business environment	↑	   	 	1, 2, 3

Change in short-term trends

 Increasing
  Decreasing
  Unchanged

Risk 1

Human capital (people) risk

(2023: 1)

Risk

People are our most important asset. There is a global shortage of clinical and healthcare staff. South Africa has a general shortage of nurses, particularly specialist registered nursing personnel. Some medical specialists are also in short supply in certain regions.

Shortages in these critical skillsets can affect the Group's:

- growth prospects;
- quality of care;
- services offered; and
- sustainability of operations.

How we manage the risk

- Life Healthcare nursing college offers private nursing qualifications
- Use of third-party nursing agencies to augment employee numbers
- Employee redeployment strategy to mitigate temporary shortages
- Enhanced EVP, including employee share schemes, remuneration benchmarking and other benefits
- Clear career pathways with training and development programmes
- Management and leadership development
- Skills enhancement through continuing professional education, internship and assistant programmes
- Succession planning for key positions
- Recruitment and retention strategy for independent medical specialists includes:
 - bursaries and clinical training;
 - continuous professional development;
 - quality improvement initiatives;
 - doctor partnership model; and
 - maintaining world-class infrastructure and equipment at facilities.

More information

Our operating environment

📄 page 14

Corporate governance

📄 page 48

Remuneration-related KPIs

Strategic innovation measures

(see 📄 [remuneration report](#))

Level of control

Medium

Board oversight

REMCO, CC and RCIT

Non-independent assurance

- ExCo
- Quality teams
- HR teams
- Risk and compliance teams

Independent assurance

- Internal audit
- British Standards Institution (BSI)

Key stakeholders impacted



Opportunities

- South African Nursing Council engagement to increase nurse training allocations
- Succession planning to ensure business continuity
- Enhance benefits to attract and retain talent
- Developing critical skills will improve business performance
- Enhancing employee health and wellness through Life Health Solutions

Outlook

This risk could increase in the medium term due to:

- competition for nurses from private and public sector competitors;
- the constraints on nurse training allocations; and
- retirement and emigration.

How we manage risk

Risk
2

Regulatory and health policy risk

↑ (2023: 7)

Risk

The Company complies with all applicable laws and regulations of the countries where we operate.

Changes in government policy, including new legislation such as the NHI Act, or changes in regulations without adequate consultation, can increase costs or decrease revenue and affect the sustainability of our business and undermine the provision of quality healthcare.

How we manage the risk

- Proactively monitor and, where possible, providing input for proposed legislation
- Strategic planning to meet the changing regulatory landscape
- Actively participating in industry association responses to regulatory changes
- Engaging with government decision-makers

More information

Our operating environment

📄 page 14

Corporate governance

📄 page 48

Remuneration-related KPIs

Strategic innovation measures

(see 📄 [remuneration report](#))

Level of control

Medium

Board oversight

ARC

Non-independent assurance

- ExCo
- Health policy teams
- Risk and compliance teams
- Quality teams

Independent assurance

- Internal Audit
- BSI
- Department of Health (DOH)
- Office of Health Standards Compliance (OHSC)
- Department of Employment and Labour
- Department of Social Development (DSD)
- Health Professions Council of South Africa (HPCSA)
- South African Pharmacy Council (SAPC)

Key stakeholders impacted



Opportunities

- Assisting industry bodies in developing solutions through continued engagement with regulators and other relevant bodies
- Enhancing and protecting our reputation through ongoing compliance with laws and regulations
- Transparent engagement processes to enhance our relationships with a variety of stakeholders

Outlook

While the Company is currently well placed to address changing legislative and regulatory requirements and ensure compliance with these requirements, we expect the risk to remain high in the medium term and until there is greater clarity on the implementation of the NHI Act.

Risk
3

Macro-economic risk

 (2023: 4)

Risk

The global economic outlook is uncertain, and geopolitical tensions remain a threat.


A challenging economic environment in South Africa, characterised by slow economic growth, high interest rates and high unemployment, has increased cost pressures on consumers, negatively impacting demand for healthcare.

Due to cost-of-living pressures, consumers are opting out of medical schemes or choosing lower cover or restricted network options. High inflation also leads to increased operating expenses. These dynamics negatively impact the Company's profitability.


How we manage the risk

- Diversified business model offering services across the care continuum
- Regular reviews of strategy and outcomes to determine progress and whether strategic changes need to be made
- Actively monitoring country-specific factors that may impact operations and taking actions to mitigate risks (e.g. interest rate and currency hedging)
- Ongoing engagements with regulators and governments for long-term partnership solutions
- Continued focus on business optimisation programmes

More information

Our operating environment
 page 14

Remuneration-related KPIs

Financial measures
 (see  [remuneration report](#))

Level of control

Low

Board oversight

ARC, IC

Non-independent assurance

- ExCo
- Finance and treasury teams
- Risk and compliance teams

Independent assurance

- Independent assurance

Key stakeholders impacted



Opportunities

- Building relationships with local governments and positively impacting the healthcare markets where we operate
- Providing patient-centric care and improving access to care

Outlook

While global inflation has decreased, near-term risks remain that could curtail global growth and increase pressure on living standards and affordability levels. We expect the risk to remain high in the medium term, followed by lower inflation and subsequently looser monetary policy, leading to a turnaround in growth.

How we manage risk

Risk
4

Business resilience and continuity risk



(2023: 3)

Risk

We have an extensive and complex property portfolio. Global and country events pose varying and potentially significant business interruption risks for our business.



In South Africa, the escalating water crisis has increased the possibility of prolonged municipal water outages that would increase operating expenses and impact business operations.

To ensure our business continues to deliver high-quality care and excellent patient experience, we must embed effective processes and structures that enable us to anticipate and respond quickly and precisely to disruptive events, allowing us to adapt to remain sustainable.


How we manage the risk

- Emergency and disaster planning in place with contingency and business continuity plans
- Regular maintenance and upkeep of equipment carried out in line with original equipment manufacturer specifications
- On-site facility and engineering teams
- Internal and external fire assessments, compliance assessments and risk assessments are carried out at all facilities
- Emergency backup generators at facilities for uninterrupted electricity
- Backup water supply at facilities
- Insurance is in place for the replacement of plant and equipment

More information

Natural capital  page 120
See  [sustainability report](#)

Remuneration-related KPIs

ESG and personal measures
(see  [remuneration report](#))

Level of control

Medium

Board oversight

ARC

Non-independent assurance

- ExCo
- Operational management teams
- Property and engineering teams
- Quality teams
- Risk and compliance teams

Independent assurance

- Internal Audit
- BSI
- Asset insurance risk assessors
- Fire department inspections:
Independent electrical and fire assessors

Key stakeholders impacted



Opportunities

- Proactively managing operational risks
- Preventative actions to reduce losses from damage and business disruption
- Reduction of grid-tied electricity and/or water usage will improve the sustainability of our business and contribute to achieving our environmental targets (reduced carbon emissions and water usage)

Outlook

Business resilience and continuity are susceptible to changing global and national political and market conditions. This, coupled with climate change impacts, could affect our business.

We see the risk increasing in the medium term due to the worsening state of public utility providers, but we can mitigate this by investing in renewable energy and backup or alternative water sources at our facilities.

Risk 5

IT systems, cyber-crime and data security risk



(2023: 2)

Risk

The availability and exchange of information are crucial to the delivery of quality care. There is a continued trend towards digitisation as healthcare becomes more patient-centric. Our IT infrastructure and systems must be appropriate and adaptable to respond to this shift.

Cyber-security risks remain high for our business. Healthcare data is valuable, and cyber-criminals are targeting healthcare organisations across the globe to the detriment of patient care. Extra vigilance is required around data security profiles and data accessibility.

The balance between securing data behind a firewall and making it accessible to employees and business partners must shift to support diverse ways of working while keeping business processes and operations moving.

How we manage the risk

- Conduct regular assessments of our IT infrastructure with action plans to implement enhancements
- Ensure software and/or hardware are upgraded/replaced before their end-of-life term
- Develop and implement IT policies to strengthen the control environment
- Manage third-party IT risks through continued contract compliance maturity and monitoring of service delivery
- Contingency and disaster recovery capabilities in place for disruptions
- Chief information security officer with a dedicated IT security team in place
- Monitoring of security events through our 24/7 security operations centre
- Continued information security management system enhancement
- Perform regular risk assessments, including internal and external security assessments
- Ongoing logical and physical IT security controls implementation, including advanced email protection, firewalls, encryption, end-point protection, cyber-security enhancements and personal information protection
- Implemented proactive tools to detect and respond to cyber-threats
- Provide regular information security and cyber-awareness training for employees
- Ensure adherence to the requirements of the General Data Protection Regulation (GDPR) and Protection of Personal Information Act 4 of 2013 (POPIA)

More information

(see [sustainability report](#))

Remuneration-related KPIs

Strategic innovation measures (see [remuneration report](#))

Level of control

Medium

Board oversight

ARC

Non-independent assurance

- ExCo
- IT steering committee
- IT security team
- Risk and compliance teams
- IT management committee and governance teams

Independent assurance

- Internal audit
- BSI
- External audit
- InfoTech

Key stakeholders impacted



Opportunities

- Offer better and more efficient services to our patients by investing in our IT infrastructure, thereby lowering the cost of care while maintaining quality
- Put in place appropriate and effective IT infrastructure and systems to support growth initiatives and performance expectations
- Invest in information security controls to enhance our existing security measures and safeguard our data to provide reassurance to our stakeholders

Outlook

We expect cyber-risk to increase in the short to medium term as the threat of cyber-attacks grows. Despite significant investment in strengthening our security posture, threat actors are quick to find new ways to target businesses and the number of breaches is rising globally. Our maturing cyber-security practices will help minimise the likelihood and impact on the business.

How we manage risk

Risk
6

Changing business environment risk

(2023: 6)

Risk

A dynamic and changing healthcare environment (e.g. changes in the place and level of care, virtual consultations, telehealth, and remote patient monitoring) has significantly ramped up the need for greater healthcare digitisation as consumers look for seamless, easily accessible and integrated physical and virtual care.

This changing landscape requires us to deliver patient-centric care.

An increasingly competitive environment, changing demographics (birth and death rates) and the impact of health technology require us to adjust our strategy to remain relevant and ensure sustainable growth.


How we manage the risk

- Annual strategy reviews and tracking of progress against this risk
- Board approval of the strategy and performance oversight
- Skilled and experienced executive and management team
- Investment and acquisition governance and management
- Business environment scanning
- Product development governance in place with product development initiatives in progress
- Diversified product and service offerings in multiple geographies

More information

- Our operating environment  page 14
- Our strategy  page 32
- Corporate governance  page 48

Remuneration-related KPIs

Strategic innovation measures (see  [remuneration report](#))

Level of control

High

Board oversight

ARC, IC, CC

Non-independent assurance

- ExCo
- New product development steering committees
- Clinical teams
- Medical advisory committees
- Quality teams
- Risk and compliance teams

Independent assurance

- Internal audit
- BSI

Key stakeholders impacted



Opportunities

- Proactively managing strategic and business risks enables agile business decisions, minimises financial loss and promotes competitive differentiation
- Improved engagement with healthcare professionals allows us to deliver patient-centred, quality care to patients

Outlook

Digital transformation and innovative care offerings have become a priority. This risk will likely increase as funders and competitors adapt to the changing demand for healthcare.

Additional risks

In addition to the top risks, we manage other noteworthy risks where we have a high level of control and which we do not foresee increasing in the short to medium term. These are as follows:

Risk 7

Clinical and patient safety risk

 (2023: 8)


Risk

The quality of our services and the safety of our healthcare professionals and patients are of the utmost importance. Failure to consistently deliver safe, high-quality patient care could affect our reputation and sustainability.


How we manage the risk

- A quality management system (QMS) and quality control procedures ensure that we maintain high-quality care through monitoring of clinical performance indicators
- We have acquired QMS certification, and are ISO 9001 and ISO 13485 accredited through the BSI
- Quarterly national quality review meetings
- Regular internal quality assessments at each hospital by the quality systems support specialist
- Ongoing training of employees on quality procedures
- Medical advisory committees established to monitor internal processes and share external perceptions of our quality of care
- Medical malpractice and professional indemnity insurance in place

More information

Safety and quality performance
 page 140

Remuneration-related KPIs

Strategic innovation measures
(see  [remuneration report](#))

Level of control

High

Board oversight

CC, ARC

Non-independent assurance

- ExCo
- Clinical forums
- Clinical teams
- Medical advisory committees
- Quality teams
- Risk and compliance teams

Independent assurance

- Internal audit
- BSI
- DOH
- OHSC
- DSD
- HPCSA

Key stakeholders impacted



Opportunities

- Enhancing the patient experience and protecting our reputation through ongoing focus on quality and safety
- Improving patient care and safety in line with industry best practice through robust engagement with health authorities and specialists
- Continue delivering clinical excellence through a trained and skilled nurse workforce
- Developing clinical products that improve patient outcomes and deliver patient-centric care

Outlook

We expect the risk to remain stable.

How we manage risk

Risk 8

Reputational risk

↑ (2023: 9)

Risk

The Company's reputation and relationships with key stakeholders could be affected by adverse events that occur while employees or other healthcare professionals perform clinical procedures or other related activities. Furthermore, events outside of our control can adversely affect our brand.


How we manage the risk

- Proactive complaints management system in place
- Implementing quality management processes across the business
- Media strategy in place for dealing with complaints raised through the media and other media-related issues

More information

Social capital  page 137

Remuneration-related KPIs

Personal measures
(see  [remuneration report](#))

Level of control

High

Board oversight

SETCO, CC, ARC

Non-independent assurance

- ExCo
- Marketing and communication teams
- Quality teams
- Risk and compliance teams

Independent assurance

- Internal audit
- External communication and media company

Key stakeholders impacted



Opportunities

- Enhancing and protecting our reputation through an ongoing focus on quality and a clear communication strategy
- Continue enhancing our reputation through good corporate citizenship

Outlook

We expect the risk to remain stable.

Remuneration Report

“Our employees’ dedication and contributions are pivotal to Life Healthcare, and they lie at the core of our success. This year’s outstanding financial performance is a direct result of their exceptional efforts.”

In this section, we present an overview of our remuneration philosophy and the remuneration decisions implemented in 2024. We delineate key components of our remuneration policy, its execution, and the ways in which our remuneration framework aligns with and supports our strategic objectives.

Additionally, this report aims to furnish our stakeholders with a clear understanding of our remuneration policy’s evolution over the years, including the challenges encountered and the successes attained.

For further details, and for a more comprehensive overview, the complete remuneration and implementation reports are accessible on our website, offering in-depth insights into our reward framework and our performance in relation to our strategic goals.

Remuneration philosophy

Life Healthcare’s remuneration philosophy aims to provide our employees with more than a job. It also aligns with our core purpose of **Making life better**.

By improving the lives of our employees, we aim to provide better care for our patients and achieve the Company’s strategic objectives.

This report details our unique value proposition for employees at all levels and outlines our performance-driven reward approach. We aim to establish a remuneration framework that acknowledges employee contributions, promotes ethical behaviour, fosters collaboration, and reinforces our commitment to patient safety and excellence in care.

Purpose

To attract, motivate, reward and retain high-calibre talent.

Principles

- Motivate and reinforce superior performance.
- Encourage the development of organisational, team, and individual performance.
- Develop competencies for future business needs.
- Promote and share the success of the Company.
- Balance remuneration mix to ensure Life Healthcare achieves its strategic objectives.
- Be fair and non-discriminatory.

Remuneration and reward objectives

Our remuneration and reward policies and practices aim to be:



Remuneration Report

Outcome

Fair and appropriate reward structures that are sustainable because they promote the achievement of our strategic objectives.

Shareholder engagement

As our remuneration report fell short of the 75% threshold, we proactively undertook robust engagements with our shareholders to understand their concerns, in line with our regulatory obligations. This commitment not only fosters trust but also ensures that we address reservations and enhance our policies in a manner that aligns with the expectations of our valued investors. Through these engagements, we strive to build stronger relationships and cultivate a mutual understanding that benefits all parties involved.

While the voting outcomes for our remuneration and implementation reports still fall short of the required percentage to meet shareholder support, we are pleased to note an improvement in the level of endorsement compared to 2023. This positive trend underscores our commitment to enhancing our reporting disclosures as well as our reward framework to better align with shareholder expectations.

Votes in favour of reports:

Report	2021	2022	2023	2024
Remuneration report	89.71%	62.06%	26.1%	47.45%
Implementation report	63.97%	46.97%	24.9%	49.56%

During our engagements with shareholders, we received positive feedback regarding:

- the improved level of disclosure;
- more detailed information about prior years' remuneration arrangements; and
- the linking of performance pay to Company strategy.

Shareholders' main concerns included the following:

- single incentive plan (SIP): preference for an actual performance metric as opposed to performance against an undisclosed budgeted figure;
- long-term incentivisation: shareholders feel the target for the 2021 LTIP allocation should have been adjusted to negate the impact of COVID-19;
- ESG is not included in incentive schemes;
- financial metrics should carry a higher weighting in incentive schemes;
- how the Company deploys capital and the linkage between financial performance and remuneration; and
- no minimum shareholder requirements.

The Company responded to the concerns raised. Where appropriate, and in consultation between management and the Board, we have made changes to incentive policies and targets to align more closely with shareholder expectations.

For ease of reference, the following key changes were implemented for the FY25 performance period:

- The SIP financial hurdles, as they pertain to EBITA and HEPS, have been revised to the extent that the hurdles are now set against rebased prior year, as opposed to a non-disclosed budget.
- Further, the capital efficiency performance measurement will now be averaged over a two-to-three-year period. It is therefore the Company's intention to measure the average two year CFROI in year two, and the average three-year CFROI in year three, against WACC. This revision is in direct response to shareholders' preference that any capital efficiency metric be measured over a longer period of time.
- Finally, the ESG measures have been further expanded to include performance against environmental and social targets.

Activities and achievements in 2024

As part of our ongoing commitment to employee well-being and equitable compensation, the following key actions regarding salary adjustments for 2024 have been implemented:

- **Increased salary increases for clinical employees:** For retention, clinical employees received higher salary increases compared to their non-clinical and management counterparts, including executive leadership
- **Successful wage negotiations:** We have successfully concluded wage negotiations in collaboration with recognised trade unions, addressing crucial socio-economic issues, including the Company's minimum wage policy
- **Addressing the wage gap:** The general salary mandate for South Africa has placed significant emphasis on socio-economic matters, particularly the Company's minimum wage, which substantially surpasses South Africa's legal requirements. Importantly, the recent increase in our minimum wage exceeds the general salary mandate, reflecting our commitment to fair compensation

The Committee's primary focus for FY2024 was the refinement and implementation of the recently approved SIP, which replaces the Company's long-term incentive plan (LTIP). The SIP is designed as a performance-based reward structure that amalgamates both short-term and long-term incentive schemes into a singular framework. This transition supersedes the previous variable compensation plan (VCP) and LTIP. It is noteworthy that performance metrics will now be evaluated over a one-year period, enhancing alignment between the plan's objectives and annual performance outcomes.

• **Matching share arrangement for prescribed officers**

When the matched share arrangements (MSA) were put in place, the Company had two listed direct competitors and the Total Shareholder Return (TSR) of the Company was to be measured against the average of these two competitors. In respect of the December 2023 (tranche 1) vesting, the original conditions were applied against a single peer as one direct peer delisted during the review period. The performance conditions were not met and after applying discretion as envisaged in the scheme conditions, the Board decided that the tranche would be forfeited by participants.

However, the Board decided, after much time and deliberation, that the scheme conditions had to be revisited in respect of tranches 2 and 3 to take cognisance of the change in the comparator group and to minimise the need for discretion. To this end, the services of an independent adviser, Bowmans, were retained to advise the Board on an appropriate and fair alternative approach. Based on this advice, the Board has amended the scheme conditions as follows in respect of the remaining tranches:

- TSR will be retained as a measure
- Netcare will be retained as a single comparator
- The principle of threshold performance and on-target performance has been introduced where performance threshold is at 75% of the Netcare TSR and on-target performance is at 100% of the Netcare TSR
- At threshold, 30% vesting will occur with 100% vesting at on-target performance. Linear vesting occurs between threshold and on-target performance
- In all instances where the TSR of NTC cannot be calculated due to abnormal market conditions, then the TSR of LHC against NTC will be calculated using the share price based on the 30-day VWAP (trading days) of LHC and NTC, with the end date of the 30-day VWAP being the last day before the abnormal market condition became evident or is announced to the market.

• **LTIPs**

The Board approved an adjustment to the active LTIP, guided by independent external advice, to address the impact of the AMG disposal on the underlying scheme units. This adjustment was essential in ensuring the continued integrity of our remuneration framework, where participants were placed in the same economic position they held prior to the disposal.

- **Employee share plan:** In July 2024, the Company acquired 4 705 440 LHC shares valued at R67.5 million to benefit permanent employees below senior management, as part of our employee share plan (details in the remuneration report). Circa 11 000 employees participate in this employee share plan and enjoy dividend flow year on year.
- **Non-executive directors' remuneration:** An independent benchmarking study conducted by Remchannel provided a foundation for adjustments to non-executive directors' fees in South Africa. The average increases across all Committees was 6%, with the lead independent director receiving a 10% increase, which was subsequently approved at the annual general meeting (AGM) in January 2024. The increases in non-executive fees for the international business were ratified during a special general meeting on 5 July 2022, with the understanding that these fees would only be subject to review in the 2024 financial year. The Board approved an average inflationary increase of 4.5% (German), as detailed in the implementation report.
- **Independent advisory services:** In 2024, we engaged the services of independent advisers, including Bowmans, Remchannel, Khokhela and Deloitte. We are confident that the guidance provided has been both objective and independent, ensuring the integrity of our remuneration decisions.
- **Actual annual remuneration:** In accordance with the Companies Act and to enhance transparency, we disclose the following remuneration data for 2024:
 - Lowest earner: R90 275
 - Median: R339 379
 - Average: R499 187
 - Highest earner: R34 535 467*
- **Diversity and inclusion initiatives**
Promoting diversity and inclusion remains a key priority, particularly at the senior leadership level. Our continued commitment has yielded promising results:
 - Female representation in senior leadership roles has increased by 5% to 52.5% in South Africa, and increased from 30% in FY2020 to 40.9% in LMI.
 - Representation of African, Coloured, and Indian (ACI) employees within the South African business has grown from 48.1% in FY2023 to 49.4%.

* Reported on the basis of payroll remuneration as at 30 September 2024 which differs from the total single figure of remuneration in the implementation report, due to timing differences based on accrual of variable pay compared to cash through payroll.

Remuneration Report

• Executive structure review

A comprehensive review of our executive structure has been conducted, leading to the establishment of a unified ExCo. This new Committee will enhance executive oversight and focus on growth despite the challenging healthcare landscape. ExCo is composed of executives equipped with the necessary competencies to effectively manage business operations and tackle strategic challenges.

We are committed to maintaining the highest standards of corporate governance and ensuring compliance with all relevant laws and regulations. Our remuneration practices align with applicable legislation, including disclosure requirements and shareholder engagement.

Elements of reward

LHC follows a holistic, balanced approach across an array of remuneration elements as set out below:

Remuneration element	Overview	Additional detail
Guaranteed pay	Influenced by scope of the role and the required knowledge, skills and experience required for a position.	Packages are benchmarked against the market median, which is determined through external research. Higher benchmarks, up to the 75th percentile, may apply for critical core skills and key talent. See separate remuneration report page 75 .
Short-term incentives (STI)	Focuses on rewarding the achievement of annually determined strategic, financial and non-financial objectives, including individual performance targets.	Aimed at middle management, this cash-settled incentive is based on performance metrics which are as per the SIP. See separate remuneration report website .
Long-term incentives (LTI)	Designed to motivate long-term sustainable performance, retain business critical and talented employees, while aligning management and shareholder interests.	Historical LTIP allocations for executives and senior managers vest at the end of 2024 and 2025, respectively. This scheme has been replaced by the SIP. See separate remuneration report website .
Single incentive plan (SIP)	Combines short and long-term incentives and reward based on the performance outcomes for each financial year using a balanced scorecard, with both financial and non-financial targets.	<p>Aimed at senior management and executives, settled in cash and deferred shares. See separate remuneration report website.</p> <p>The Board has also approved an exceptional personal contribution multiplier in the SIP, in the event that there is an exceptional event.</p> <p>In essence, an additional SIP individual performance modifier of up to 200% could be awarded to an employee, should the exceptional event create shareholder value of 10% or more of the base value. This will permit an additional 80% of the SIP on-target value to be awarded to an individual who contributes to an exceptional event, although this will be capped to some extent in the case of normal SIP performance above 120%.</p>
Other share schemes	Includes initiatives designed to encourage employee shareholding and retention.	<ul style="list-style-type: none"> • Unvested MSA for selected participants. • Co-investment plan (CIP) as a once-off retention scheme for selected individuals. • Employee share plan for employees under senior management, i.e. who do not participate in the SIP. See separate remuneration report website.
Total reward	Aims to provide competitive and attractive total compensation, with a portion paid over the medium to long term.	

Implementation Report

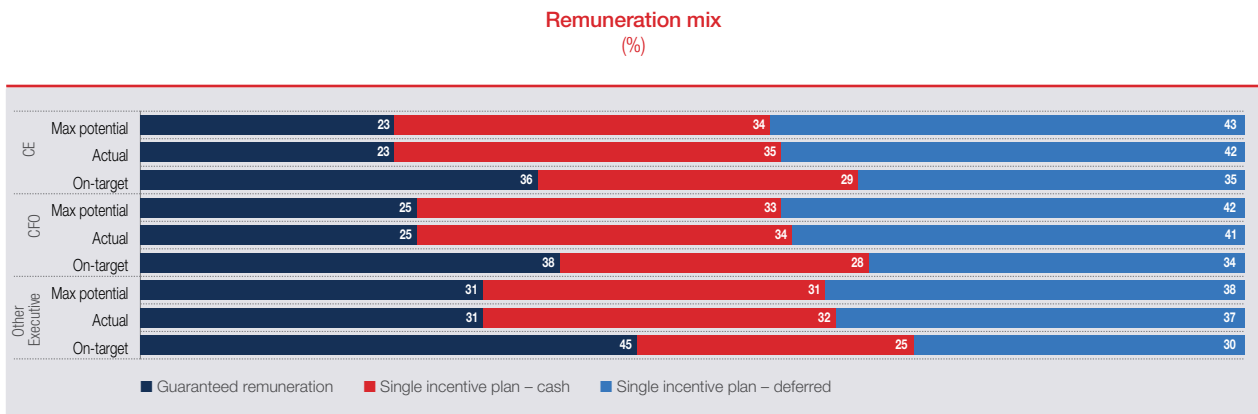
In this section we provide details of the various reward elements that occurring during the current year, broken down into discrete parts:

- Part 1: Guaranteed remuneration (📄 page 79)
- Part 2: Single incentive plan (📄 page 81)
- Part 3: Vesting of the long-term incentive 2021 allocation (📄 page 83)
- Part 4: Historical unvested schemes (📄 page 84)
- Part 5: Vesting of the employee share plan (📄 page 86)
- Part 6: Non-executive director (NED) fees (📄 page 87)

Part 1: Guaranteed remuneration

Pay mix

The total pay mix for executives reporting to the chief executive (CE) under the SIP is depicted graphically below and includes the enhancement applicable during the transition period (effective FY2024 to FY2028).



Employment contracts

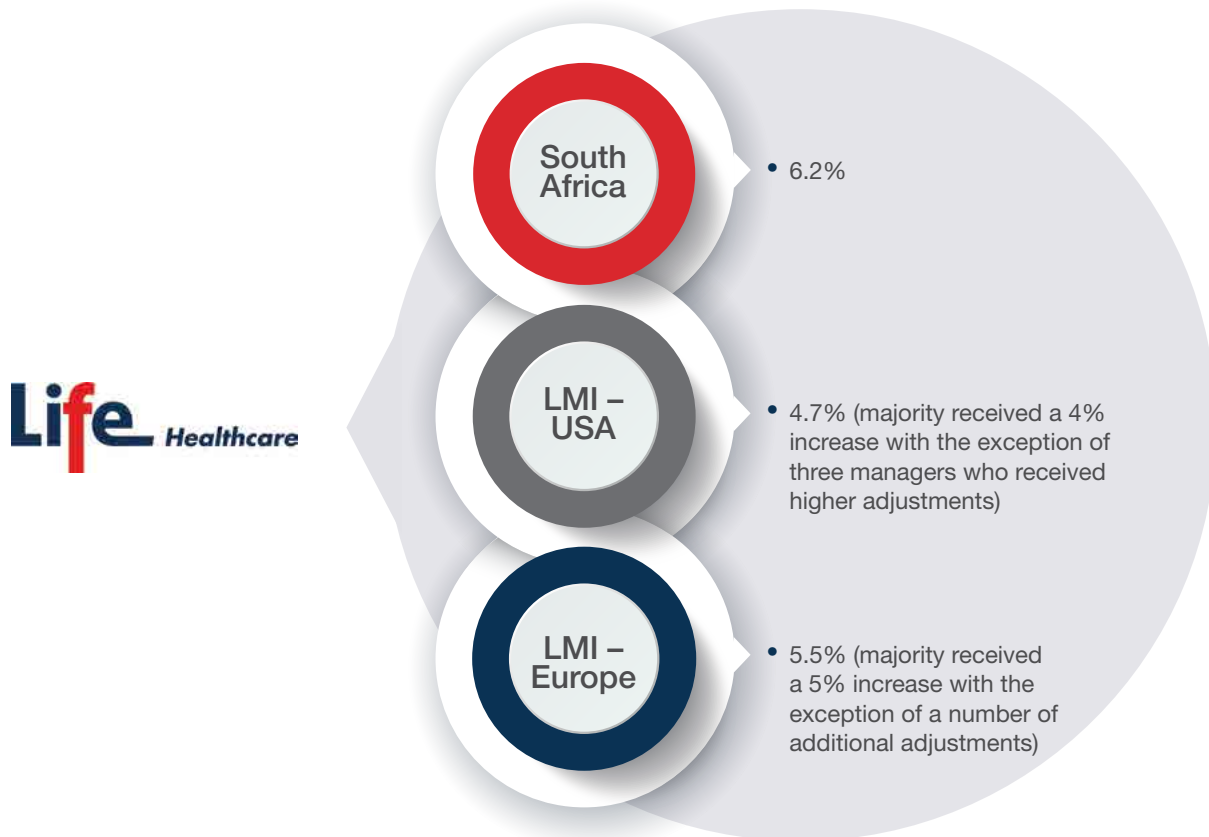
Executive employment contracts are typically set as follows:

- A six-month notice period
- A three-month global restraint of trade
- A twelve-month undertaking to refrain from recruitment of a Life Healthcare employees

Implementation Report

Annual increases

The annual increases granted per country were as follows:



The year-on-year change in guaranteed package (GP) paid to directors is tabled below:

	% change	
Executive directors	6.0	Except for the company secretary, who received a 10% increase due to an expanded portfolio that includes legal
Non-executive directors	6.0	SA – except for the lead independent director, who received a 10% increase due to market lag
	4.5	International – across the board

Total prescribed officers' shareholding

	Total direct shareholding	Value of shareholding as a percentage of guaranteed package ¹
P Wharton-Hood	1 132 017	183%
P van der Westhuizen	767 924	175%
A Pyle	546 283	153%

¹ Using a share price of R16.00 as of 30 September 2024.

Total single figure of remuneration – executive directors and prescribed officers

Payment to prescribed officers for the period 1 October 2023 to 30 September 2024, which includes annual salary adjustments in January 2024, for services rendered, as set out in the table below. It should be noted that these payments reflect cash payments made to or earned by directors during the financial year, and therefore all variable pay components are reflective of performance measurements relating to previous periods.

Prescribed officer R'000	FY	Salaries	Benefits	Guaranteed remuneration	Long-service award	Performance retention shares	Dividends received ²	Director fees ³	VCP/SIP cash earned in FY ⁴	Vesting of long-term incentives ⁵	Early vesting payments at exit	Matching share first vesting	Total other	Single figure remuneration	SIP equity deferred ⁵
P Wharton-Hood	FY2023	8 782	551	9 334	-	-	1 152	56	9 892	-	-	-	11 099	20 433	-
	FY2024	9 327	507	9 834	-	-	10 631	176	14 694	14 752	-	-	40 253	50 087	17 960
P van der Westhuizen	FY2023	6 199	328	6 527	-	-	559	56	5 720	1 722	-	-	8 057	14 585	-
	FY2024	6 587	346	6 933	4	-	5 724	176	9 691	13 017	-	-	28 612	35 545	11 845
A Pyle	FY2023	5 037	226	5 264	1	153	358	-	4 098	1 009	-	-	5 620	10 884	-
	FY2024	5 375	242	5 617	-	-	3 906	-	6 412	9 546	-	-	19 863	25 481	7 837
M Chapman ¹	FY2023	7 316	1 011	8 327	-	-	566	-	5 450	1 275	-	-	7 291	15 618	-
	FY2024 ¹	2 642	323	2 965	-	-	263	-	-	8 626	19 144	2 017	30 049	33 014	-

¹ M Chapman's earnings for FY2024 are based on actual earnings from 1 October 2023 to 31 January 2024 (date of AMG exit). Four-month average rate of £1:R23.438271 used to calculate M Chapman's remuneration.

² Gross dividends that accrued and were paid to prescribed officers in respect of matching and co-investment shares.

³ Directors' fees paid to the CE and CFO for attendance at three international Board meetings during the financial year at £2 500 per meeting. Exchange rate of £1:R23.52.

⁴ Details of the SIP outcomes are detailed in part 2 below.

⁵ Details of the LTIP vesting of the LTIP 2021 allocation at the end of December 2023 are included in part 3 below.

Performance objectives of the executive, refer to the full [remuneration report](#) on page 26.

Part 2: Single incentive plan

Performance outcomes of the SIP for FY2024

Measure	Weighting	Target	% achievement against target	Rating	Reward %	Weighted reward
FINANCIAL						
Group EBITA	30%	Budget	118.04	9	200	60%
Group normalised HEPS	15%	Budget	131.38	9	200	30%
Group CFROI	20%	14.9	Exceeds WACC +2%	9	200	40%
	65%					130%
NON-FINANCIAL						
Life core purpose						
- Core bundle compliance	5%	95%	97.3%	6	100	5%
- Patient satisfaction index	5%	8.40	8.54	6	100	5%
	10%					10%
ESG						
- Reduction in carbon emissions	5%	1 676.50	(4.5)	9	200	10%
	5%					10%
PERSONAL						
Personal performance rating	20%					
	20%					
GRAND TOTAL	100%					

Implementation Report

Performance outcomes per prescribed officer

Prescribed officer	Guaranteed package (R'000)	X	Targeted reward %	X	Group financial results % achieved	X	Life core purpose results % achieved	X	ESG % achieved	X	Personal performance rating	X	Personal measure % achieved	=	SIP awarded (R'000)	SIP as % of guaranteed package
Weighting achieved					65		10		5				20		100	
P Wharton-Hood	9 892	X	180.0	X	200	X	100	X	200	X	6	X	167	=	32 654*	330
P van der Westhuizen	7 040	X	161.0	X	200	X	100	X	200	X	7	X	200	=	21 536	306
A Pyle	5 702	X	141.5	X	200	X	100	X	200	X	5	X	133	=	14 428	250

SIP outcomes in relation to targeted percentage of guaranteed pay

Prescribed officer	SIP cash R'000	SIP deferred R'000
Delivery	45%	55%
P Wharton-Hood	14 694	17 960
P van der Westhuizen	9 691	11 845
A Pyle	6 412	7 837

* SIP award differs to annual financial statements, which shows accrued number as opposed to actual paid.

SIP (% of guaranteed pay)



Part 3: Vesting of the long-term incentive plan – 2021 allocation

Performance outcomes

The vesting of the LTIP 2021 allocation occurred at the end of December 2023. Vesting is calculated based on performance from 1 October 2020 to 30 September 2023.

The achievement of the financial and clinical outcomes against the applicable hurdles were as follows:

a) Financial measures

The financial performance outcomes are summarised below:

Earnings growth	Measure	3-year CAGR	% Award
Normalised Group HEPS	Growth exceeding headline CPI	15.72%	191.25
Headline CPI		6.11%	

Normalised Group HEPS exceeded inflation by 9.61%, which rounded up, results in **191.25%** vesting for this measure.

b) Retention shares

The retention shares vested based on continued service.

b) Life core purpose measures

The Life core purpose targets have been met. Full vesting (100% award) occurs on the achievement of 90% or higher against target.

The performance measures, respective weightings and vesting outcomes for the Group executive are summarised below:

Division	Weighting	Achievement	% Award
Normalised Group HEPS against inflation	60%	9.61%	191.25
Retention shares (Group executive only)	20%	Continued employment	100
Life core purpose measures	20%	Above 90% achieved	100
Weighted outcome			154.75

Performance outcomes per prescribed officer

The value of the total number of performance units vesting was based on the LHC share price, utilising the average 30-day VWAP of the LHC share on the JSE on 31 December 2023 of **R17.9238**.

Prescribed officer	Performance units allocation	Outcome			Number of performance shares vesting	Gross value vesting R'000	After-tax value to purchase LHC shares	LHC shares purchased
		Normalised Group HEPS	Retention shares	Life core purpose weighted outcome				
P Wharton-Hood	531 867	60%	20%	20%	823 064	14 752 438	8 113 841	432 017
P van der Westhuizen	469 294	191.25%	100%	100%	726 232	13 016 845	7 159 265	381 191
A Pyle	344 149	191.25%	100%	100%	532 571	9 545 689	5 250 129	279 540
M Chapman	312 863	191.25%	100%	100%	484 155	8 677 906		Cash delivery
Total					1 742 959	45 992 878	12 409 394	660 731

Implementation Report

Part 4: Historical unvested schemes

Long-term incentives (LTIP)

The Board approved an adjustment to the active long-term incentive plan (LTIP), based on independent external advice, to address the impact of the AMG disposal on the underlying scheme units. This adjustment was essential in ensuring the continued integrity of our remuneration framework, where participants were placed in the same economic position that they were in prior to the disposal. The additional adjustments for the three prescribed officers are indicated in the table below:

LTI plan	Prescribed officer	Date of allocation	Offer price	Performance shares	Performance shares with adjustment	Vesting date	Allocation value R'000	Value based on 30 Sept 2024 share price R'000
2022 LTIP allocation	P Wharton-Hood	1-Jan-22	23.23	421 205	655 412	31-Dec-24	9 786	10 487
	P van der Westhuizen			299 795	466 493		6 965	7 464
	A Pyle			208 163	323 910		4 836	5 183
2023 LTIP allocation	P Wharton-Hood	1-Jan-23	16.88	619 159	963 436	31-Dec-25	10 451	15 415
	P van der Westhuizen			440 689	685 730		7 439	10 972
	A Pyle			312 297	485 947		5 272	7 775

Co-investment policy (CIP)

Prescribed officer	Date of allocation	Offer price	Total co-investment shares	Vesting date	Value based on 30 Sept 2024 share price R'000	Total gross CIP dividends ¹
P Wharton-Hood	Dec-21	23.51	1 058 449	1-Dec-25	16 935	6 838
P van der Westhuizen			647 533		10 361	4 183
A Pyle			471 859		7 550	3 048
M Chapman			635 202		–	172

¹ Dividends with respect to the CIP flow to individuals as and when distributions occur. Dividend Withholding Tax (DWT) was deducted at source and the net proceeds were paid to the respective participants accordingly. The net impact was 27 cents per share in December 2023 and 19 cents per share in June 2024. Due to the disposal of Alliance Medical Group to iCON Infrastructure Partners VI, L.P. on 31 January 2024, a portion of the net proceeds from the transaction was paid to shareholders by way of a special dividend of R6 per share in April 2024.

Matching share arrangement (MSA)

When the executive MSA was put in place, the Company had two listed direct competitors and the TSR of the Company was to be measured against the average of the two competitors. In respect of the December 2023 (tranche 1) vesting, the original conditions were applied against a single competitor as one direct competitor delisted during the review period. The performance conditions were not met and the tranche was forfeited by participants.

However, the Board decided, after much time and deliberation, that the scheme conditions had to be revisited in respect of tranches 2 and 3. This was in response to the concentration risk of inappropriate or unfair outcomes for performance, based on a single comparator especially since this was deemed to be too volatile with unpredictable outcomes, based on minor performance variances. To this end the services of an independent adviser, Bowmans, were retained to advise the Board on an appropriate and fair alternative approach. Based on this advice, the Board has amended the scheme conditions as follows in respect of the remaining tranches:

Matched share arrangement (MSA)

Context	In 2020, the Company offered a once-off opportunity of Company-matched shares based on personal investment.																
Type	Variable																
Participants	A select group of four executives																
Composition of pay	<p>The matched shares are restricted and held in a trust account with vesting occurring in equal tranches, after years three, four and five, provided certain performance conditions are met.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="border-bottom: 2px solid red;"> <th style="text-align: left;">Executive</th> <th style="text-align: left;">Performance conditions</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">CE, CFO and Chief Strategy and Growth Officer (CSGO)</td> <td style="vertical-align: top;"> <ul style="list-style-type: none"> To remain in service for at least five years and to groom a successor. To retain a level of investment in Company shares of at least the initial investment over the vesting period. TSR will be retained as a measure. Netcare will be retained as a single comparator. Total shareholder return (TSR) of the Company from date of engagement to vesting dates in relation to the TSR of NTC, should be as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="border-bottom: 2px solid red;"> <th style="text-align: left;">Performance level</th> <th style="text-align: center;">Measurement outcome of LHC TSR against NTC TSR</th> <th style="text-align: center;">Vesting outcome</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Below threshold</td> <td style="text-align: center;"><75%</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: left;">Threshold</td> <td style="text-align: center;">=75%</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="text-align: left;">On-target</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Linear vesting occurs between threshold and on-target performance In all instances where the TSR of NTC cannot be calculated due to abnormal market conditions, then the TSR percentage of LHC against NTC will be calculated using the share price based on the 30-day VWAP (trading days) of LHC and NTC, with the end date of the 30-day VWAP being the last day before the abnormal market condition became evident or is announced to the market. </td> </tr> </tbody> </table>	Executive	Performance conditions	CE, CFO and Chief Strategy and Growth Officer (CSGO)	<ul style="list-style-type: none"> To remain in service for at least five years and to groom a successor. To retain a level of investment in Company shares of at least the initial investment over the vesting period. TSR will be retained as a measure. Netcare will be retained as a single comparator. Total shareholder return (TSR) of the Company from date of engagement to vesting dates in relation to the TSR of NTC, should be as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="border-bottom: 2px solid red;"> <th style="text-align: left;">Performance level</th> <th style="text-align: center;">Measurement outcome of LHC TSR against NTC TSR</th> <th style="text-align: center;">Vesting outcome</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Below threshold</td> <td style="text-align: center;"><75%</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: left;">Threshold</td> <td style="text-align: center;">=75%</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="text-align: left;">On-target</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Linear vesting occurs between threshold and on-target performance In all instances where the TSR of NTC cannot be calculated due to abnormal market conditions, then the TSR percentage of LHC against NTC will be calculated using the share price based on the 30-day VWAP (trading days) of LHC and NTC, with the end date of the 30-day VWAP being the last day before the abnormal market condition became evident or is announced to the market. 	Performance level	Measurement outcome of LHC TSR against NTC TSR	Vesting outcome	Below threshold	<75%	0%	Threshold	=75%	30%	On-target	100%	100%
Executive	Performance conditions																
CE, CFO and Chief Strategy and Growth Officer (CSGO)	<ul style="list-style-type: none"> To remain in service for at least five years and to groom a successor. To retain a level of investment in Company shares of at least the initial investment over the vesting period. TSR will be retained as a measure. Netcare will be retained as a single comparator. Total shareholder return (TSR) of the Company from date of engagement to vesting dates in relation to the TSR of NTC, should be as follows: <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="border-bottom: 2px solid red;"> <th style="text-align: left;">Performance level</th> <th style="text-align: center;">Measurement outcome of LHC TSR against NTC TSR</th> <th style="text-align: center;">Vesting outcome</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Below threshold</td> <td style="text-align: center;"><75%</td> <td style="text-align: center;">0%</td> </tr> <tr> <td style="text-align: left;">Threshold</td> <td style="text-align: center;">=75%</td> <td style="text-align: center;">30%</td> </tr> <tr> <td style="text-align: left;">On-target</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Linear vesting occurs between threshold and on-target performance In all instances where the TSR of NTC cannot be calculated due to abnormal market conditions, then the TSR percentage of LHC against NTC will be calculated using the share price based on the 30-day VWAP (trading days) of LHC and NTC, with the end date of the 30-day VWAP being the last day before the abnormal market condition became evident or is announced to the market. 	Performance level	Measurement outcome of LHC TSR against NTC TSR	Vesting outcome	Below threshold	<75%	0%	Threshold	=75%	30%	On-target	100%	100%				
Performance level	Measurement outcome of LHC TSR against NTC TSR	Vesting outcome															
Below threshold	<75%	0%															
Threshold	=75%	30%															
On-target	100%	100%															
Desired outcome	To retain the executives and encourage shareholding in the Company, thus aligning to shareholder interests.																
Consequences	Should participants resign prior to vesting, the matched and performance shares are forfeited.																

Implementation Report

Below are the values of the restricted Company matched shares as at the end of the financial year.

All values reflected in R'000.

Prescribed officer	Executive investment value at purchase	Date of allocation	Offer price	Company-matched purchase value	Company-matched shares	Vesting date	Company-matched shares 30 Sept 2024	Value based on 30 Sep 2024 share price R'000	Dividends paid to pre-scribed officers ²
P Wharton-Hood	5 000	Aug-20	17.23	14 869	287 568	31-Dec-23	Forfeited	9 202	3 793
					287 568	31-Dec-24	4 601		
					287 570	31-Dec-25	4 601		
P van der Westhuizen	1 986	Dec-20	16.96	5 947	116 866	31-Dec-23	Forfeited	3 740	1 541
					116 866	31-Dec-24	1 870		
					116 868	31-Dec-25	1 870		
A Pyle	1 240	Jan-21	18.98	3 707	65 074	31-Dec-23	Forfeited	2 082	858
					65 074	31-Dec-24	1 041		
					65 074	31-Dec-25	1 041		
M Chapman ¹	2 052	Jan-21	18.27	6 156	112 309	31-Dec-23	-	-	91
					112 309	31-Dec-24	-		
					112 309	31-Dec-25	-		

- ¹ Personal investment of \$100 000 was made by Mark Chapman. The allocation value is based on the exchange rate of R20.42 at the time. Due to the sale of AMG, early vesting of all shares occurred. The Board waived all performance conditions in relation to his shares. See total single figure of remuneration.
- ² Dividends with respect to the matched share and CIP flow to individuals as and when distributions occur. DWT was deducted at source and the net proceeds were paid to the respective participants accordingly. The net impact was 27 cents per share in December 2023, 19 cents per share in June 2024 and a special dividend of R6 per share in April 2024.
- ³ The LHC share price of R16.00 per share as at 30 September 2024 was utilised to calculate the value.

Part 5: Vesting of the employee share plan

The vesting of 50% of the 2017 employee share grant and 25% of the 2018 and 2019 grants occurred at the end of June 2024. The total number of shares that vested was **2 038 291**. Most participants elected to sell their shares. The gross payment (after costs) for a full-time employee on all three grants was **R4 599**.

Part 6: Non-executive director (NED) fees

Financial year 2024

The following NED fees were recommended by the Human Resources and Remuneration Committee and approved by the Board, under the authority granted by shareholders at the AGM held on 22 February 2024.

South Africa – A **6.0%** increase across all Committees, except for the lead independent director, where a **10%** increase was approved as a process over time to address market lag.

International – A **4.5%** increase across all Committees.

The following number of meetings were held during FY2024:

Committee	Number of meetings 2024	Number of ad hoc meetings	Total number of meetings 2024
Main Board	4	4	8
Audit	3	4	7
Human Resources and Remuneration	5	5	10
Risk, Compliance and IT Governance	3	–	3
Investment	4	4	8
Clinical	4	–	4
Social, Ethics and Transformation	3	–	3
Nominations and Governance	3	–	3
Audit and Risk ¹	1	1	2

¹ Combined Audit and Risk, Compliance and IT Governance – May 2024.

The NED fees (SA and international) paid in FY2024 were as follows:

Non-executive directors	FY2024 R'000	FY2023 R'000
Dr JE Bolger ²	2 501	2 737
PJ Golesworthy ³	496	1 432
CM Henry	1 161	1 189
LE Holmqvist ²	2 457	2 839
Prof ME Jacobs	879	896
Dr VL Litlhakanyane	2 049	2 103
TP Moeketsi	1 120	627
AM Mothupi	1 092	1 033
JK Netshitenzhe	833	852
Dr MP Ngatane ⁴	–	327
Adv M Sello	1 188	1 104
GC Solomon ³	389	1 035
F Tonelli	1 210	555
RT Vice ⁵	–	327
Dr MF Abdullah ⁶	41	–
Dr RA Campbell ⁶	41	–
Total NED fees	15 457	17 056

² Exchange rate of Euro converted to Rand at R19.22.

³ PJ Golesworthy and GG Solomon retired February 2024.

⁴ Dr MP Ngatane retired February 2023.

⁵ RT Vice retired January 2023.

⁶ Dr MF Abdullah and Dr RA Campbell were appointed August 2024.

How we performed

IN THIS SECTION

Financial capital	92
Human capital	111
Manufactured capital	118
Natural capital	120
Social capital	137
Intellectual capital	147





Financial capital

The pool of funds entrusted to us by our shareholders, investors and banks. Funds include equity capital, short and long-term loans, corporate bonds and profits generated from our business activities and investments.

Read more on [page 92](#)

Human capital

We depend on the competencies, capabilities, knowledge and experience of our employees and consulting healthcare professionals to implement our strategy. By delivering our products and services, our employees attend to our patients' needs and create sustainable value for our stakeholders.

Read more on [page 111](#)

Manufactured capital

Our clinical excellence is bolstered by technologically advanced, multi-disciplinary facilities designed to provide the highest standard of care. We invest in optimal infrastructure that supports seamless operations, along with robust data and analytical capabilities that enable informed, evidence-based decision-making. We utilise world-class medical equipment and consumables to ensure our patients receive the best possible treatment outcomes.

Read more on [page 118](#)

Natural capital

We use renewable and non-renewable natural resources in delivering services to our patients. While our business has negative impacts on the environment, we endeavour to lessen these by measuring and managing our activities.

Read more on [page 120](#)

Social capital

Building and nurturing long-term relationships with our key stakeholders is fundamental to establishing our reputation and brand and ensuring our overall success. Key stakeholders are patients, employees, healthcare professionals (including doctors and specialists), suppliers, business partners, governments and labour unions.

Read more on [page 137](#)

Intellectual capital

We differentiate ourselves through exceptional service offerings, responsible corporate governance and adherence to quality standards – the intangibles of our business that contribute to our competitive advantage.

Read more on [page 147](#)

In this section we have tried to show how our business has performed in an integrated thinking manner. Our performance has been broken down and demonstrated through the six capitals.

- Financial capital
- Human capital
- Manufactured capital
- Natural capital
- Social capital
- Intellectual capital

For each capital we provide our **definition** of what the capital means to us

Definition

The pool of funds entrusted to us by our shareholders, investors and banks. Funds include equity capital, short and long-term loans, corporate bonds and profits generated from our business activities and investments.

We then show who the **key stakeholders** relevant to this capital are, what their expectations and concerns are, and how we engage with them regarding these expectations

Key stakeholders	Shareholders and other investors
<p>Key expectations and concerns</p> <ul style="list-style-type: none"> Sustainable growth and profit generation Capital allocation strategy, including optimising capital structures and ensuring competitive returns through dividends and share buybacks to balance reinvestment in the business with shareholder rewards Effective cash flow generation for operational stability and growth, including maintaining manageable debt levels and achieving strong ROI and return on invested capital ESG initiatives, including our commitment to reduce our environmental impact (see page 123) Addressing potential disruptions, such as electricity and water outages, ensuring business continuity, safeguarding operations and enhancing resilience (see page 123) Strong corporate governance practices coupled with experienced leadership and robust succession planning to ensure stability and innovation 	<p>How we engage</p> <ul style="list-style-type: none"> Frequent engagement with shareholders, investors, bankers and analysts about our performance and strategy Engagement with shareholders on proxy voting at the AGM, our remuneration report and the implementation of our reward proposals (see page 75) Publication of reports such as the integrated annual report, annual financial statements, results presentations, trading updates and other information published on our website or through the JSE Stock Exchange News Service (SENS)

We also detail **our value created** (or eroded) and any trade-offs we face related to the value created

Inputs	Outcomes	Value creation	Trade-offs
<ul style="list-style-type: none"> R13.5 billion equity (2023: R21.3 billion) R2.0 billion net debt, including continued and discontinued operations (2023: R12.3 billion). The concluded sale of AMG reduced the Company net debt levels by R10 billion 	<ul style="list-style-type: none"> R23.1 billion market capitalisation at 30 September 2024 (2023: R29.7 billion) R4.3 billion in normalised EBITDA from continuing operations (2023: R3.6 billion) R526 million in gross finance costs from continuing operations (2023: R696 million) 50 cents per share in dividends declared (2023: 44 cents) R9.8 billion distributed to shareholders via special dividend 	<ul style="list-style-type: none"> ⬇️ ⬆️ ⬆️ ⬆️ ⬆️ ⬆️ ⬆️ ⬆️ ⬆️ 	<ul style="list-style-type: none"> The share price decreased following the special dividend paid in April 2024. The AMG disposal unlocked shareholder value but also reduced the Company's revenue and EBITDA. With the significant reduction in debt levels, our interest expense also decreased. Paying dividends reduced our financial capital to invest in growth projects. However, dividends are an important source of income for some shareholders, including pension funds.

We then include a **content section** which provides additional detail related to our performance whether it be related to our financial results, quality and safety metrics, or our people.

	2024 R'm	2023 R'm	% change
Revenue	25 519	22 641	12.7
Operating profit	2 899	2 439	18.9
Net finance cost ¹	(180)	(537)	33.5
Share of associate's net profit after tax	8	9	(11.1)
Tax expense	(538)	(483)	11.4
Profit after tax from continuing operations	2 189	1 428	53.3
(Loss)/profit for the year from discontinued operations ²	2 758	(990)	>100
Profit after tax from continuing and discontinued operations	4 947	438	>100
Non-controlling interest	120	174	(31.0)
Profit from continuing and discontinued operations attributable to ordinary equity holders	4 827	264	>100

Financial capital

Financial capital

Human capital

Manufactured capital

Natural capital

Social capital

Intellectual capital

Definition

The pool of funds entrusted to us by our shareholders, investors and banks. Funds include equity capital, short and long-term loans, corporate bonds and profits generated from our business activities and investments.

This section details how we performed in relation to our financial and operational metrics across our southern Africa and international operations. It includes our statement of value added (see page 93) and seven-year performance review (see page 106).

Key stakeholders

Shareholders and other investors

Key expectations and concerns

- Sustainable growth and profit generation
- Capital allocation strategy, including optimising capital structures and ensuring competitive returns through dividends and share buybacks to balance reinvestment in the business with shareholder rewards
- Effective cash flow generation for operational stability and growth, including maintaining manageable debt levels and achieving strong ROI and return on invested capital
- ESG initiatives, including our commitment to reduce our environmental impact (see page 123)
- Addressing potential disruptions, such as electricity and water outages, ensuring business continuity, safeguarding operations and enhancing resilience (see page 123)
- Strong corporate governance practices coupled with experienced leadership and robust succession planning to ensure stability and innovation

How we engage

- Frequent engagement with shareholders, investors, bankers and analysts about our performance and strategy
- Engagement with shareholders on proxy voting at the AGM, our remuneration report and the implementation of our reward proposals (see page 75)
- Publication of reports such as the integrated annual report, annual financial statements, results presentations, trading updates and other information published on our website or through the JSE Stock Exchange News Service (SENS)

Value creation and trade-offs

Inputs

- **R13.5 billion** equity (2023: R21.3 billion)
- **R2.0 billion** net debt, including continued and discontinued operations (2023: R12.3 billion). The concluded sale of AMG reduced the Company net debt levels by R10 billion

Outcomes

- **R23.1 billion** market capitalisation at 30 September 2024 (2023: R29.7 billion)
- **R4.3 billion** in normalised EBITDA from continuing operations (2023: R3.6 billion)
- **R526 million** in gross finance costs from continuing operations (2023: R696 million)
- **50 cents per share** in dividends declared (2023: 44 cents)
- **R9.8 billion** distributed to shareholders via special dividend

Value creation



Trade-offs

The share price decreased following the special dividend paid in April 2024.

The AMG disposal unlocked shareholder value but also reduced the Company's revenue and EBITDA.


With the significant reduction in debt levels, our interest expense also decreased.

Paying dividends reduced our financial capital to invest in growth projects. However, dividends are an important source of income for some shareholders, including pension funds.






Statement of value added

for the year ended September 2024

Economic value generated

	2024 R'm	%	2023 R'm	%	SDG contribution
Revenue from services	25 519	97.8%	22 641	97.4%	
Other income ¹	292	1.1%	262	1.1%	
Interest received	274	1.1%	66	0.3%	
Profit from sale of assets	–	–	92	0.4%	
Income from investments	8	–	179	0.8%	
Total economic value generated	26 093		23 242		

Economic value distributed

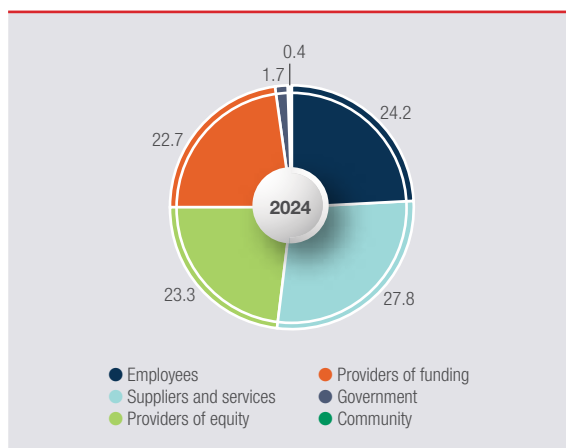
	2024 R'm	%	2023 R'm	%	SDG contribution
Employees ²	9 973	24.2%	9 014	41.2%	
Suppliers and services ³	11 477	27.8%	9 976	45.4%	
Providers of capital	18 974	46.0%	2 187	9.9%	
Providers of equity	9 623	23.3%	814	3.7%	
Providers of funding	9 351	22.7%	1 373	6.2%	
Government	707	1.7%	597	2.7%	
Community	146	0.4%	123	0.6%	
Total economic value distributed	41 277		21 899		

¹ Other income includes other rental income; learning centre tuition, registration fees and reimbursements; and insurance receipts.

² Payments to employees includes salaries, wages and other benefits.

³ Suppliers and services exclude capital expenditure.

Economic value distributed (%)



R41.3 billion

Value distributed
(2023: R21.9 billion)

158.2%

Distributed
(2023: 94.2%)

(58.2%)

Retained
(2023: 5.8%)

Financial capital

Chief Financial Officer's report



STRONG ACTIVITY DRIVERS result in strong revenue growth

STRONG EARNINGS GROWTH BOLSTERED by RM2 sub-licensing

FORTRESS BALANCE SHEET

Strong activity and revenue growth in our southern Africa operations and exceptional performance in LMI contributes to solid earnings growth.

Following the conclusion of the AMG disposal and strong operational performance for the year, the Group has a fortress balance sheet

Revenue from continuing operations grew to R25.5 billion (2023: R22.6 billion) and normalised EBITDA from continuing operations increased to R4.3 billion (2023: R3.6 billion). Cash from continuing operations stood at R4.3 billion (2023: R3.7 billion) and net debt to normalised EBITDA from continuing operations at 0.45 times (2023: 2.00 times).

The Company announced the disposal of AMG on 5 October 2023 for a total consideration of R20.1 billion. The transaction closed on 31 January 2024. The Company made a net gain of R1.8 billion from the transaction. However, from an accounting standards perspective, this net profit is spread over two financial years, 2023 and 2024. A once-off gain of R2.8 billion was recognised in 2024 (which mainly consists of an exchange gain of R3.2 billion) versus a loss of R990 million recognised in 2023 (mainly relating to an impairment loss

of R822 million). AMG is disclosed as a discontinued operation in the current and prior year in the statement of profit or loss.

The Company's continuing operations now consist of the southern Africa operations and LMI.

Our core SA hospital and complementary services business delivered sound operational results, with 1.0% PPD growth driving revenue growth of 7.7% for 2024 (see our SA business review on [page 98](#)).

Life Molecular Imaging (LMI), entered a contract to sub-licence one of its early-stage radiotherapeutic and radio diagnostic products (RM2) with effect from 3 July 2024. An upfront payment of \$36 million was paid to LMI. In addition, a number of payments will be made to LMI on the achievement of development and regulatory milestones, as well as royalties and milestone payments when the product is sold commercially.


The RM2 transaction detailed above, and growth in increased commercial sales of NeuraCeq®, boosted revenue for LMI by 181.3% from R656 million to R1.8 billion.

Normalised EBITDA from continuing operations increased by 19.9% to R4.3 billion (2023: R3.6 billion).

The Company's overall results for the year were impacted by the following non-trading items:

- R2.8 billion gain relating to the disposal of AMG in terms of IFRS 5 (explained above)

- Repayment of international debt and significant positive cash balance from 1 February 2024, resulting in net interest cost reducing by R357 million
- Sub-licensing of LMI's RM2 product contributing R580 million to normalised EBITDA
- Recognition of deferred tax losses previously not recognised in LMI, of R153 million additional profit

What follows is a summary of our financial results for the 2024 year under review. Our full financial results can be found in the 2024 annual financial statements, available on our website. We provide a seven-year summary of key financial results and metrics from  page 106.

	2024 R'm	2023 R'm	% change
Revenue	25 519	22 641	12.7
Operating profit	2 899	2 439	18.9
Net finance cost ¹	(180)	(537)	33.5
Share of associate's net profit after tax	8	9	(11.1)
Tax expense	(538)	(483)	11.4
Profit after tax from continuing operations	2 189	1 428	53.3
(Loss)/profit for the year from discontinued operations ²	2 758	(990)	>100
Profit after tax from continuing and discontinued operations	4 947	438	>100
Non-controlling interest	120	174	(31.0)
Profit from continuing and discontinued operations attributable to ordinary equity holders	4 827	264	>100

¹ Includes net foreign exchange gain in the current year of R87 million (2023: R76 million).

² This is made up of R319 million profit after tax for the discontinued operations (2023: R19 million loss) and R2.4 billion profit on disposal of AMG (2023: R971 million loss).

	2024 R'm	2023 R'm	% change
Key financial metrics[#]			
Net debt to normalised EBITDA (ratio) [^]	0.45	2.00	↑
Interest cover from continuing and discontinued operations (ratio)	22.26	6.23	↑
NEPS* from continuing operations (cps)	132.3	89.1	↑
Dividend (cps)	720	44	↑
Normalised EBITDA margin – SA (%)	15.5	16.9	↓
Normalised EBITDA margin – LMI (%)	34.5	(17.2)	↑
Cash generated from continuing operations (R'm)	4 330	3 653	↑
Cash generated from continuing operations as a percentage of normalised EBITDA from continuing operations (%)	100.5	101.6	↓

[^] Calculated in terms of lender agreements.

* Normalised earnings per share (NEPS) is a non-IFRS measure and excludes non-trading-related costs and income.

[#] From continuing operations unless otherwise stated.

Financial capital

Chief Financial Officer's report

Earnings per share (EPS)

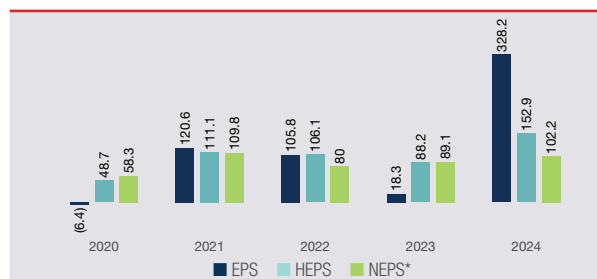
EPS from continuing and discontinued operations increased to 328.8 cents (2023: 18.3 cents) while HEPS from continuing and discontinued operations increased by 73.4% to 152.9 cents (2023: 88.2 cents).

NEPS from continuing operations, which excludes the non-trading-related items from AMG, grew by 48.5% to 132.3 cents (2023: 89.1 cents).

The presentation of normalised earnings metrics is a non-IFRS measure.

A reconciliation of the movements between EPS, HEPS and NEPS, including the various non-trading items referred to above, is provided in the table below and in note 8 of the annual financial statements.

Earnings profile



* Normalised EPS from continuing operations.

NEPS excluding sub-licence transaction.

Reconciliation of attributable earnings to normalised earnings (NEPS)¹

	2024 R'm	2023 R'm	% change	2024 cps	2023 cps	% change
Weighted average number of shares at the end of the year (millions)	1 443	1 442	0.1			
Profit attributable to ordinary equity holders	4 744	264		328.7	18.3	>100
Loss/(profit) from discontinued operations attributable to ordinary equity holders	(2 758)	990		(191.1)	68.7	(378.4)
Profit from continuing operations attributable to ordinary equity holders	1 986	1 254	58.4	137.6	87.0	58.2
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	–		1.3	–	
International tax refund	–	(14)		–	(1.0)	
Loss on disposal of property, plant and equipment	–	7		–	0.5	
Retrenchment costs (included in employee benefits expense)	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 investment	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	48.7	132.3	89.1	48.6

¹ Non-IFRS measure.

Financial position and liquidity

The Company remains in a strong financial position. Net debt to normalised EBITDA from continuing and discontinued operations as at 30 September 2024 was 0.45 times (2023: 2.00 times) as per bank covenant definitions. The Company is comfortably within its bank covenant for net debt to normalised EBITDA of 3.50 times.

The Company's undrawn bank facilities as at 30 September 2024 amounted to R2.3 billion (2023: R4.1 billion).

Cash flow and capital expenditure

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 Group invested R2.0 billion (2023: R1.6 billion) in capital expenditure on continuing operations, comprising maintenance capital expenditure of R1.2 billion (2023: R1.2 billion) and growth capex of R806 million (2023: R422 million) including acquisitions.

Dividend

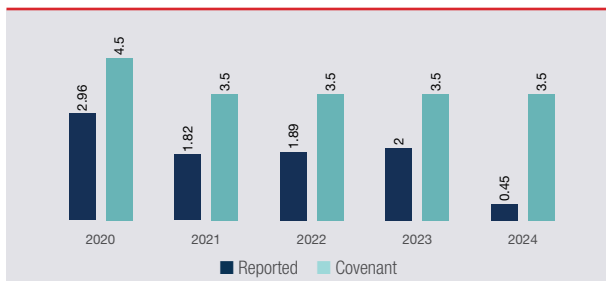
The Board approved a final dividend of 31 cps (2023: 27 cps), taking the total dividend for 2024 to 50 cps, up 13.6% versus the 44 cps in 2023.

The Company retained R1 billion as part of the AMG disposal proceeds for investment in the growth of LMI. With the RM2 transaction and the positive trading of LMI, the Company decided to return this retention to shareholders in the form of a special dividend. Together with the special dividend in April 2024 from the AMG disposal proceeds, the Company has returned in excess of R10.8 billion to shareholders for the 2024 financial year.

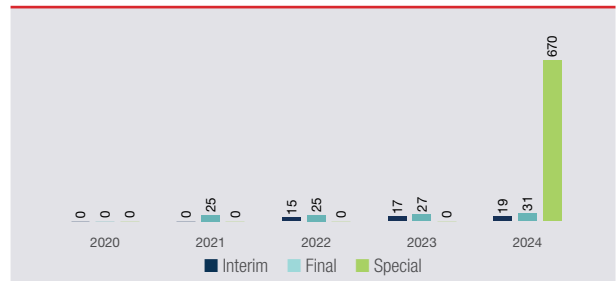
Looking ahead

We plan to spend c.R2.6 billion on capital expenditure in South Africa in 2025, including R350 million on the purchase of a hospital property that is currently leased, and c.R233 million on capex for LMI, primarily earmarked for investment in LMI's product pipeline development.

Net debt to EBITDA



Dividend



Pieter van der Westuizen

Chief Financial Officer

Financial capital

South Africa business review

We have a diversified healthcare offering across the care spectrum – including acute hospital care, acute physical rehabilitation, mental health, renal dialysis, oncology, diagnostics, long-term care and occupational health and wellness services.

92.8%

of Company revenue from continuing operations
(2023: 97.1%)

1.0%

PPD growth to 2.2 million PPDs
(2023: 2.2 million)

7.7

revenue growth to R23.7 billion
(2023: R22.0 billion)

16 108

employees and c.3 000 supporting healthcare professionals and specialists
(2023: 15 768)

How we performed

The Company's southern Africa operations experienced good activity growth in 2024. Higher utilisation of the Company's hospital and complementary services, at a weighted average occupancy of 69.0% (2023: 68.2%), delivered PPD growth of 1.0% as the Company benefitted from additional volumes gained through growth in network lives. The continued change in the case mix, with fewer surgical cases and less theatre time, resulted in a revenue per PPD increase of 5.1% over the prior year.

Revenue for South Africa grew by 7.7% to R23.7 billion (2023: R22.0 billion), largely due to revenue for the hospitals and complementary services division increasing by 8.1% to R22.3 billion (2023: R20.7 billion).

Normalised EBITDA (after corporate costs) declined by 0.9% to R3.67 billion (2023: R3.70 billion), resulting in a margin of 15.5% (2023: 16.9%). This result reflects the challenging environment, with inflationary pressures on salaries and overheads which have presented headwinds to improving the margin. While we experienced less loadshedding, this was offset by higher electricity costs.

We spent R1.3 billion on capex (2023: R1.3 billion). A sizeable R1.2 billion (2023: R1.2 billion) of this amount was spent on maintenance of our existing facilities. We allocated R201 million (2023: R175 million) to various growth projects, excluding the newly acquired renal care clinics and the KwaZulu-Natal (KZN) imaging practice equipment (refer to note 27 of the 2024 annual financial statements).

From January 2023, we secured additional network deals with the Government Employees Medical Scheme (GEMS) and Medscheme, making Life Healthcare the preferred designated network service provider in the country. These deals drove increased patient volumes and utilisation of our facilities, resulting in robust hospital and complementary services PPD growth of 1.0%.

Southern Africa	2024 R'm	2023 R'm	% change 2023 – 2024	
Revenue				Driven by hospital and complementary PPD growth of 1.0% and six months of the newly acquired renal dialysis business.
Hospitals and complementary services	22 344	20 665	8.1	
Healthcare services	1 330	1 320	0.8	
	23 674	21 985	7.7	A resilient Life Nkanyisa performance despite the loss of two contracts.
Normalised EBITDA				Continued investment in data analytics, value-based care product development, and IT infrastructure, platform, systems, security and cloud storage.
Hospitals and complementary services	3 580	3 475	3.0	
Healthcare services	104	162	(35.8)	
Corporate Recoveries	1 703	1 601	6.4	
Corporate costs	(1 714)	(1 531)	12.0	
	3 673	3 707	(0.9%)	
Normalised EBITDA margin %	15.5	16.9		

Performance across our services

In the following pages, we provide operational highlights of our acute hospital services, complementary services and healthcare services to help stakeholders better understand these business units.



Acute hospitals

79.5%
of Company revenue from continuing operations

Services

Multi-disciplinary acute healthcare facilities offer high-quality services, including emergency units, intensive care treatment, day surgical centres and on-site pharmacies.

Differentiators

- Second-largest acute private hospital network in southern Africa
- Presence in seven South African provinces and Botswana

Inputs

48 acute hospitals (2023: 48)
8 308 registered beds (2023: 8 297)
297 surgical theatres (2023: 294)
16 cathlabs (2023: 16)

Outputs

2 011 564 PPDs
 (2023: 1 980 606)
20.9 million theatre minutes
 (2023: 20.8 million)
20 237 cathlab cases
 (2023: 19 376)

Outcomes

68.7% occupancy
 (2023: 67.6%)
85.4% patient satisfaction score
 (2023: 85.1%)
97.3% care bundle compliance
 (2023: 96.6%)
 Safe hospitals (see our safety and quality metrics on page 140)

Acute hospitals

Our acute hospitals delivered strong results, with revenue growing 6.5% to R20.3 billion (2023: R19.0 billion), thanks to strong PPD volume growth. Normalised EBITDA grew by 1.5%, resulting in the normalised EBITDA margin reducing to 15.4% (2023: 16.2%).

Admissions grew 1.4% while PPDs grew by 1.6%, benefiting from the new network deals commencing in January 2023. Length of stay remained flat at 3.78 days (2023: 3.78 days). Revenue per PPD was up 4.7% but was negatively impacted by the change in case mix and network discounts.

Medical PPDs grew by 2.4% in 2024 while surgical PPDs grew by 0.6%. This brought the total medical PPDs split to 53.64% versus 46.36% for surgical PPDs (2023: 50.2% versus 49.8%).

The strong PPD growth translated into higher occupancies, with a weighted average occupancy of 68.7% (2023: 67.6%). Average occupancy levels in the second half were 70.7% compared to 66.6% in the first half. We completed several important projects during the year, including a R95 million extension and upgrade of Life Westville Hospital and major upgrades at Life Hilton Private Hospital, Life Kingsbury Hospital, Life Peglerae Hospital and Life Rosepark Hospital are underway.

Financial capital

South Africa business review



Complementary services

8.0%
of Company revenue from continuing operations

Services

Specialised services within or near our acute hospitals for patients who require longer admission or ongoing chronic care.

Differentiators

Extends service delivery across the care continuum.



1 Mental health

Services

Our multi-disciplinary mental healthcare services are designed for transitory care in a therapeutic and tranquil environment. Our facilities house voluntary, assisted and involuntary mental healthcare users.

Differentiators

- Second-largest private mental healthcare provider in South Africa.
- Wide spectrum of inpatient mental health treatment programmes.

Inputs

9 facilities (2023: 9)
607 registered beds (2023: 602)

Outputs

15 187 admissions (2023: 14 969)
159 838 PPDs (2023: 160 690)

Outcomes

72.5% occupancy
(2023: 73.6%)



2 Acute rehabilitation

Services

Our physical rehabilitation facilities offer acute physical and cognitive rehabilitation for patients with brain injuries. Our focus on patient care restores quality of life for our patients and their families.

Differentiators

Inter-disciplinary care for traumatic brain or spinal injuries, including stroke rehabilitation.

Inputs

7 facilities (2023: 7)
287 registered beds (2023: 287)

Outputs

2 528 admissions (2023: 2 794)
69 650 PPDs (2023: 78 140)

Outcomes

70.0% occupancy
(2023: 71.5%)



3 Renal dialysis

Services

Our renal facilities are for patients with acute or chronic renal disease who need outpatient-based chronic dialysis, inpatient-based acute renal dialysis or home-based peritoneal dialysis.

Differentiators

- Second-largest private renal dialysis provider in South Africa.
- Introduction of our unique renal dialysis integrated care programme in January 2023.

Inputs

71 facilities (2023: 30)
1 012 renal stations (2023: 445)

Outputs

369 106 treatments (2023: 198 227)

Outcomes

Our renal dialysis integrated care programme continues to deliver superior results. In addition to Discovery Health, we have secured an additional funder for 2025.



Watch – learn how our renal ICP is more than renal care, it's MyLife



4 Oncology

Services

Our oncology centres offer holistic care with technologically advanced diagnostic and interventional services supporting comprehensive cancer management.

Differentiators

We operate the first Ethos® radiotherapy machine in South Africa, offering AI-driven, patient-specific treatment.

Inputs

5 facilities (2023: 5)

Outputs

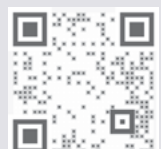
32 262 treatments (2023: 34 775)

Outcomes

While we continue to provide quality services to our patients, the importance of providing comprehensive and integrated care in a coordinated setting continues to be critical focus.



Watch – we move oncology care forward, so that our patients can look forward to life's moments



South Africa business review



5 Diagnostics: imaging and nuclear medicine

Services

Imaging services at Life Eugene Marias Hospital, our hospitals in the Eastern Cape, Life Hilton Private Hospital and Life Gaborone Private Hospital. Nuclear medicine services at three outpatient sites in Gauteng.

Differentiators

- Intellectual property gained through our investment in AMG that is being deployed in South Africa across imaging services, nuclear medicine and radiopharmacy
- Through a joint venture vehicle, ALISA, we are building two cyclotrons in Gauteng in partnership with AXIM. This will introduce the first vertically integrated molecular diagnostics service (ranging from producing isotopes to injecting and scanning patients) in southern Africa

Inputs

10 imaging facilities (2023: 8)
3 nuclear medicine facilities, including PET-CT and SPECT (2023: 3)

Outputs

41 284 MRI and CT scans
 (2023: 37 213)
196 689 X-ray and other scans
 (2023: 190 004)
796 SPECT and 2 402 PET-CT scans
 (2023: 230 and 565)

Outcomes

Integrating diagnostic services into our hospital network will enhance our products, particularly in oncology.

Complementary services

Complementary services continued to perform well, with 26.9% revenue growth to R2.0 billion (2023: R1.6 billion). Normalised EBITDA grew by 15.5%, resulting in the normalised EBITDA margin reducing to 21.9% (2023: 24.1%).

The business reported a 3.9% decline in PPDs, with mental health PPDs 0.5% lower and acute rehabilitation PPDs 10.9% lower than in 2023. Excluding the impact of the closed facility in 2023, PPDs for complementary services PPDs would have declined by 2.6% and PPDs for acute rehabilitation would have declined 7.1% year-on-year.

Both mental health and acute rehabilitation experienced declines in occupancy, from 73.6% to 72.5% and from 71.5% to 70.0%, respectively. Acute rehabilitation occupancies were impacted by non-admission of road accident fund (RAF) patients and increased competition.

The two cyclotrons in Gauteng, constructed under a joint venture with AXIM, are expected to be completed by December 2024, and commercial sales are expected to commence in Q2 FY2025.

Renal dialysis treatments continue to grow as more healthcare funders adopt our integrated renal product. Treatments grew by 86.2% (2023: 9.6%). We concluded the acquisition of the 41 renal dialysis units in South Africa from FMC effective 1 April 2024, with the Namibia and Eswatini legs of the transaction to be concluded in 2025 (read more on [page 29](#)). Excluding the acquisition, renal dialysis treatments grew 8.3%, assisted by increased adoption of the integrated care product by healthcare funders.

Oncology treatments declined by 7.2% during the year. Life Vincent Pallotti's oncology centre, with the Ethos[®] radiotherapy machine, continues to experience excellent utilisation as our oncologists embrace this cutting-edge technology.

We concluded two nuclear medicine transactions in 2023, Thera Med Nuclear (effective 1 June 2023) and PET Vision (effective 1 August 2023). These performed well and contributed positively to the 2024 results, given that they were not included for the full 12 months in 2023. SA imaging services delivered MRI/CT/PET-CT/SPECT volume growth of 17%, with ECR and EMR delivering ahead of expectations in volumes and revenue. In 2024, we concluded the acquisition of the imaging practice in Kwa-Zulu Natal.



Healthcare services

5.2%
of Company revenue from continuing operations



1 Life Nkanyisa

Services

Specialised care for vulnerable patients. We partner with national and provincial health and social development departments to provide comprehensive long-term services for patients requiring frail care, chronic mental healthcare and substance abuse support.

Differentiators

Largest public-private healthcare partnership in South Africa.

Inputs

7 facilities (2023: 9)
2 308 beds (2023: 3 118)

Outputs

1 052 388 PPDs (2023: 1 127 999)



2 Life Health Solutions

Services

An integrated health risk management service providing wellness programmes and occupational and primary healthcare to corporate and institutional clients. We provide contracted on-site occupational, primary and emergency healthcare services to private and public employees of large organisations.

Differentiators

Largest corporate wellness and occupational health provider in South Africa.

Inputs

253 occupational health clinics
(2023: 256)

Outputs

460 950 enrolled employees (2023: 461 038)

Healthcare services

Revenue from our healthcare services business increased by 0.8% to R1.3 billion (2023: R1.3 billion). Normalised EBITDA declined by 35.8%, resulting in the normalised EBITDA margin reducing to 7.8% (2023: 12.3%).

Life Nkanyisa delivered a consistent performance. Life Nkanyisa was impacted by the loss of the Shiluvana contract in Gauteng in April 2024 and the closure of two substance abuse recovery centres, in Randfontein and Witpoort, in July 2024 due to non-renewal of the contract by the Gauteng Department of Social Development, as well as an additional debtors provision raised.

Life Health Solutions is on a recovery trajectory following the loss of some large commercial contracts in 2023 and two major contracts in 2024.

International business review

LMI is a fully integrated research and development radiopharmaceutical company dedicated to developing and commercialising innovative molecular imaging agents (radiopharmaceuticals) for use in PET-CT scans.

7.2%

of Company revenue from continuing operations

181.3%

revenue growth to R1 845 million
(2023: R656 million)

Recent market dynamics have elevated LMI's standing in the global radiopharmaceutical sector, marking a pivotal moment for NeuraCeq's growth, spurred by US approvals and reimbursement for amyloid tracers and associated disease-modifying drugs. In molecular imaging, radiopharmaceuticals are crucial, when using PET-CT scans, as they enable early detection and characterisation of chronic and life-threatening conditions, including various cancers, cardiovascular diseases, and neurodegenerative disorders like Alzheimer's. This facilitates more precise diagnosis and improves therapeutic outcomes.

LMI is established in the EU, UK and US, and its product NeuraCeq is established globally. LMI has built relationships with manufacturers, hospitals, imaging centres and neurologists in key markets. LMI manufactures its patented radiopharmaceuticals with manufacturing partners globally at 37 sites.

LMI has established three diverse revenue streams that deliver, maximise and sustain growth:

- **NeuraCeq** – LMI's flagship product is approved and already in the market. The global amyloid PET-CT market is forecast to be \$2.5 billion in 2029.
- **Product pipeline** – A promising pipeline of five potential new products targeting different diseases diversifies the portfolio. The late-stage pipeline includes next-generation radiotracers coming to market in the next three years for detection of Alzheimer's

and progressive supranuclear palsy (PSP). The early-stage products relate to detection of thrombus and strokes, of neuroinflammation in Alzheimer's and other neurodegenerative diseases, and detection and treatment of metastatic resistant prostate cancer. The diagnostic and therapeutic rights for RM2, which targets prostate cancer, were recently licensed to Lantheus against upfront, milestone and royalty payments.

- **R&D services and supplies** – Offering R&D as a service to clinical research organisations drives a consistent revenue stream.

Alzheimer's – a global healthcare challenge

Research indicates that roughly one in nine people over the age of 65 in the US are affected by Alzheimer's, and estimates that over 37 million people in the US, UK and EU suffer from possible Alzheimer's dementia. Prevalence is predicted to increase by around 40% by 2030.

Until recently, there was little need for PET-CT scans to diagnose Alzheimer's as no disease-modifying treatment was available. This has changed in recent years, with considerable progress being made on two fronts: approved DMD treatment for Alzheimer's, and approved reimbursement for amyloid tracers.

- **Leqembi (Eisai/Biogen):** Leqembi treats Alzheimer's disease by removing amyloid plaques from the brain. The FDA granted full (traditional) approval for Leqembi™ on 6 July 2023. Leqembi® was approved in the UK on

22 August 2024, and approvals are being sought in EU countries, Japan, China and Canada.

- **Kisunla (Eli Lilly):** Phase 3 trial results published in July 2023 demonstrated Kisunla's ability to reduce amyloid and slow down cognitive decline. The FDA granted full (traditional) approval for Kisunla® on 2 July 2024.
- **CMS reimbursement for amyloid tracers:** On 13 October 2023, the US Centers for Medicare & Medicaid Services (CMS) lifted its national coverage decision on amyloid imaging, allowing unrestricted reimbursement for amyloid tracers.

NeuraCeq enables accurate and specific detection of amyloid plaques to enable diagnosis of Alzheimer's disease. This diagnosis enables patients to access DMDs and medical support to reduce symptoms and improve their condition. NeuraCeq provides a less invasive and pain-free diagnostic method, increasing diagnostic confidence and accuracy. This supports ongoing disease monitoring and enables more effective and personalised treatment pathways, leading to better overall outcomes for patients and their families. For healthcare providers, it reduces the long-term burden on hospitals and allows them to offer high-quality care. Funders benefit from reduced costs and side-effects of Alzheimer's on society, while society gains from more personalised treatment plans and reduced long-term chronic care costs.

Watch – learn how NeuraCeq® assists with Alzheimer’s diagnosis

How we performed in 2024

LMI saw substantial growth in 2024 and is well-positioned for further expansion. Revenue surged by 181.3% to R1 845 million (2023: R656 million). This was fuelled by higher commercial sales of NeuraCeq® with a 91.9% rise in doses year-on-year, ongoing demand for LMI’s radiopharmaceuticals in clinical trials, and R&D services for clinical research organisations. Revenue was further supported by a \$36 million upfront payment from Lantheus for the sub-licensing rights to RM2.

Normalised EBITDA rose to R637 million from a loss of R113 million in FY2023, with the EBITDA margin climbing to 34.5%.

	FY2024 R'm	FY2023 R'm	% change
Revenue	1 845	656	181.3
EBITDA	637	(113)	>100
EBITDA margin	34.5%	(17.2%)	
Number of doses:			
US	14 406	6 016	139.5
EU	5 872	4 444	32.1
Number of manufacturing sites:			
US active sites	14	11	27.3
EU active sites	22	19	21.1

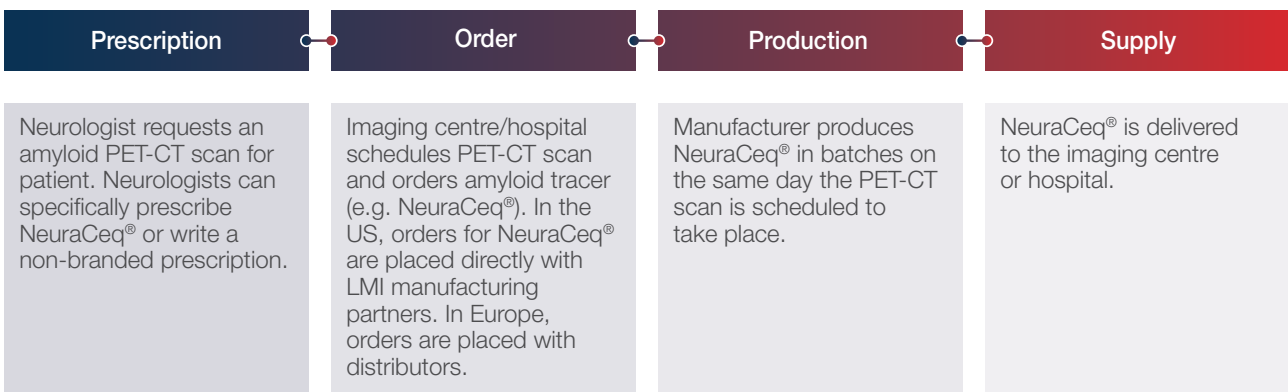
Growing our footprint and capabilities

NeuraCeq® continues to be LMI’s primary source of revenue. The increased spending on sales, marketing and manufacturing setups was aimed at boosting NeuraCeq® sales following last year’s important approvals. The US approval of Leqembi™, the subsequent reimbursement approvals for the drug and the necessary amyloid diagnostic testing, the Kisunla® approval, and further anticipated global approvals driven by growing demand for diagnostics and treatment monitoring, are significant favourable developments for LMI.

We have invested in preparing the business for the anticipated growth in commercial sales by expanding our sales team and support functions in the US. We have targeted high-demand areas with dedicated team support and continue to build robust relationships with all players in the NeuraCeq® ecosystem. European growth will be driven by an increase in our partners’ manufacturing and distribution capabilities.

LMI has 36 active sites in the US and EU (2023: 30) (see the What we do section on page 8). We are expanding the network of third-party manufacturing sites, with 12 additional sites planned in the US and eight sites planned in Europe. We are also looking to contract with manufacturers in parts of Asia and Latin America as we ramp up NeuraCeq® production globally.

NeuraCeq® is sold and supplied as follows:



Financial capital

Seven-year performance review

Company statement of comprehensive income

	2024 R'm	2023 R'm	2022 ² R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Revenue from continuing operations	25 519	22 641	20 526	26 885	23 851	25 672	23 488
Normalised EBITDA ¹ from continuing operations	4 310	3 594	3 443	5 051	4 155	5 727	5 535
Operating profit from continuing operations	2 899	2 439	2 762	2 980	2 121	3 944	3 848
Net finance cost	(180)	(537)	(581)	(622)	(793)	(998)	(962)
Share of associate's net profit after tax	8	9	10	25	14	18	(105)
Profit before tax from continuing operations	2 727	1 911	2 191	2 409	1 393	3 706	2 837
Profit for the year from continuing operations	2 189	1 428	1 488	1 767	837	2 871	1 914
Profit/(loss) from discontinued operation	2 758	(990)	226	87	(799)	–	–
Profit for the year	4 947	438	1 714	1 854	38	2 871	1 914
Ordinary equity holders of the parent	4 827	264	1 531	1 754	(93)	2 569	1 575
Non-controlling interest	120	174	183	100	131	302	339
Normalised EBITDA¹ from continuing operations	4 310	3 594	3 443	5 051	4 155	5 727	5 535
Operating profit	2 899	2 439	2 762	2 980	2 121	3 944	3 848
Depreciation on property, plant and equipment	1 096	968	862	1 571	1 476	1 236	1 133
Amortisation of intangible assets	178	158	118	533	590	586	537
Other adjustments	173	63	(266)	–	–	–	51
Retirement benefit asset and post-employment medical aid income	(36)	(34)	(33)	(33)	(32)	(39)	(34)

¹ Normalised EBITDA – operating profit before depreciation on property, plant and equipment, amortisation of intangible assets and non-trading related costs or income.

² Re-presented.

Company statement of financial position

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
ASSETS							
Non-current assets							
Property, plant and equipment	10 765	10 572	15 566	14 695	15 361	12 929	12 243
Intangible assets	3 570	3 287	16 514	16 383	18 238	16 969	17 084
Investment in associates and joint ventures	104	6	56	62	65	53	35
Employee benefit assets	349	416	415	418	379	448	401
Other non-current assets	2 021	1 920	1 903	1 809	1 285	1 189	795
Total non-current assets	16 809	16 201	34 454	33 367	35 328	31 588	30 558
Current assets							
Cash and cash equivalents	2 462	846	2 802	2 672	2 279	1 544	1 494
Trade and other receivables	4 157	3 625	4 319	4 041	4 046	3 923	3 761
Inventories	466	451	583	653	873	379	360
Other current assets	207	49	80	48	179	132	128
Total current assets	7 292	4 971	7 784	7 414	7 377	5 978	5 743
Assets classified as held for sale	243	24 443	–	–	–	–	2 841
Total assets	24 344	45 615	42 238	40 781	42 705	37 566	39 142
EQUITY AND LIABILITIES							
Capital and reserves	12 539	20 214	18 746	18 066	17 058	16 188	14 916
Non-controlling interest	975	1 075	1 114	1 105	1 220	1 303	1 286
Total shareholders' equity	13 514	21 289	19 860	19 171	18 278	17 491	16 202
Non-current liabilities							
Interest-bearing borrowings	3 394	11 010	12 124	10 914	12 034	9 399	12 870
Derivative financial instruments	–	–	–	–	–	–	6
Deferred tax liabilities	1 492	1 535	1 770	1 730	1 450	1 371	1 226
Other non-current liabilities	674	583	835	1 079	1 051	862	662
Total non-current liabilities	5 560	13 128	14 729	13 723	14 535	11 632	14 764
Current liabilities							
Bank overdraft	–	187	335	325	2 181	867	488
Trade and other payables	3 910	3 743	5 738	5 443	5 327	4 799	4 409
Interest-bearing borrowings	1 027	1 992	1 226	1 811	2 180	2 596	3 086
Other current liabilities	318	213	350	308	204	181	193
Total current liabilities	5 255	6 135	7 649	7 887	9 892	8 443	8 176
Liabilities directly associated with assets classified as held for sale	15	5 063	–	–	–	–	–
Total equity and liabilities	24 344	45 615	42 238	40 781	42 705	37 566	39 142

Financial capital

Seven-year performance review

Company statement of cash flows

	2024 R'm	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Cash generated from operations	4 330	3 653	3 340	5 687	4 562	5 927	5 503
Transaction costs paid	(11)	(12)	(1)	(35)	(17)	(147)	(38)
Interest received	274	75	35	169	93	60	40
Tax paid	(707)	(596)	(765)	(714)	(597)	(1 185)	(1 065)
Net cash generated from operating activities from discontinued operations	(163)	1 550	1 575	–	–	–	–
Net cash from operating activities	3 723	4 670	4 184	5 107	4 041	4 655	4 440
Net cash utilised in investing activities – investments to expand	(1 974)	(1 602)	(1 787)	(2 066)	(2 007)	(2 329)	(3 375)
Net cash generated from investing activities – disposals	19 489	22	15	573	–	4 395	61
Net cash (utilised in)/generated from investing activities – other	(272)	(155)	(16)	36	13	(295)	(50)
Net cash (utilised in)/generated from financing activities	(19 304)	(1 861)	(859)	(1 233)	(2 778)	(6 765)	(826)
Net cash utilised in investing activities from discontinued operations	(579)	(1 198)	(929)	–	–	–	–
Net cash utilised in financing activities from discontinued operations	(318)	(767)	(500)	–	–	–	–
Net increase/(decrease) in cash and cash equivalents	765	(891)	108	2 417	(731)	(339)	250
Cash and cash equivalents – beginning of the year	659	2 467	2 347	98	677	1 006	726
Effect of foreign exchange rate movements	(58)	179	12	(168)	152	10	30
Cash balances reclassified as held for sale	1 096	(1 096)	–	–	–	–	–
Cash and cash equivalents – end of the year	2 462	659	2 467	2 347	98	677	1 006

Business performance measures

	2024 R'm	2023 R'm	2022 ¹ R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Number of registered beds ²	9 202	9 186	9 203	9 177	9 151	9 136	9 055
Paid patient days ³	2 241 052	2 219 436	2 027 184	1 915 924	1 914 159	2 269 756	2 251 600
Occupancy (%) ^{3,4}	69.0	68.2	61.9	58.6	58.0	69.7	69.7
Length of stay ³	4.08	4.09	4.04	4.42	4.08	3.76	3.72
Financial ratios							
Normalised EBITDA margin (%)	16.9	15.9	16.8	18.8	17.4	22.3	23.6
Effective tax rate (%) ¹	19.7	25.29	32.03	26.7	93.5	22.5	32.5
Debtors' days ⁵	44	43	51	37	43	38	41
Quick ratio (:1) ⁵	1.30	0.74	0.94	0.86	0.66	0.66	0.66
Current ratio (:1) ⁵	1.39	0.81	1.02	0.94	0.75	1.71	0.70
Gearing (%)	24.7	25.5	40.8	40.5	47.3	42.4	50.4
Total debt (R'm)	4 421	13 002	13 350	12 725	14 214	11 995	15 956
Net debt (R'm)	1 959	12 343	10 883	10 378	14 116	11 318	14 950
Net debt: normalised EBITDA ⁶	0.45	2.00	1.89	1.82	2.96	1.96	2.73
Interest cover ⁶	22.3	6.2	10.8	11.0	5.8	5.6	6.4
Return on net assets (RONA) – using reported profit after tax (%)	33.1%	4.0%	11.5%	13.1%	0.3%	23.3%	16.4%
RONA – using normalised earnings from continuing operations (%)	12.8%	11.6%	7.8%	11.6%	5.9%	13.8%	13.7%

¹ Some figures are re-presented following the classification of AMG as a discontinued operation.

² Includes all acute hospital, mental health, rehabilitation and Life Nkanyisa beds.

³ Metrics for South African operations.

⁴ Occupancy is measured based on the weighted number of available beds during the year and takes acquisitions and expansions during the year on a proportionate basis into account.

⁵ Some figures are re-presented for consistent calculation.

⁶ Calculated as defined in lender agreements.

Market indicators

	2024 R'm	2023 R'm	2022 ² R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm
Market price – high (R) per share	21.21	22.23	24.84	25.75	26.00	28.89	30.52
Market price – low (R) per share	9.93	16.00	16.44	15.19	15.44	21.12	23.00
Market price – year-end (R) per share	16.00	20.26	17.25	22.79	17.06	22.68	24.56
Market capitalisation – year-end (R'm)	23 090	29 214	24 957	33 133	24 817	33 279	36 030
Number of shares traded ('m)	1 134	5 668	957	1 461	1 220	1 055	1 241
Value of shares traded (R'm)	17 121	105 790	19 946	28 030	24 460	26 288	32 510
Price-earnings ratio (Year-end price/NEPS)	12.09	22.74	17.89	20.76	27.97	19.48	22.29

Financial capital

Shareholder returns

	2024	2023	2022	2021	2020	2019	2018
Earnings per share from continuing and discontinued operations (cents)	328.8	18.3	105.8	120.6	(6.4)	176.4	108.6
Diluted earnings per share from continuing and discontinued operations (cents)	328.8	18.2	105.3	120.3	(6.4)	175.5	108.1
HEPS from continuing and discontinued operations (cents)	152.9	88.2	106.1	111.1	48.7	88.7	108.8
Diluted HEPS from continuing and discontinued operations (cents)	152.9	87.5	105.6	110.7	48.5	88.2	108.3
NEPS from continuing operations (cents)	132.3	89.1	96.4	109.8	61.00	116.4	110.2
Weighted average number of shares in issue ('m)	1 443	1 442	1 447	1 454	1 455	1 456	1 451
Weighted average number of shares for diluted earnings per share ('m)	1 454	1 454	1 454	1 458	1 460	1 464	1 457
Total number of shares in issue ('m)	1 467	1 467	1 467	1 467	1 467	1 467	1 467
Distributions per share (cents)	720.0	44.0	40.0	25.0	–	93.0	88.0
Net asset value per share (cents)	854.5	1 377.6	1 277.5	1 231.2	1 162.5	1 103.5	1 016.8
Normalised earnings from continuing operations ('m)	1 909	1 284	1 158	1 640	888	1 695	1 598
Profit attributable to ordinary equity holders ('m)	4 744	264	1 531	1 754	(93)	2 569	1 575
Adjustments (net of tax):							
(Profit) loss from discontinued operation attributable to ordinary equity holders ('m)	(2 758)	990	(226)	(45)	839	(1 418)	–
Loss (profit) on disposal of property, plant and equipment ('m)	–	7	2	10	3	–	(30)
Impairments ('m)	18	–	–	14	5	140	34
Gain on derecognition of lease assets and liabilities ('m)	–	(3)	–	–	(50)	–	(71)
Retirement benefit asset and post-employment medical aid income ('m)	(26)	(25)	(23)	(24)	(23)	(28)	(24)
Transaction costs ('m)	15	12	1	3	8	148	38
Fair value gain on foreign exchange hedge ('m)	–	–	–	–	–	292	(17)
Unwinding of contingent consideration ('m)	78	62	75	62	66	42	18
Deferred tax loss previously not recognised ('m)	(153)	–	–	–	–	–	–
Interest received on excess cash	(170)	–	–	–	–	–	–
Other ('m)	161	(23)	(202)	(134)	133	(50)	75

Human capital

- Financial capital
- Human capital**
- Manufactured capital
- Natural capital
- Social capital
- Intellectual capital

Our employees are a pillar of our success and sustainability. They are the innovators, problem solvers and driving force behind our growth and the achievement of our purpose of **Making life better**.

Executive Summary

As we navigate through an increasingly competitive landscape, human capital remains our most valuable asset. This report provides a comprehensive overview of our human capital strategy, highlighting our commitment to attracting, developing, and retaining top talent. It demonstrates how our people directly contribute to our business objectives and aligns with our overall strategy to enhance shareholder value.

We recognise that investing in our people is not just a responsibility but a strategic imperative. Our employees' creativity sparks innovative ideas, their teamwork builds a solid foundation, and their resilience helps Life Healthcare navigate challenges. We strive to create a dynamic environment that fosters innovation, collaboration and growth.

Strategic Alignment

Our human capital strategy is closely aligned with our business goals. We aim to create a workforce that is:

- Innovative: fostering creativity to drive product and service excellence.
- Engaged: maximising employee commitment and productivity.
- Diverse: leveraging a variety of perspectives for improved decision-making and problem-solving.
- Skilled: ensuring continuous development to meet evolving industry demands.

As we navigate an evolving business landscape and demanding healthcare industry, we recognise that investing in our people is not just a responsibility but a strategic imperative. Our employees' creativity sparks innovative ideas, their teamwork builds a solid foundation, and their resilience helps Life Healthcare navigate challenges. We strive to create a dynamic environment that fosters innovation, collaboration and growth.

Employees' key interests and concerns	How we engage
<ul style="list-style-type: none"> • Fair remuneration and reward (see remuneration report) • Job satisfaction • Training and development opportunities • Diversity and inclusion • Quality patient care (see our safety and quality review on page 140) • Caring employees • Safe work environment (see our safety and quality review on page 140) • Understanding and impact of the two-pot retirement system 	<ul style="list-style-type: none"> • We listen via our group-wide employee survey (last done in 2022) and twice-yearly joint performance measurement (JPM) reviews • Implemented our new EVP across the Company • Long-term incentive plans and share ownership schemes across all employee categories (see remuneration report) • Investment in employee training and assistance with professional registration fees and malpractice insurance • Regular communication on health and wellness and opportunities to get involved in CSI projects (see separate sustainability report) • Provided internal training and external expert engagement opportunities to all employees

Affected material matters



Affected strategic pillars





At Life Healthcare, healing begins with a warm attitude, a caring touch and a clear purpose: **Making life better**



Watch – how we care, this is what **making life better** looks like



Human capital

Value creation and trade-offs			
Inputs	Outcomes	Value creation	Trade-offs
<p>People-centred employees</p> <ul style="list-style-type: none"> • 16 108 SA employees • 138 LMI employees 	<ul style="list-style-type: none"> • R9.9 billion spent on employee salaries and benefits (for continuing operations) (2023: R9.0 billion) 		<p>Attractive above-inflation salary increases provided to short-skilled clinical employees as part of our retention strategy.</p>
<ul style="list-style-type: none"> • Implemented a stratified approach in January 2024, resulting in higher average salary increases for clinical skills that are essential to business operations. A 6.2% overall increase was granted 	<ul style="list-style-type: none"> • Mitigated pressure on employees due to inflation and rising costs of living 		<p>Total nursing employee turnover increased to 17.8% in 2024 after decreasing over the last few years (15.3% in 2023, 15.6% in 2022). This is attributable to economic conditions, market dynamics, the government's introduction of the two-pot retirement system, and organisational changes.</p>
<ul style="list-style-type: none"> • R188 million spent on total training (2023: R163 million), of which R174 million was spent on employee training (2023: R151 million) 	<ul style="list-style-type: none"> • 48 senior managers received training • 669 nurses registered for training at one of our seven Life Healthcare nursing colleges 		<p>Training costs detract from financial capital but increase the skills base within the Company and reduce the skills shortage in SA. Unfortunately, we are still capped as to how many nurses we can train every year.</p>
<ul style="list-style-type: none"> • Employees share schemes: R67.5 million spent on share purchases for employees (2023: R65 million) 	<ul style="list-style-type: none"> • Share purchases made as part of a long-term incentive plan for employees who have worked for the Company for at least a year who are not eligible for the Company's long-term incentives schemes described in our remuneration report and on page 75 		<p>The share purchases are an expense to the Company but are a key component of our retention strategy. Employee share ownership also aligns employees with shareholders in the Company.</p>

Workforce profile

Life Healthcare, through its southern Africa and LMI businesses, employs 16 246 permanent employees (2023: 15 890). We also utilise South African agency nursing employees, consulting doctors and specialists, temporary personnel and, within our LMI business, many self-employed clinical and non-clinical employees. On completion of the FMC renal dialysis acquisition in 2024, 451 employees were transferred and inducted into the Company.

Southern Africa employee turnover deteriorated from 11.5% in 2023 to 13.0% in 2024 (excluding bad leavers).

Our workforce profile is illustrated below.

Company workforce	2024	2023
Southern Africa ¹	16 108	15 768
International ¹	138	122
Total employed staff	16 246	15 890
Change year-on-year (%)	2.2%	2.3%
Southern Africa – temporary personnel	1 183	1 068
International – self-employed personnel	2	2
Total workforce	17 431	16 960
Change year-on-year (%)	2.8%	2.3%

¹ Permanent employees.



Human capital

Our people-centred approach

Employee engagement fosters a positive workplace culture, enhances productivity and reduces turnover.

When people feel valued and recognised for their contributions, they are more likely to be engaged and productive. Our employee value proposition (EVP) fosters a sense of belonging and commitment among employees. It attracts and retains talent, builds a strong organisational culture and enhances the overall employee experience, ultimately contributing to the Company's success.

To support our growth objectives, we have implemented a robust talent acquisition strategy, which includes:

- Employer branding: strengthening our reputation as an employer of choice.

- Diverse sourcing: utilising a wide array of recruitment channels to attract a varied candidate pool.
- Streamlined onboarding: enhancing new hire integration to improve retention rates.

As a leading healthcare company within South Africa the need to contribute to the evolving healthcare narrative is imperative. Together with our communications department we actively identify existing subject matter experts and thought leaders, within the Company and provide media training and create opportunities for their voices to be heard.

By providing opportunities for professional development, such as training programmes, workshops, and mentorship initiatives, the Company empowers its employees to deepen

their expertise and stay abreast of the latest trends and advancements in the healthcare field. Additionally, the Company encourages participation in industry conferences, research initiatives, and collaborative projects, allowing team members to share their insights and contribute to public discussions on critical healthcare issues. By promoting a culture of knowledge sharing and active engagement with external stakeholders, the healthcare company positions its employees as trusted experts and opinion leaders, ultimately driving advancements in the industry and enhancing the organisation's reputation as a pioneer in healthcare excellence.

We use the following tools to engage with employees effectively as part of our EVP:

<p>▶ 1. Open communication</p> <ul style="list-style-type: none"> • Encouraging open dialogue through regular meetings and feedback sessions • Using multiple channels (email, chat, in-person) to ensure all employees can voice their opinions 	<p>▶ 2. Active listening</p> <ul style="list-style-type: none"> • Demonstrating genuine interest in employees' ideas and concerns, through our re-imagine framework • Acting on feedback where appropriate to show that our employees' voices matter 	<p>▶ 3. Recognition and appreciation</p> <ul style="list-style-type: none"> • Recognising individual and team achievements regularly, both informally and formally at our Life Achievers annual awards • Implementing employee recognition programmes to celebrate milestones and successes 	
<p>▶ 4. Professional development</p> <ul style="list-style-type: none"> • Offering opportunities for training, workshops and career development • Encouraging employees to pursue their interests and develop skills that align with the Company's goals 	<p>▶ 5. Informal team building</p> <ul style="list-style-type: none"> • Organising team-building activities that are fun and foster collaboration • Encouraging social interaction among employees to build relationships beyond work tasks 	<p>▶ 6. Work-life balance</p> <ul style="list-style-type: none"> • Promoting a healthy work-life balance through flexible work arrangements, remote work options and understanding personal commitments 	<p>▶ 7. Inclusivity</p> <ul style="list-style-type: none"> • Creating a diverse and inclusive environment where all employees feel valued • Implementing policies and practices that promote equity and respect
<p>▶ 8. Clear goals and expectations</p> <ul style="list-style-type: none"> • Clearly define roles, responsibilities and performance expectations • Involve employees in setting team and individual goals to foster ownership 	<p>▶ 9. Solicit and act on feedback</p> <ul style="list-style-type: none"> • Conduct employee surveys to gauge satisfaction and gather suggestions • Act on feedback to show that employee input is valued and leads to tangible changes 	<p>▶ 10. Employee wellness</p> <ul style="list-style-type: none"> • Offer resources for mental health and well-being, such as counselling services and wellness programmes • Be available to support employees with professional and personal challenges • Employee wellness is fundamentally linked to employee satisfaction, overall workplace culture and our success. By prioritising wellness, we support both individual health and overall business performance 	

Employee wellness: A cornerstone of our healthcare company

In our healthcare company, employee wellness is not just an aspiration; it is a fundamental pillar that supports our mission to provide exceptional care to our patients and communities. We understand that our employees are at the heart of our services, and their well-being directly impacts both the quality of care they deliver and the overall culture of our Company.

By prioritising holistic wellness programmes that encompass mental, emotional, and physical health, we are committed to fostering a supportive environment where our employees can thrive. Initiatives such as flexible work arrangements, access to mental health resources, wellness challenges, and comprehensive health benefits are integral to our strategy.

We believe that when our employees feel valued, healthy, and engaged, they are empowered to bring their best selves to work, ultimately leading to improved patient outcomes and enhanced organisational performance. Investing in employee wellness is not only a responsibility we embrace but also a strategic imperative that reinforces our commitment to excellence in healthcare. Together, we will continue to cultivate a workplace where everyone feels supported and inspired to deliver the highest standard of care.

Employee relations

Strategic changes, both within the micro and macro environment, often necessitate decisions, such as downsizing, which can have a short-term impact on financial performance.

A more proactive approach, however, involves adopting a long-term perspective on human resources and implementing a strategy to right-size the Company effectively. The sale of a substantial portion of Life Healthcare's offshore operations in January 2024 prompted a systematic analysis and a strategic decision was made to implement a participative approach

to right-sizing the head office and regional structures of the business.

This resulted in well thought through proposed changes to the relevant structures. The proposed changes impacted various job categories that would have redundancies. The impacted individuals were identified and consulted in accordance with section 189 of the Labour Relations Act. During these consensus-seeking consultations, a committee was formed to evaluate alternative proposals, resulting in an amended and finalised organisational structure that was successfully implemented in September 2024.

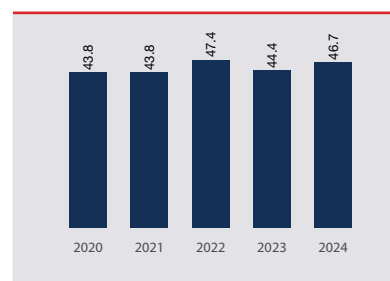
Diversity and inclusion

At Life Healthcare, we recognise the importance of fostering a diverse and inclusive workforce that mirrors the communities we serve. We have implemented strategic initiatives to attract, retain and promote individuals from diverse backgrounds. Our current employment equity plan runs from 1 April 2023 to 31 March 2026. As we begin year two of the plan on 1 April 2024, we are pleased to report that our year one close-out showed outstanding results. Specifically, the junior management occupational level surpassed its 2026 targets and significant progress was made in the middle management level in 2024.

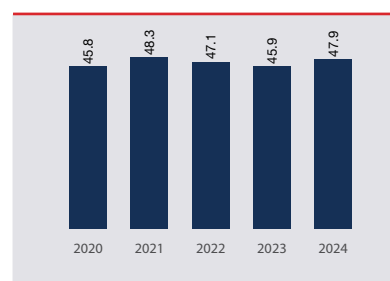
Our efforts to increase our diversity and inclusivity are complemented by robust talent management and succession planning initiatives, as well as career development programmes in partnership with top-tier institutions such as Gordon Institute of Business Science (GIBS) and the Henley Business School. These collaborations are designed to cultivate and expand our pipeline of future leaders.

We are delighted to announce that Life Healthcare's employment equity plan was approved by the Department of Labour for the period 1 April 2023 until 31 March 2026. Our ACI target for senior management for 2025 aligns with our approved employment equity plan.

ACI employees in top management (%)



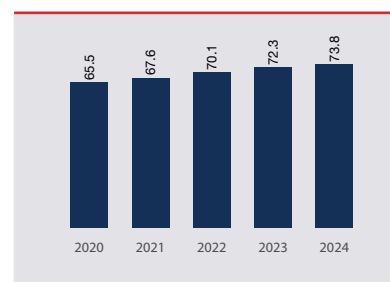
ACI employees in senior management (%)



ACI employees in middle management (%)



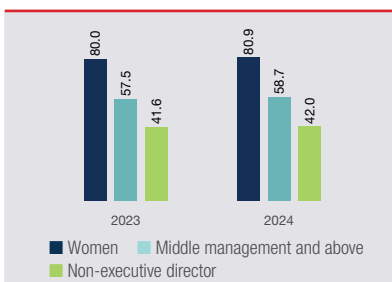
ACI employees in junior management (%)



Women in Life

Our Women in Life programme is about to enter its fifth year. The initiative continues to act as a catalyst for empowering our female leaders, emerging and practised, through the support and guidance of our programme leads.

Women in Life (%)



Human resource systems

We have embarked on a journey to modernise our time and attendance capability. This will involve critically evaluating, streamlining and optimising our time-keeping processes and related system integrations. The aim is to ensure fairness and consistency and make life better for our employees, managers and supporting structures. The new solution will also unlock value through an enhanced reporting and analytics capability that provides real-time insights and trends analysis to inform proactive decision-making.

Safe workplaces

The safety of our workforce is a priority. Read more about our workplace safety initiatives on [page 114](#).

CSI

We encourage our employees to participate in CSI initiatives. Engaging our employees in meaningful social impact initiatives uplifts communities and strengthens employee morale and pride in our Company. Read more about our CSI initiatives on [page 123](#) and in our [sustainability report](#).

Looking forward: A commitment to our greatest asset

As we move deeper into 2025 and beyond, we reaffirm our belief that our people will always be our greatest asset. The foundation of our organisational success rests on the skills, creativity, and dedication of our workforce. To maximise this invaluable resource, we are committed to fostering an environment that prioritises both personal and professional growth.

Creating this environment involves more than just traditional training and development programmes; it requires a holistic approach to talent management that encompasses mentorship, diversity, and inclusion. By empowering individuals to pursue their ambitions, we enable them to contribute meaningfully to our collective success.

We continue to implement initiatives that encourage continuous learning, ensuring our employees have access to the resources and opportunities they need to adapt and thrive in an ever-evolving market.

Moreover, nurturing the Company's collective talent across various geographies enriches our organisational culture. By leveraging a diverse workforce, we not only enhance creativity and innovation but also gain a deeper understanding of the markets we serve. Maintaining a global perspective will allow us to tailor our strategies and solutions to meet the unique needs of our clients and stakeholders while promoting collaboration and knowledge sharing across borders.

Looking to the future, our focus on human capital investment will also encompass the well-being of our employees.

We recognise that a healthy work-life balance, mental health support, and a culture of recognition and appreciation are vital for sustained engagement and motivation. By prioritising the well-being of our workforce, we create a resilient Company capable of navigating challenges and seizing opportunities.

In conclusion, as we look forward to 2025 and beyond, our commitment to cultivating an inclusive culture that champions personal and professional growth, while harnessing the diverse talents of our global workforce, will remain steadfast. This strategic focus will not only secure our position as an employer of choice but will also lay the groundwork for success, sustainability, and growth in the years to come. Together, we will continue to innovate and excel by investing in the very people who drive our Company forward.



Manufactured capital

Financial capital

Human capital

Manufactured capital

Natural capital

Social capital

Intellectual capital

Our clinical excellence is supported by technologically advanced and multi-disciplinary facilities, optimal infrastructure, data and analytics capabilities, and world-class medical equipment.

Southern Africa

We are the second-largest private hospital provider in South Africa, with 8 308 registered beds across 48 acute hospitals. Our hospital network services are supported by a network of complementary healthcare facilities (see [page 6](#)). We own 88% of our properties, which span seven provinces and Botswana. We continually invest in innovative technology solutions to create and evolve digital user experiences and improve efficiency and patient outcomes, ultimately lowering the cost of care.

We have invested significantly in IT and information security over the last three years, focusing on network modernisation, cloud migration and advanced security tools. By supporting business goals and fostering growth through increased automation, these investments are enabling us to evolve from a trusted custodian to a strategic partner.

The IT strategy emphasises business enablement through data utilisation, application integration, and organisational strengthening, all underpinned by enhanced security and efficiency. Through our IT strategic initiatives, we demonstrate Life Healthcare’s commitment to enhancing operations, improving patient satisfaction and achieving our business goals.

We made significant progress in partnership with AXIM, forming the joint venture ALISA, on establishing two cyclotrons in Gauteng to produce and supply isotopes (radiotracers used in PET-CT scans) across South Africa, starting in 2025. Plans to finalise commissioning, licence audits, and regulatory engagements to commence production are well under way.

International

LMI has 37 active manufacturing sites around the world (see [page 104](#)).

Key stakeholders

Patients, doctors and specialists, healthcare funders, employees

Key expectations and concerns

- Healthcare facilities are easily accessible, well maintained and equipped with modern amenities that enhance the patient experience
- Clinical equipment is safe for use and aligned with current medical and technological advancements, ensuring patient safety
- Well-maintained facilities and advanced medical equipment and technology support consistent delivery of high-quality patient care, with evidence of effective treatment protocols and positive health outcomes (see our safety and quality review on [page 140](#))
- Provision of a safe work environment for employees, addressing concerns and promoting overall well-being (see our safety and quality review on [page 140](#))

How we engage

- Regular management meetings with employees to foster open communication and gather insights from employees at all levels
- Medical advisory committee and clinical management meetings with doctors, specialists and hospital management to exchange expertise
- Dedicated Patient Advisory Boards to discuss concerns with patients and their families
- Constructive dialogue with healthcare funders on safety and quality of care
- Roadshows and surveys with hospital employees and employees to measure satisfaction and get input regarding IT in the Company

Affected material matters



Affected strategic pillars



Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
R10.8 billion in property, plant and equipment (PPE) (2023: R10.6 billion)	R10.8 billion in PPE at the end of 2024 after the sale of AMG, capital expenditure and acquisitions		We unlocked value for shareholders through the sale of AMG. However, this reduced our overall asset base.
R1.2 billion in maintenance capital (2023: R1.2 billion)	Upgrades and refurbishment to facilities in South Africa		Maintenance capex erodes financial capital without typically adding any additional EBITDA. However, it adds long-term value by sustaining our ability to provide services and attract/retain employees and specialists.
R0.8 billion in growth capital (2023: R0.4 billion)	Investments in growth projects in South Africa and pipeline investment for LMI		Growth capital can erode financial capital in the short term, but we expect to grow revenue and shareholder returns over time with carefully selected growth projects. This expenditure also creates value for the suppliers we use to construct facilities or procure equipment.
R0.4 billion spent on acquisitions	Acquired Kauffman imaging business in KwaZulu-Natal and the South African FMC renal dialysis units (see page 8)		Acquisitions can erode financial capital in the short term, but with carefully selected targets, we expect to grow revenue and shareholder returns over time. These transactions also create value for the prior owners.
R80 million spent on strategic IT projects	Modernisation of networks and infrastructure, migration to a cloud-based platform and decommissioning of legacy systems		IT capex erodes financial capital but future-proofs critical IT infrastructure and enables the achievement of digitisation objectives.

Natural capital

Financial capital

Human capital

Manufactured capital

Natural capital

Social capital

Intellectual capital

Definition

We use renewable and non-renewable natural resources in delivering services to our patients. While our business has an inescapable impact on the environment, we strive to lessen negative impacts by measuring and managing our activities.

Key stakeholders

Employees, shareholders and other investors, society

Key expectations and concerns

- Commitment to responsible corporate citizenship and actions that prioritise environmental stewardship and minimise our impact
- Strategies to mitigate adverse environmental impacts while actively seeking and implementing alternative solutions
- Transparent initiatives to reduce carbon emissions and decrease waste sent to landfills
- Minimising the use of single-use items and plastics, emphasising the need for sustainable alternatives

How we engage

- Our employees participate in initiatives to reduce water and electricity consumption and minimise waste sent to landfill
- ESG KPIs in remuneration motivate employees to help achieve our environmental objectives
- We maintain open dialogue with shareholders and other investors on environmental issues and broader ESG considerations at investor roadshows
- We engage with ESG rating agencies and provide the necessary information for them to assess our performance and assign ratings accurately

Affected material matters



Affected strategic pillars



Value creation and trade-offs

Inputs

Solar panel installations
Implementation of energy-efficient projects at various hospitals

Outcomes

Solar installations at 15 of our facilities in SA. These are installed and maintained by a third-party renewable energy provider.
We are exploring additional renewable energy installation.

Value creation



Trade-offs

Solar power and diesel generators offer unique benefits for our acute hospitals in southern Africa. Solar power yields energy cost savings while adding to our sustainability goals. Diesel generators serve as reliable critical infrastructure at our hospitals, ensuring patient safety should power outages occur.

Mitigating the impact of electricity outages at our South African facilities

Mitigating the impact of electricity outages at our acute hospitals is critical, as outages can severely affect patient care, medical equipment and overall hospital operations. Our mitigating actions include:

- Investing in backup power systems and upgrading end-of-useful-life assets.
- More frequent maintenance and testing of backup systems.
- We are finalising our energy efficiency strategy.
- We are also exploring long-term renewable wheeling agreements.

Mitigating the impact of water outages at our South African facilities

Mitigating the impact of water outages at our facilities, especially acute hospitals, is crucial for maintaining hygiene, patient care and overall hospital operations. Water is essential for medical procedures, sanitation, sterilisation and general hospital functionality. We are exploring innovative and practical strategies to minimise the impact of ongoing water supply disruptions, particularly in regions facing droughts or infrastructure issues, with a focus on:

- Water storage and backup tanks – we are increasing capacity.
- Installing water-efficient fixtures and equipment, including medical equipment.
- Utilising groundwater through the use of boreholes in certain areas.

By adopting a combination of the above, we aim to become more resilient to water outages.



Our approach to sustainability reporting

We believe that sustainability makes good business sense. We are inspired by a simple yet profound purpose: **Making life better**. We strive to ensure that our actions contribute positively to society, health outcomes and our planet.

Preserving the environment and enhancing the livelihoods of the communities in which we operate are at the heart of our sustainability approach. We recognise that integrating ESG principles into our value creation is a strategic tool to achieve our long-term goals. As such, ESG is a key focus area for ensuring the long-term viability of our business.

Our strategic priorities, including ESG and CSI initiatives, can make a meaningful contribution to the achievement of the United Nations Sustainable Development Goals (SDGs). We highlight the SDGs where we think we can deliver the most impact.

Assurance

The financial and sustainability aspects of our 2024 performance are independently assured. The independent assurance practitioner's report on specific sustainability indicators is on [page 154](#). This section is a summary of our [sustainability report](#).

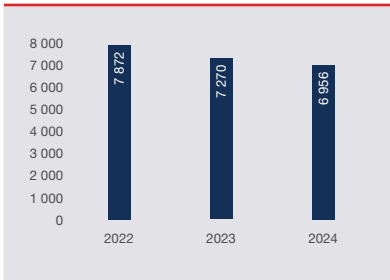
Our strategic priorities, including ESG initiatives and corporate social investments (CSI), can make a meaningful impact on the following challenges identified within the United Nation's SDGs. We highlight the SDGs where we think we can deliver the most impact.



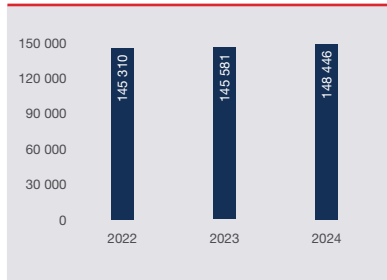
Our 2024 sustainability performance

Key sustainability indicators ESG performance

Renewable energy consumption
(kWh'000)

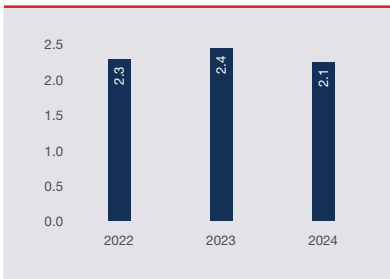


Total electricity consumption
(kWh'000)

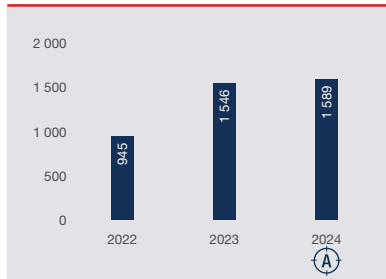


Reduced loadshedding in H2 of FY2024 contributed to increased electricity consumption but resulted in reduced diesel usage for generators.

Total healthcare risk waste generated/PPD (kg/PPD) ^(A)

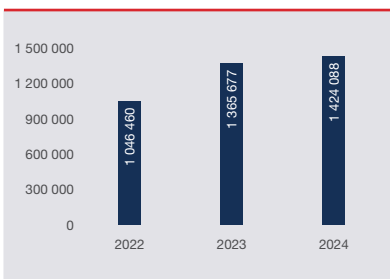


Total general waste recycled
(tonnes)

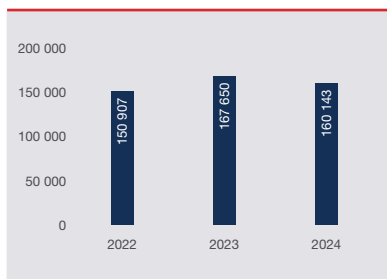


Waste recycling pilot programme at two facilities to be expanded to additional facilities in 2025.

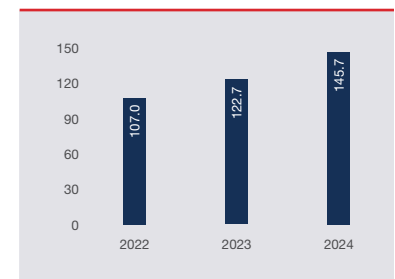
Total municipal water withdrawn (kl) ^(A)



Total carbon emissions
(tCO₂e)



CSI spend
(R'm)



Total carbon emissions decreased by 4.5% exceeding our target for 2024.

ESG rating highlights

ISS Corporate

Rating: B-

Performance score of 66.81/100

Rating date: 18 March 2024

- Achieved a higher disclosure rating of 1 on environmental
- Achieved a higher disclosure rating of 3 on social
- Achieved an overall rating of very high transparency and a prime status

FTSE/JSE Responsible investment index

3.4

Percentile rank: 63

Score date: 19 June 2023

- Achieved a sector and industry-leading score of 3.4 and a score of 5 on human rights and community

Sustainalytics

Rating: 24.9

Rating date: 25 October 2023

- Score improvement of -2.2

S&P Global

Score: 41/100

Rating date: 16 August 2024

Methodology year 2024

Scored well above the industry average score of 24/100 for healthcare providers and services.

Morgan Stanley Capital International (MSCI)

Score: AA

Rated as the leader in the healthcare industry

Rating date: 20 February 2024

Maintained 2023 rating score

Carbon Disclosure Project (CDP)

Achieved a disclosure band of D for water security and climate change disclosure in 2023

The scoring for 2024 will be released in early 2025



Our ESG aspiration

Making life better for our patients, employees and communities by implementing and entrenching sustainability practices in our business.

	Making life better through Environment	Making life better through Social
Delivered through our Company objectives	<ul style="list-style-type: none"> Developing systems to measure, monitor and manage energy, water and waste to fully understand our carbon footprint Consistently reducing our carbon emissions to net zero by 2050 Consistently reducing our general waste to landfill to zero by 2030 Supporting regulatory environmental initiatives Engaging our workforce and wider communities to create a culture of environmental responsibility 	<ul style="list-style-type: none"> Contribute to community upliftment by supporting education, health and community improvement initiatives Delivering high-quality healthcare services through an experienced, stable workforce Providing healthcare services through a workforce that reflects the diverse demographics of our regions Investment in innovative healthcare solutions to improve community health outcomes
Measured against our initiatives and targets	<ul style="list-style-type: none"> Providing consistent, transparent internal and external ESG reports Achieving zero general waste to landfill by 2030 Introducing solar photovoltaic (PV) installations at all viable facilities Introducing water conservation initiatives at all viable facilities Aligning new build initiatives with energy efficiency principles Identifying appropriate, sustainable and responsible carbon offset initiatives 100% of all medical and radioactive waste disposed of responsibly 	<ul style="list-style-type: none"> Annual investment in community upliftment initiatives in the regions in which we operate Investment in workforce development, training and education Investment in improving pay and employment conditions, including a commitment to adopt a living wage for all employees Achieving agreed transformation, diversity and inclusion targets, including B-BBEE targets in South Africa
Company targets for 2025	<ul style="list-style-type: none"> Reduce southern African carbon emissions by 20% by 2030 based on the 2023 assured baseline data Implement 9 MWh PV solar across our facilities in 2025 	<ul style="list-style-type: none"> R65 million investment in nursing training and development 80% of total measurable procurement spend on B-BBEE enterprises 3% improvement in senior management ACI representation 70% ACI doctors recruited R115 million CSI spend on health and community improvement initiatives
ESG KPIs embedded in remuneration	<ul style="list-style-type: none"> A reduction in carbon emissions has been included as a measure in the SIP in FY204 Environmental targets included in FY2025 	<ul style="list-style-type: none"> Social targets for FY2025 have been included in the remuneration scheme



Making life better through Governance

- Operating an appropriate governance structure to support corporate governance principles and ensure high-quality, safe healthcare services
- Recognising the sensitivity of patient data through world-class cyber-security and data protection initiatives
- Actively implementing responsible ESG practices




- Supporting appropriate Board governance and independence
- Board succession
- Enacting principles to ensure appropriate diversity and expertise for internal boards and committees
- Managing the ethical delivery of healthcare services through a global code of conduct for internal and external stakeholders
- Independent external audit of financial and non-financial activities
- Continued investment in clinical, quality, health and safety and compliance
- Embedding ESG in role profiles for our leaders and their performance scorecards

- Board succession
- Managing Board tenure, diversity, skills and succession
- ESG performance scorecards for leadership
- SDGs integrated within our global code of conduct

- Future remuneration schemes will consider inclusion of additional ESG measures



Our ESG strategy roadmap

	Strategic objectives	Company targets for 2025 – 2026
 <p>Environmental</p>	<ul style="list-style-type: none"> Developing systems to measure, monitor and manage energy, water and waste to comprehensively understand our carbon footprint Engaging with national healthcare systems to support government, public health sector or regulatory environmental initiatives 	<ul style="list-style-type: none"> Reduce southern Africa carbon emissions by 20% by 2030 based on the 2023 assured baseline data Reduce carbon emissions in 2023 by 3% (target) Implement 9 MWh PV solar across our facilities in 2025 Drive zero general waste to landfill by 2030
 <p>Social</p>	<ul style="list-style-type: none"> Drive diversity and inclusion Strengthen employee retention Continued employee health, safety and wellness programmes Continuous training and development Ongoing CSI and enterprise development programmes 	<ul style="list-style-type: none"> R65 million investment in nursing training and development 80% of total measurable procurement spend on B-BBEE enterprises 3% improvement in senior management ACI representation 70% ACI doctors recruited R115 million CSI spend on health and community improvement initiatives
 <p>Governance</p>	<ul style="list-style-type: none"> Entrench governance structures Actively implement responsible ESG practices Commitment to ESG and sustainability Ongoing cyber-security and data protection focus 	<ul style="list-style-type: none"> Board succession Managing Board tenure, diversity, skills and succession ESG performance scorecards for leadership UN SDGs integrated within our Global Code of Conduct

Our ESG roadmap	2021	2022	2023
	<ul style="list-style-type: none"> First sustainability complementary data report New green 5-star rated head office Implemented solar PV at 15 facilities in South Africa 	<ul style="list-style-type: none"> Developed ESG strategy and roadmap Identified Company ESG projects 	<ul style="list-style-type: none"> Established an environmental baseline for southern Africa Established Company carbon emission targets

Company initiatives

- Solar PV installations in SA
- Water conservation initiatives
- Reduce general waste to landfill project
- Responsible disposal of medical waste
- Offset initiatives



- Continue to promote gender empowerment and diversity in the health sector
- Continue investing in product development and innovation
- Drive EVP measures
- Invest in employee training and skills development



- Board governance and independence
- Board diversity and expertise
- Equitable and fair remuneration practices and philosophy
- Management of ethics through the code of conduct
- Enhance cyber-security and protection of patient and employee data



2024 – 2025

- Continue implementation of ESG projects
- Develop social and environmental targets
- Continually identify new projects
- Roll out ESG strategy to operations
- Implement 9 MWh solar PV across 16 facilities
- Roll out the waste recycling project

2026

- Reach 2026 targets
- Reassess baseline and determine 2030 targets

ESG goals

- 20% reduction in carbon emissions by 2030
- Net zero emissions by 2050
- Zero general waste to landfill by 2030
- Employer of choice

Our ESG strategy roadmap

Zero general waste to landfill roadmap for southern Africa operations

2023 – 2024	<ul style="list-style-type: none"> Waste audits conducted at three flagship hospitals Waste projections across the Company using benchmark data Review of current waste management practices/processes
2024 – 2025	<ul style="list-style-type: none"> Implement a waste recycling pilot at four hospitals Separation at source project for five recyclable grades Green initiatives (waste recycling) Focus on organic waste separation and valorisation (capex, employee training, feasibility models)
2026 – 2028	<ul style="list-style-type: none"> Follow-up waste audit: review of baseline, successes, and lessons learned Reassess baseline and amend strategy, if necessary, to adapt to business growth and changes Focus on outlying areas
2029 – 2030	<ul style="list-style-type: none"> Focus on sustainable solutions for non-recyclable grades Initiate CSI projects focused on waste reduction
2030	<ul style="list-style-type: none"> Zero general waste to landfill Net zero waste certification (Green Building Council South Africa) – 90% diversion Carbon footprint – carbon credit programmes to offset the remaining 10%

Environmental and social targets for FY2025

Pillar	Weighting	Measure	Target
1 Environment	50%	Solar PV roll-out	9 MWh installed in FY2025
2 Social	10%	Investment in nurse training and development	R65 million
People	10%	Diversity in employment	3% improvement in senior management ACI representation
Doctors	10%	Diversity in recruitment	70% ACI doctors recruited
Community	10%	B-BBEE procurement spend	80% of total measurable procurement spend on B-BBEE enterprises
	10%	CSI spend on health and community	R115 million

ESG performance data tables

This section presents key ESG data for our southern Africa business operations, excluding the newly acquired renal dialysis facilities.

Governance pillar







KPI	UOM ²	2024	2023	2022
Percentage of females at Board level	%	42%	36%	36%
Racial diversity at Board level	%	67%	43%	43%

Patient privacy and electronic health records¹

KPI	UOM ²	2024	2023	2022
Number of data breaches recorded	No.	29	25	10
Total breaches involving personally identifiable information (PII)	No.	28	4	10
Percentage of breaches involving only personally identifiable information (PII)	%	3%	16%	30%
Percentage of breaches involving protected health information (PHI)	%	97%	84%	70%
Number of customers affected	No.	165	37	179
Number of customers affected in PII category	No.	2	3	10
Number of customers affected in PHI category	No.	163	34	169
Total amount of monetary losses due to legal proceedings associated with data security and privacy	Value	0	0	R118 664

¹ Prior year statistics include all reported incidents on our reporting systems. These included near miss incidents or incidents that were investigated and breaches contained prior to any harm to data subjects. The current year reporting only includes data leaks and breaches where there was a likelihood of harm to data subjects, these are the incidents that were notified both to the regulators and data subjects as required by legislation. One of Life Healthcare's 29 privacy breaches in 2024 involved a patient erroneously being sent an email that contained information about the patient. This increased the number of breaches related to personal identifiable information.

Environmental pillar – carbon emissions

KPI	UOM ²	2024	2023	2022
Scope 1	Tonnes CO ₂ e	 6 494	 15 256	 7 951
Scope 2	Tonnes CO ₂ e	 148 446	 147 037	 138 045
Total Scope 1 & 2	Tonnes CO ₂ e	154 940	162 292	145 995
Scope 3	Tonnes CO ₂ e	5 203	5 359	4 913
Total carbon emissions	Tonnes CO ₂ e	160 143	167 650	150 907
Total carbon saving via Company-owned projects	Tonnes CO ₂ e	6 959	7 342	7 478
Percentage emissions reduction resulting from initiatives	%	4.3%	4.3%	4.9%
Total carbon credits purchased	Tonnes CO ₂ e	0	0	0

An Eskom carbon emission factor of 1.00 tonne per MWh published in 2023 was used to calculate scope 2 emissions for the 2024 reporting period.

² Unit of measure.

ESG performance data tables

Energy management

KPI	Description	UOM	2024	2023	2022
Direct renewable energy consumption	Renewable fuel	L	0	0	0
Total renewable energy consumption	Total	GJ	0	0	0
Total direct non-renewable energy consumption	HFO	L	318 963	276 203	314 685
	Petrol	L	150 367	193 047	172 491
	Diesel	L	1 375 037	3 773 420	1 282 665
	LPG	Kg	164 376	145 610	152 925
Total electricity consumption – self-generated (renewable)	Solar PV	kWh	6 956 273	7 269 667	7 871 820
Total electricity consumption – purchased	Purchased	kWh	148 445 758	145 580 670	145 310 090
Total electricity consumption	Self-generated + purchased	kWh	155 402 031	152 850 337	153 181 910
Total indirect energy consumption	Total	GJ	559 447	550 261	551 455
Renewable energy consumption as a % of total energy consumption (electricity)		%	4.5%	4.76%	5.1%

* The increase in fuel consumption was mainly due to loadshedding resulting in high diesel consumption.

Water management

KPI		UOM	2024	2023	2022
Total water withdrawn		KL	1 493 851	1 583 737	1 209 843
Total water withdrawn – municipal		KL	1 424 088	1 365 677	1 046 460
Total water withdrawn – borehole		KL	64 902	56 971	141 896
Total water withdrawn – third party		KL	4 861	161 089	21 487

Water consumption for 2021 – 2022 was based on the municipal billing system. The 2023 and 2024 water withdrawn – municipal is based on the assured data collected from our smart meter reading system and an estimated municipal billing system.

Environmental pillar – waste management

KPI	UOM ²	Method of destruction	2024	2023	2022
Total healthcare risk waste (HCRW) generated	Tonnes	N/A	4 646	5 391	4 193
Healthcare risk waste (HCRW)	Total HCRW incinerated	Tonnes	112.7	116	135
	Total HCRW treated	Tonnes	4 532	5 275	4 058
	HCRW generated per PPD	Kg/PPD	2.1	2.43	2.28
	HCRW – anatomical waste	Tonnes	72.8	79	74
	HCRW – chemical waste (cytotoxic)	Tonnes	22.8	21	26
	HCRW – chemical waste (pharmaceuticals)	Tonnes	17	17	34
	HCRW – radioactive/nuclear waste	Tonnes	0.1	–	–
	HCRW – infections non-anatomical waste (non-sharp waste)	Tonnes	4 163	4 903	3 735
	HCRW – sharps ³	Tonnes	369	372	323

KPI	UOM ²	2024	2023	2022	
Total healthcare general waste generated¹	Tonnes	5 693	2 629	2 219	
Hazardous waste	E-waste	Tonnes	2.8	15.8	2.4
	Batteries	Tonnes	2.8	3.4	5.5
	Used oil	Tonnes	2.5	4.6	3.0
	Fluorescent tubes	Tonnes	1.53	0.6	2.2
	Fat (fat trap)	Tonnes	211.7	180.9	141.3
General waste	General waste to landfill	Tonnes	2 314	930.0	777.1
Non-hazardous waste	Free flex	Tonnes	0	59.2	27.7
	Plastic	Tonnes	834.2	92.3	112.2
	Paper	Tonnes	968.4	412.9	219.1
	Cardboard	Tonnes	709.8	565.6	460.1
	Tins	Tonnes	9.8	7.1	9.5
	Scrap metal	Tonnes	10.9	12.7	23.7
	Glass	Tonnes	4.9	5.6	7.1
Food waste	Food waste	Tonnes	619.4	337.9	356.4

¹ More data was captured during the current reporting period versus the prior period mainly due to enhanced maturity of the data collation system.

KPI	UOM ²	2024	2023	2022
Total healthcare waste generated	Tonnes	10 338	8 019	6 848
Total waste recycled	Tonnes	1 589	1 546	945
Total HCRW recycled	Tonnes	181.4	–	–
Total waste recycled as a % of total waste generated	%	17.1%	19.3%	13.8%

² Unit of measure.

³ Sharps waste comprises items that can cut or puncture e.g. surgical blades and needles.

ESG performance data tables

Ozone-depleting substances

KPI	UOM	2024	2023	2022
R22	Kg	302	400	488
R134A	Kg	118	105	116
R404A	Kg	19	312	37
R407A	Kg	51	97	10
R410A	Kg	581	626	673
R507	Kg	2	1	–

Environmental incidents and grievances













KPI	UOM	2024	2023	2022
Total number of reportable environmental incidents	No.	0	0	0
Total number of grievances about environmental impacts filed through formal grievance mechanisms during the reporting period	No.	0	2	0
Of the identified grievances, how many were: addressed during the reporting period	No.	0	2	0
Of the identified grievances, how many were: resolved during the reporting period	No.	0	2	0
Total number of grievances about environmental impacts filed prior to the reporting period that were resolved during the reporting period	No.	0	2	2

Corporate social investment

Corporate Social Investment (CSI) is an integral part of Life Healthcare's ethos, reflecting our commitment of being closely involved with the communities we serve. We are dedicated to social upliftment and our CSI initiatives embody our Company's purpose of *Making life better*.

As a leading player in the delivery of healthcare, Life Healthcare is uniquely positioned to enhance health outcomes across southern Africa and empower communities to take ownership of their health on both individual and collective levels. Our strategically significant programmes are managed at the national level, while other CSI initiatives are driven by local needs. Our three primary focus areas include healthcare access, education and training, and community upliftment.

CSI projects

Healthcare access	Education and training	Community upliftment
 	  	      
<p>Surgery for state indigent patients</p> <p>We are committed to making a positive impact in the community by supporting specialists and allied healthcare workers in providing pro bono surgical services through our organised surgical programmes. These initiatives include cataract surgery, joint replacements, and cleft lip and palate repairs. We prioritise patients from participating state hospitals to ensure we assist those in greatest need.</p> <p>We have a strong and enduring relationship with the South African National Council for the Blind (SANCB). Since 2006, we have donated four mobile eye care clinics to serve peri-urban and rural communities. This collaboration has facilitated over 77 000 eye care screenings, resulting in more than 24 000 cataract surgeries and the issuing of over 15 300 pairs of spectacles.</p>	<p>High school maths, science and English tuition</p> <p>We are pleased to be a founding sponsor of a Saturday school at Somerset College in the Western Cape. The school provides additional tuition in mathematics, science and English. In 2024, we sponsored 130 Grade 11 and 12 learners based on their performance in mathematics and physical science over the past two years. The programme improves learners' academic performance, expands their horizons and creates opportunities for their future.</p>	<p>Access to clean running water</p> <p>Access to safe and reliable water is a challenge in rural areas. Life Healthcare has partnered with Round About Water Solutions, a water sector non-governmental organisation (NGO) that delivers water to rural schools and communities.</p> <p>The NGO installs merry-go-rounds on the top of existing boreholes. As the children play, water is pumped into a tank for immediate or stored use. The water is tested in accordance with South African National Standards (SANS) 241 drinking water standards.</p> <p>The project increases learner school attendance and decreases the incidence of waterborne diseases while providing recreation for children. To date, 25 pumps have been installed in schools and communities across the country.</p>

Corporate social investment

Healthcare access	Education and training	Community upliftment
 	  	      
<p>Health screenings and testing</p> <p>In 2024, Life Healthcare proudly sponsored 10 PinkDrive tours, providing essential health screening for breast, cervical and prostate cancers. During these tours, we facilitated 750 mammograms, 1 123 pap smears and 1 246 prostate-specific antigen (PSA) tests to detect potential health issues.</p> <p>Following the National Department of Health's awareness calendar, our hospitals participate in community screening and testing programmes for non-communicable diseases.</p>	<p>Nursing bursaries</p> <p>Through Life Healthcare's nursing college and learning centres, annual bursaries are offered to previously disadvantaged students for:</p> <ul style="list-style-type: none"> • Higher Certificate in Auxiliary Nursing (one-year programme) • Diploma in Nursing (three-year programme) • Bachelor's Degree in Nursing (four-year programme) <p>Over 100 nursing education programmes and bursaries have been awarded at various higher education institutions.</p>	<p>Rural community development</p> <p>Life Healthcare has partnered with the NGO Pondoland Conservation Trust to construct a community recreation centre that enhances local resources and well-being. Our commitment includes funding three years of operational expenses, which will cover critical services such as a WiFi hub, access to satellite television, a medical clinic and employee salaries for the early childhood development centre.</p> <p>To further support the community, three play pumps have been installed, providing clean drinking water and recreation for children. Additionally, we have initiated a community garden programme to establish an agricultural hub for buying, processing and selling homegrown produce.</p>
<p>SA Bone Marrow Registry</p> <p>Life Healthcare proudly sponsored 250 tests in collaboration with the South African Bone Marrow Registry (SABMR), a dedicated NGO, to screen and test South African stem cell donors. These efforts are aimed at adding potential donors to a comprehensive database of patients in need of life-saving stem cell transplants.</p> <p>The SABMR partners with registries across 76 countries, collectively representing over 37 million donors. This significantly increases the likelihood of finding compatible donors for South African patients. Currently, an impressive 70% of donors for local patients have come from international sources.</p>	<p>Training and education for students with visual impairment</p> <p>Since 2018, Life Healthcare has been the sole sponsor of the South African Council for the Blind's Optima College. The college provides vocational and life skills training for 120 visually impaired students through a one-year Sector Education and Training Authority (SETA)-accredited programme. The curriculum includes essential topics such as computer skills, contact centre support, business administration services and braille literacy. Additionally, over 250 students have benefitted from various short courses offered by the college. To enhance the learning experience, computer laboratories have been established in seven training centres, equipped with adaptive software, printers and internet connectivity.</p>	<p>Food relief for needy communities</p> <p>Life Healthcare partnered with the NGO Soul Food Provider Trust to provide food relief to needy communities, particularly early childhood development centres, which are excluded from the national school nutrition programme.</p> <p>This initiative prevents stunting from malnutrition by providing children with tasty and nutritious meals. In 2024, our sponsorship provided more than 700 000 meals at centres in the Eastern Cape, Gauteng and Kwa-Zulu Natal.</p>

Social capital

Financial capital

Human capital

Manufactured capital

Natural capital

Social capital

Intellectual capital

As our social capital impacts a diverse range of key stakeholders, we elaborate on how we create value for each stakeholder group.



Patients The patients we treat are our primary stakeholders.

Making life better for them is key to what we do.

We define quality in healthcare as the consistent ability to deliver safe, effective and efficient care for patients while addressing their individual needs. We assess patient satisfaction and gather relevant data to measure quality. We prioritise the safety of our hospitals for our patients and their families, our employees, doctors and specialists. For a summary of our quality and safety data, see [page 140](#).

Patients' key expectations and concerns

- Access to high-quality healthcare provided by professional and compassionate healthcare teams
- Safe hospital environments capable of delivering uninterrupted care
- Affordable healthcare services that meet their financial needs
- Assurance regarding the protection of their personal data

How we engage with our patients

- Our teams consist of people-centred employees, doctors and specialists dedicated to patient care
- We conduct patient satisfaction surveys to gather feedback and continually improve our services
- We offer streamlined digital patient admission and clinical billing management processes
- We have dedicated care ambassadors who guide patients through their experience
- Patient advisory boards are in place to ensure patient voices are heard and integrated into our practices

Affected material matters



Affected strategic pillars



Social capital



Doctors and specialists are critical to our healthcare service delivery.

In South Africa, we are not legally permitted to employ doctors and specialists. As a result, these professionals operate as partners with access to our facilities, allowing them the right to admit patients and perform surgical and other medical procedures within our premises.

The global shortage of doctors, combined with regulatory constraints affecting our ability to support accredited medical school training of doctors, poses challenges to the sustainability of our operations. These limitations hinder our capacity to expand across the continuum of care and impede our aspirations to implement value-based care within our business.

Doctors and specialists' expectations and concerns

- Access to high-quality healthcare facilities staffed by well-trained and compassionate healthcare professionals and teams
- Assurance of safe working environments within hospitals, prioritising patient safety and personal well-being
- Uninterrupted availability of essential services, including electricity, water and medical gases
- A reliable supply chain for medication and medical consumables to ensure uninterrupted patient care

How we engage with our doctors and specialists

- Fostering strong relationships through regular engagement and support initiatives tailored for doctors and specialists
- Providing funding and bursaries to facilitate further clinical training and professional upskilling opportunities
- Investing in the development of new facilities and state-of-the-art technology to equip doctors and specialists with the resources needed to deliver world-class healthcare
- Exploring opportunities for shareholding in individual hospitals or other practices to create vested interest and enhance collaboration

Affected material matters



Affected strategic pillars



Funders We receive the majority of our remuneration directly from healthcare funders.

In southern Africa, our services are primarily funded through private medical insurance coverage, with additional support from direct out-of-pocket payments by private patients or publicly funded schemes such as the Road Accident Fund. This diverse funding model ensures accessibility to a broader private healthcare population.

For LMI, funding has primarily been sourced from clinical trial research sponsored by pharmaceutical companies. However, a rise in commercial sales in the US and Europe has resulted from public health reimbursement agencies taking a more significant role, alongside direct funding from privately paying patients and insurers. This shift reflects a broader trend towards diversifying funding sources, enhancing LMI's growth opportunities.

Funders can collaborate with us in developing new healthcare products and services, offering long-term contracts that mitigate financial risks to both parties. These types of partnerships constitute a substantial patient referral channel into our facilities.

Funders' key expectations and concerns

- Provision of high-quality healthcare by professional and compassionate healthcare teams
- Assurance of safe hospitals capable of delivering uninterrupted care
- Delivery of value-based healthcare services and products

How we engage with our funders

- Implementation of standardised care pathways and formularies, complete with measurable value-based care metrics
- Ongoing discussions regarding the costs associated with existing care pathways and geographic networks
- Exploration of innovative treatment and pricing options to enhance value
- Utilisation of a digital patient admission process coupled with an efficient patient clinical billing management system






Affected material matters



Affected strategic pillars



Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
<p>Investment in world-class facilities:</p> <ul style="list-style-type: none"> • 48 acute hospitals • 9 mental health facilities • 7 acute rehabilitation units • 71 renal dialysis facilities • 10 imaging facilities • 3 nuclear medicine facilities 	<ul style="list-style-type: none"> • 2.2 million PPDs • 20.9 million theatre minutes • 369 106 renal dialysis treatments • 22 760 births • 44 482 MRI, CT, PET-CT and SPECT scans in SA 	 	<p>The continuing case mix change and the introduction of two large new medical schemes have reduced our revenue per PPD but increased our bed occupancy levels (see  page 99).</p>
<p>People-centred employees:</p> <ul style="list-style-type: none"> • 16 108 SA employees • 138 LMI employees 	<ul style="list-style-type: none"> • We are proud to be the leading medical scheme network provider in South Africa for 2024 and the most efficient hospital group 	 	<p>Employee turnover of 13% represents a significant loss to the business. It can disrupt service delivery and increase costs associated with recruitment and training.</p>
<ul style="list-style-type: none"> • Training of nurses, doctors and specialists 	<ul style="list-style-type: none"> • 522 nurses graduated from training in 2024 • 11 doctors received training funded by Life Healthcare in 2024 • Satisfied patients and safe hospitals • ISO accreditations (see our sustainability report) 	 	<p>Training comes at a cost, reducing financial capital, but it increases our intellectual capital and helps us retain employees.</p> <p>We spent R188 million training our employees in 2024 (including nurses, doctors and management teams).</p>
<ul style="list-style-type: none"> • Standardisation of cost-effective pathways and quality processes coupled with the use of data analytics scorecards and benchmarks for compliance 	<ul style="list-style-type: none"> • Retention of existing funder networks • Improved clinical outcomes and patient and funder experiences in our integrated products 		<p>We continued to encourage employees to log serious reportable events (SREs).</p>
<ul style="list-style-type: none"> • Compliance with healthcare regulatory frameworks encompassing our facilities, services, equipment and healthcare waste 			<p>Regulatory compliance necessitates continual investment in our facilities, equipment and workforce. However, it is essential for maintaining our ability to provide high-quality services and ensure the safety of our patients and employees.</p>

Social capital

Safety and quality performance

Clinical governance overview

Our clinical governance framework is built on a robust structure that integrates local, regional and central oversight, each with clearly defined areas of responsibility.

The framework is bolstered by the expertise of doctors and specialists working in our hospitals through local medical advisory committees. The clinical review panels, comprising leading medical specialists, provide support, oversight and guidance. We are committed to continual safety improvements and creating an environment that fosters learning and high-quality, sustainable care.

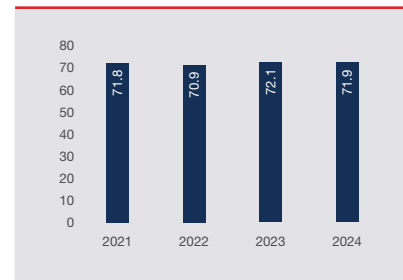
We successfully delivered safe and efficient care throughout the year and marked several achievements. We launched our renal integrated care programme, expanded our enhanced critical care programme, and integrated the colorectal cancer pilot programme. We continue to achieve industry-leading outcome scores for our major joints for life programme and renal integrated care product.

Satisfied patients

Our dedication to improving patient experience is rooted in our core values and our purpose of **Making life better**. Recognising patients as individuals is vital for the success of our business and significantly enhances the likelihood that they, along with their families and caregivers, will actively manage their health outcomes. Research has consistently shown a correlation between a strong focus on patient experience and improved clinical outcomes.



South Africa definitely recommends

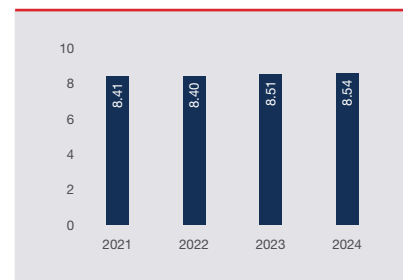


Our patient satisfaction surveys are based on the internationally recognised Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) methodology, which we have tailored to our specific needs.

This measure is a remuneration KPI. It is included in life core purpose for our long-term incentive (LTI) and the new single incentive plan (see page 75).



South Africa patient experience (HCAHPS score out of 10)



Safe hospitals – patient safety events

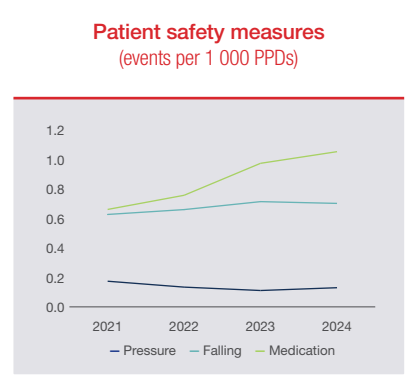
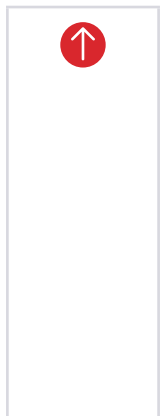
Patient safety is the cornerstone of high-quality healthcare. We focus on reporting and mitigating all adverse events. We focus on four key risk areas that are internationally used as benchmarks of patient safety:

Patient safety incidents

Trend

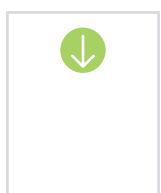
Patients acquiring pressure ulcers
per 1 000 PPDs

This measures pressure ulcers developed at our facilities during patients’ hospital stays. These are caused by skin tissue breakdown (not present on hospital admission) due to insufficient pressure relief.



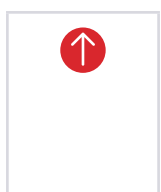
Patient falling adverse events
per 1 000 PPDs

This measure includes all slips and falls related to nursing, patient and therapy-related environments. Falling events do not have to result in injury to be included as an event.



Patient medication adverse events
per 1 000 PPDs

This includes pharmacy dispensing, nursing administration and issuing events, and other medication events such as adverse drug reactions.



Social capital

Healthcare-associated infection (HAIs) rates

We emphasise the accurate assessment and reporting of all HAIs. The Centers for Disease Control and Prevention (CDC) surveillance case definitions for HAI are followed by other South African private hospital groups and are therefore comparable based on close measuring and monitoring of HAIs.

We have had an increased emphasis on accurate assessment and reporting of all HAIs – even where there has been no assessment of patient harm. This has resulted in an increase in our composite ^(A) patient adverse event metric to 3.02 events per 1 000 PPDs (2023: 2.87). It has also resulted in an increase in our reported HAI. These rates remain good when compared with internationally reported HAI rates and do not raise any concerns.

Trend

Total HAIs

per 1 000 PPDs ^(A)

This includes all HAIs determined in accordance with CDC criteria.

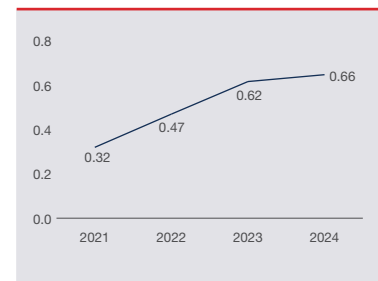
“The Centers for Disease Control and Prevention (CDC) is a federal agency that conducts and supports health promotion, prevention and preparedness activities in the United States, with the goal of improving overall public health.

A surveillance case definition is a set of uniform criteria used to define a disease for public health surveillance. Surveillance case definitions enable public health officials to classify and count cases consistently across reporting jurisdictions.”

See ^(B) page 123.



Healthcare-associated infection rates (per 1 000 PPDs)

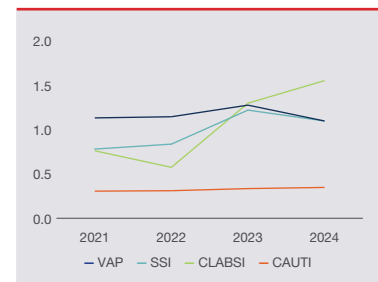


Specific HAIs we report as per CDC guidelines

- Ventilator-associated pneumonia (VAP)
per 1 000 ventilator days
- Surgical site infections (SSIs)
per 1 000 theatre cases
- Central line-associated bloodstream infections (CLABSIs)
per 1 000 central line days
- Catheter-associated urinary tract infections (CAUTIs)
per 1 000 catheter days



Specific HAIs (per 1 000 PPDs)



Antimicrobial Stewardship (AMS) Programme

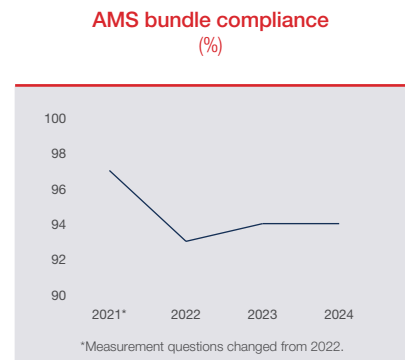
The need for antimicrobial stewardship has become increasingly critical to combat global antibiotic resistance.

Effective antimicrobial stewardship programmes ensure the responsible use of antibiotics to reduce the incidence of resistant infections, improve patient outcomes and reduce healthcare costs. Life Healthcare's AMS programme fosters a culture of safe and effective antibiotic use and aligns with providing high-quality patient care, ultimately leading to better health outcomes.

Trend

We are committed to aligning our multi-functional AMS programme with internationally acknowledged best practice and tracking compliance with recognised stewardship principles. We continue to develop interventions to address any non-compliance.

“AMS bundle compliance refers to compliance to key evidence-based AMS principles aimed at promoting the optimal use of antimicrobial agents, including appropriate drug choice, dose, route of administration and duration of therapy.”



Social capital

Safe place to work

The health and safety of our employees is an essential focus area. We take our responsibility to provide, as far as possible, an environment that is safe and without risk to employees' health, very seriously.

Our employees are integral to creating a safety culture and contributing to a safe environment at our facilities. We have trained health and safety representatives and established health and safety committees at all facilities. Representatives perform monthly inspections where hazards are reported and addressed.

We drive preventative action through risk assessment and alert reporting processes. All adverse events are reported, investigated, analysed and monitored to identify trends and ensure the health and safety of our employees, patients, the public, equipment and property.

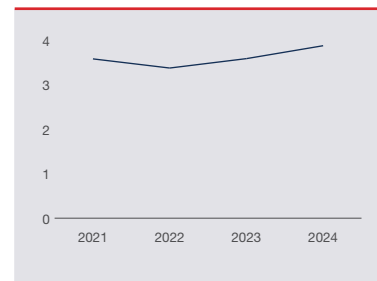
Trend

Employee adverse events rate

While we measure and report a wide range of employee adverse events, we pay specific attention to sharps injuries, trips and falls and mobility injuries, including strains and sprains.

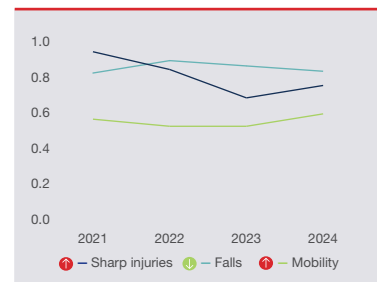


SA employee adverse event rate (events per 200 00 hours)



We continue to demonstrate improvement in our employee adverse event rate, specifically relating to sharps injuries and falls.

SA employee safety measures (events per 200 00 hours)





Suppliers

Our suppliers provide the essential consumables, medications, equipment and food that we use to deliver our services. Additionally, we depend on utility providers for water, electricity and other municipal services. The reliability of our supply chain and utilities is vital to the sustainability of our operations.

Key expectations and concerns

- Timely payments for services rendered
- Establishing long-term relationships that benefit both our business and theirs
- Supporting local suppliers by promoting diversity and inclusion through B-BBEE-related procurement policies in our southern Africa operations

How we engage suppliers

- We cultivate supplier relationships through regular contract renegotiations and timely payments for services rendered
- We maintain robust service level agreements to eliminate ambiguity regarding service requirements and outline clear steps for addressing service delivery issues
- Strict agreements ensure that suppliers managing our IT systems or handling confidential information have the necessary processes and procedures to protect our data
- We actively support enterprise development initiatives that foster local growth and sustainability
- We monitor to ensure our suppliers manage and dispose of healthcare risk waste correctly, in compliance with regulations

Affected material matters



Affected strategic pillars



Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
<p>R11.7 billion spent on the procurement of consumables, drugs, utilities and professional services (2023: R10.8 billion).</p> <p>94.2% B-BBEE spend (2023: 93.7%).</p> <p>Solar power solutions through third-party renewable energy provider.</p>	<p>Most of our procurement spend is with local suppliers, although several of the products they supply are imported.</p> <p>Power produced at 15 locations across our portfolio reduces our reliance on grid-tied electricity and supports enterprise development.</p> <p>These installations saved approximately R1.9 million in grid-tied electricity costs in 2024 (2023: R5.0 million).</p>	<p>▲ ✳</p> <p>↔ ✳</p>	<p>While most of our services and supplies are procured through local vendors, we are still exposed to foreign exchange movements in some of the underlying services (software licences, consumables and equipment). We try to hedge some of this exposure, particularly where there are large and/or recurring expenses.</p>



Society

Governments and the regulations they implement reflect society's values, beliefs and aspirations. Society plays a crucial role in holding governments and businesses accountable for their actions.

We take corporate responsibility seriously, as is evident in our commitment to ethical and sustainable practices. We discuss these commitments in our corporate governance review (page 48).

Key expectations and concerns

- Adherence to all applicable laws and regulations governing our operations and interactions in each jurisdiction where we operate
- Commitment to playing an active role in providing access to quality healthcare across all regions in which we operate
- Striving to be a force for social good in the communities we serve while actively promoting diversity and inclusion
- Being mindful of our environmental impact and taking proactive steps to minimise it
- Supporting local businesses and fostering supplier development in the regions in which we operate
- Ensuring all our operations are conducted ethically and transparently

How we engage society

- We rigorously monitor employee behaviour to maintain exacting standards of ethics and professionalism in alignment with our global code of conduct
- Our CSI, detailed in our sustainability report, focuses on enhancing the healthcare and education sectors
- We continue to improve healthcare access for all through ongoing public-private partnerships in South Africa, exemplified by our Life Nkanyisa business

Affected material matters



Affected strategic pillars



Value creation and trade-offs

Inputs

R145.7 million spent on CSI projects (2023: R122.7 million).

Read more in the [sustainability report](#).

Promoting diversity and inclusion.

Outcomes

We supported CSI initiatives across healthcare access, education and training, and community upliftment. This included sponsoring nursing bursaries and training through Life Healthcare nursing college with 522 nursing graduates (2023: 299).

Improvement in diversity and inclusion among our employees

Level 3 B-BBEE accreditation (2023: 3) – see our [sustainability report](#).

Value creation



Trade-offs

Our CSI initiatives come at a cost but achieve positive outcomes for the communities and individuals who benefit from them. This safeguards our licence to operate, builds goodwill in the community and makes us a more attractive employer.

Intellectual capital

- Financial capital
- Human capital
- Manufactured capital
- Natural capital
- Social capital
- Intellectual capital**

While our Company boasts an extensive portfolio of tangible assets, quantifying the value of our knowledge capital is more challenging. When acquiring businesses, we assign part of the transaction value to intangible assets and goodwill. This includes the worth we ascribe to the intellectual capital gained through these acquisitions and the value derived from lasting relationships embedded in long-term contracts with partners and funders.

LMI's intellectual property

The acquisition of LMI in 2018 gave Life Healthcare access to the US FDA and European Medicines Agency (EMA)-approved beta-amyloid radiotracer NeuraCeq®. NeuraCeq® is used in patients being evaluated for Alzheimer's disease and other causes of cognitive decline. It binds to amyloid deposits within the brain and visualises these in a PET-CT scan.

FDA and EMA approval for NeuraCeq® was granted in 2014. Since then, it has been used extensively in various pharmaceutical companies' research efforts to develop Alzheimer's disease-modifying drugs (DMD). It has various patents providing protection until 2032 (patent expiry between 2029 and 2032).

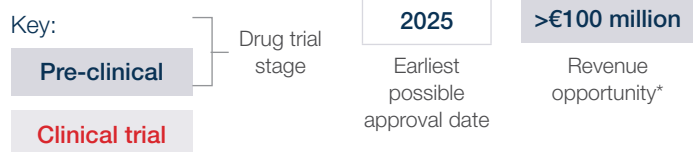
In addition to NeuraCeq®, LMI has a pipeline of novel imaging agents that could assist in scanning for other neurodegenerative conditions, such as neuroinflammation and PSP, and two cardiovascular products. LMI's full product pipeline is shown below.

Products in development

	Product	Biomarker	Targeted disease	Development stage**		Market opportunity*
Neuro-degenerative next-generation radio tracers for Alzheimer's disease, PSP and other pathologies, with long shelf lives and high yield	NeuraCeq®	Amyloid deposits	Alzheimer's disease	Marketed		>€300 million
	18F-PI-2620	Tau deposits	Alzheimer's disease and PSP	Phase 3	2027	>€300 million
	18F-DED	MAO-B	Neuro-inflammation	Phase 1	2029+	Early, TBD
Cardiovascular Biomarkers for detecting cardiac and vascular pathologies	Florbetaben	Amyloid deposits	Cardiac amyloidosis	Phase 3	2027	>€100 million
	18F-GP1	GP1Ib/IIIa receptor	Thrombo-embolism (stroke)	Phase 2	2029+	>€100 million

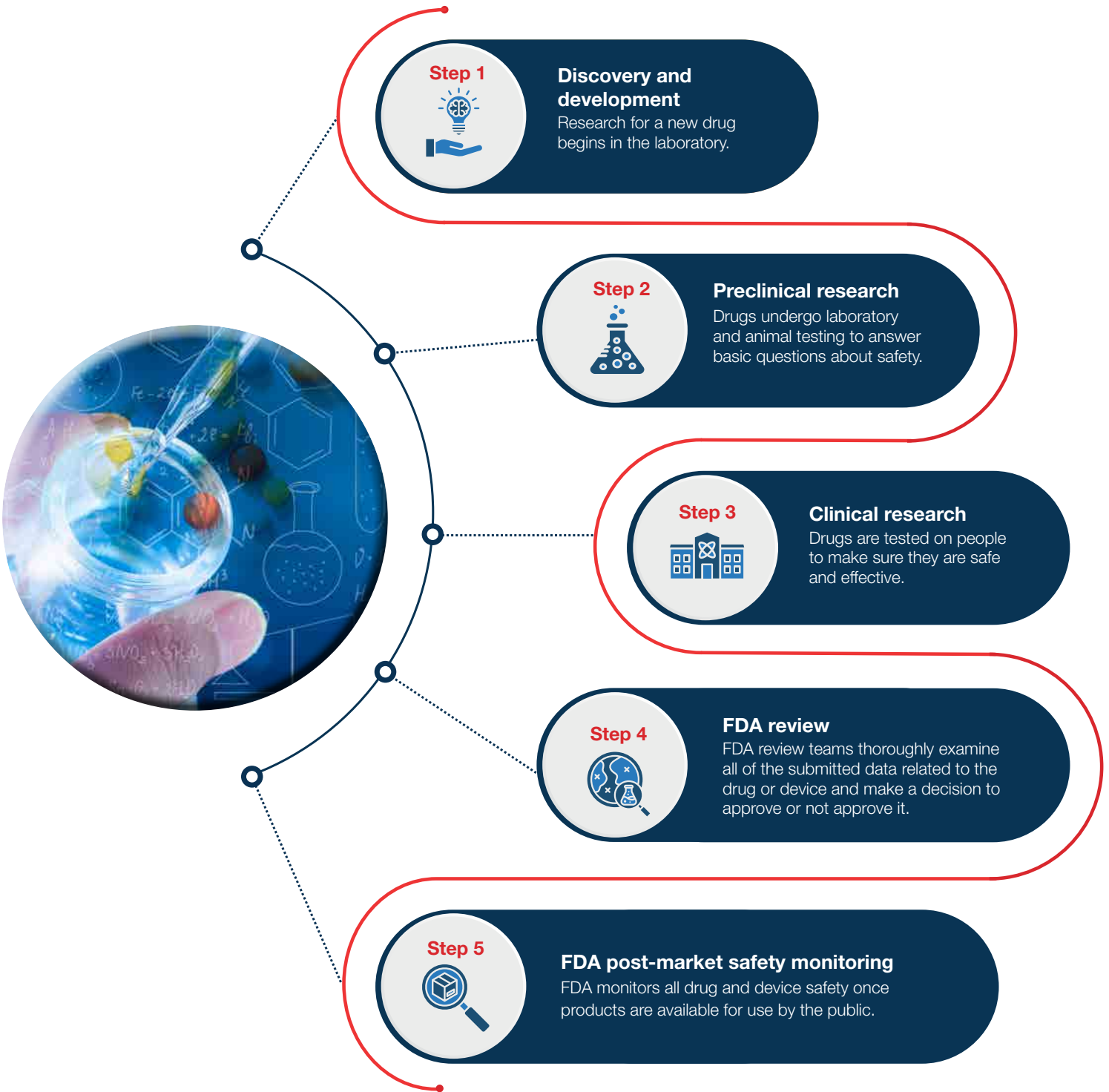
* Management estimates of potential revenue opportunity for each market, dependent on successful clinical trial completion and product launch. TBD = still to be determined

** The stage of clinical development of a new pharmaceutical (or a new indication of a pharmaceutical).



Intellectual capital

Research and development process



Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
<p>R79 million invested in acquiring nuclear medicine imaging practices in South Africa during the year.</p>	<p>We own the non-clinical assets of 13 diagnostic imaging and nuclear medicine practices in South Africa. Some are located at our hospitals and others at community-based facilities.</p>		<p>A considerable proportion of our investments in diagnostic businesses has been attributed to intangibles, which constitute the intellectual capital, knowledge, and patient-supplier relationships within these practices.</p>
<p>R188 million in nurse and specialist training during the year.</p>	<ul style="list-style-type: none"> • 522 nurses graduated from training in 2024. • 11 doctors received training funded by Life Healthcare in 2024. 		<p>South Africa has a chronic shortage of nurses, so Life Healthcare's commitment to nursing training is imperative. Increasing nurse numbers contributes to the country's development and is essential for our sustainability. However, global and local nursing shortages result in nursing employees (and other healthcare professionals) being highly mobile. They may decide not to work at our facilities or emigrate.</p>
<p>R220 million joint venture agreement with AXIM in South Africa (we will share this development cost 50:50). Life Healthcare has invested R100 million to date.</p>	<p>We commenced with the building of two cyclotrons in Gauteng and ordered the cyclotrons in 2023.</p> <p>The cyclotrons will improve the consistency of radioisotope supply in the country and further our ambition of growing local PET-CT diagnostics. The cyclotrons have been installed and testing is under way. Commercial operations are set to commence in 2025.</p>		<p>Following AMG's disposal, we signed agreements with AMG to provide ongoing consulting on the construction and operation of the two cyclotrons. This ensures that we still have access to the intellectual capital associated with operating and refurbishing cyclotrons in the UK and Europe.</p>
<p>Clinical pathways coupled with outcome measurement (along with patient surveys) are part of our clinical intellectual capital developed over time.</p>	<ul style="list-style-type: none"> • Quality metrics that compare favourably worldwide, as detailed on page 140. • We introduced our integrated renal dialysis product in January 2023. This product is the culmination of almost two years of research, data collation and analytics. • We are piloting the maternity integrated product to improve maternal and neonatal outcomes through holistic, best-practice care. This includes measurement of cost reduction and clinical outcomes enabled by technology. 		<p>Our quality metrics continue to improve in some areas due to the normalisation of our case mix, while in other areas, they appear to be worsening due to our introduction of new reporting tools and a no zero-reporting policy.</p> <p>The development of new and innovative clinical products, such as the integrated renal dialysis product, comes at an initial financial capital cost. Revenue generation only comes some time after implementation of the product, if successful.</p>

Administration

IN THIS SECTION

Glossary	152
Independent assurance practitioner's report	154
Corporate information	157
Shareholders' diary	157





Glossary

AC	Audit Committee
ACI	African, Coloured and Indian
AMG	Alliance Medical Group Limited
AMS	antimicrobial stewardship
B-BBEE	broad-based black economic empowerment
BSI	British Standards Institution
capex	capital expenditure
cathlab	catheterisation laboratory (usually cardiac)
CAUTI	catheter-associated urinary tract infection
CC	Clinical Committee
CDC	Centers for Disease Control and Prevention
CDRO	Chief Data and Risk Officer
CE	Chief Executive
CFO	Chief Financial Officer
CFROI	cash flow return on investment
CIP	co-investment plan
CLABSI	central line-associated bloodstream infection
CMS	Centers for Medicare & Medicaid Services
Companies Act	South African Companies Act, 71 of 2008 (as amended)
CPI	consumer price index
cps	cents per share
CRP	clinical review panel
CSI	corporate social investment
CT	computerised tomography
DMD	disease-modifying drug
DoA	Delegation of Authority
DOH	Department of Health
DSD	Department of Social Development
EBITA	earnings before interest, tax and depreciation
EBITDA	earnings before interest, tax, depreciation and amortisation
ECR	East Coast Radiology
EMA	European Medicines Agency
EMR	Eugene Marias Radiology
EMS	Emergency medical services
EPS	earnings per share
ESG	environmental, social and governance
EVP	employee value proposition
ExCo	Executive Management Committee
FDA	Food and Drug Administration
GBP	British pound sterling
GDP	gross domestic product
GDPR	General Data Protection Regulation
GEMS	Government Employees Medical Scheme
GRI	Global Reporting Initiative
H1-2023	six-month period from 1 October 2022 to 31 March 2023
H1-2024	six-month period from 1 October 2023 to 31 March 2024
H2-2023	six-month period from 1 April 2023 to 30 September 2023
H2-2024	six-month period from 1 April 2024 to 30 September 2024
HAI	healthcare-associated infection
HCAHPS	Hospital Consumer Assessment of Healthcare Providers and Systems
HCRW	healthcare risk waste

HEPS	headline earnings per share
HPCSA	Health Professions Council of South Africa
ICU	intensive care unit
ICP	Integrated care programme
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
JSE	Johannesburg Stock Exchange Limited
King IV™	King Report on Corporate Governance™ for South Africa, 2016
KPI	key performance indicator
kWh	kilowatt hour
LMI	Life Molecular Imaging
LTI	long-term incentive
LTIP	long-term incentive plan
MAC	Medical Advisory Committee
MHRA	Medicines and Healthcare Products Regulatory Agency
MOI	Memorandum of Incorporation
MRI	magnetic resonance imaging
MSCI	Morgan Stanley Capital International
NED	non-executive director
NEPS	normalised earnings per share
NGO	Non-governmental organisation
NHI	National Health Insurance
OHSC	Office of Healthcare Standards Compliance
PET-CT	positron emission computerised tomography
POPIA	Protection of Personal Information Act, 4 of 2013
PPD	paid patient day
PPE	property, plant and equipment
PSA	prostate-specific antigen
PSP	progressive supranuclear palsy
PV	photovoltaic
RCIT	Risk, Compliance and IT Governance Committee
RemCo	Human Resources and Remuneration Committee
ROCE	return on capital employed
RONA	return on net assets
SABMR	South African Bone Marrow Registry
SANCB	South African National Council for the Blind
SANS	South African National Standards
SDC	Sustainable Development Committee
SDG	Sustainable Development Goal
SENS	JSE Stock Exchange News Services
SETA	Sector Education and Training Authority
SETCO	Social, Ethics and Transformation Committee
SIP	single incentive plan
SPECT	single-photon emission computerised tomography
SRE	serious reportable events
SSI	surgical site infections
UOM	unit of measurement
VAP	ventilator-associated pneumonia
VCP	variable compensation plan
ZAR	South African rand

Independent Assurance Practitioner's Report



Tel: +27 011 488 1700
Fax: +27 010 060 7000
www.bdo.co.za

Wanderers Office Park
52 Corlett Drive
Illovo, 2196

Private Bag X60500
Houghton, 2041
South Africa

Independent Assurance Practitioner's Limited Assurance Report on Selected Sustainability Key Performance Indicators

To the directors of Life Healthcare Group Holdings Limited

Report on selected key performance indicators

We have undertaken a limited assurance engagement on selected sustainability key performance indicators (selected sustainability KPIs), as described below and presented in the Sustainability Report and Annual Integrated Report 2024 of Life Healthcare Group Holdings Limited ("Life Healthcare") for the year ended 30 September 2024 (the Report). This engagement was conducted by BDO South Africa's Sustainability and Integrated Reporting team with multidisciplinary team experience in areas including environmental, information technology, assurance and sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion on the following KPIs marked with a "A" on the relevant pages in the Report. The selected sustainability KPIs below have been prepared in accordance with Life Healthcare's Reporting guidelines "(Reporting Criteria)" as set out in page 50 of the Life Healthcare Sustainability Report.

KPI	Unit of Measurement	Boundary
Healthcare Risk Waste Generated	Kg/PPD	Southern Africa
Patient safety adverse events	Total patient incidents/PPD x 1000	Southern Africa
Paid patient days (PPD)	Number	Southern Africa
Healthcare-associated infections (HAI)	HAI/PPD x 1000	Southern Africa
Scope 1 carbon emissions	tCO ₂ e	Southern Africa
Scope 2 carbon emissions (electricity)	tCO ₂ e	Southern Africa
Municipal water withdrawn	KL	Southern Africa
General waste to landfill	Tonnes	Southern Africa
General recycled waste	Tonnes	Southern Africa

Directors' Responsibilities

The Directors of Life Healthcare are responsible for the selection, preparation, and presentation of the selected KPI's in accordance with the accompanying Life Healthcare reporting criteria. This responsibility includes the identification of stakeholder and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal controls relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPI's and for ensuring that those criteria are publicly available to the Report users.

The Directors of Life Healthcare are also responsible for providing us with:

- Access to all information of which the management and the Board are aware that is relevant to the limited assurance engagement such as records, documentation and other matters,
- Additional information that we may request from the management and the Board for the purpose of the engagement, and
- Unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence.

At the finalisation stages of the limited assurance engagement, we will request such representations from you as we considered necessary, including representations that you have fulfilled the responsibilities above.

Inherent Limitations

Non-financial data is subject to more inherent limitations than financial data, given both the nature and the methods used for determining, calculating, sampling, or estimating such data. Qualitative interpretations of relevance, materiality, and the accuracy of data are subject to individual assumptions and judgments. We will not conduct any work outside of the agreed scope and therefore restrict our conclusion to the assurance objectives set out herein.

Exclusions for this Engagement

There were no data exclusions for this engagement.

Our Independence and Quality Control

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

We apply International Standard on Quality Management 1: Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion that the selected KPIs are prepared, in all material respects, in accordance with Life Healthcare reporting criteria. Our engagement will be performed in accordance with ISAE 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. Additionally, we will conduct our assurance on GHG statements in accordance with ISAE 3410 Assurance Engagements on GHG Statements. ISAE 3000 is an overarching assurance standard which addresses all assurance engagements (both reasonable and limited) other than audits or reviews of historical financial information. It is the “umbrella” standard under which the subject-matter specific assurance standards, including ISAE 3410, operate. The ISAE 3000 Standard requires us to plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the measurement of the selected KPIs and related disclosures in the Report. The nature, timing and extent of procedures selected depend on the auditor’s professional judgement, including the assessment of the risks of material misstatement of the selected KPIs, whether due to fraud or error.

A limited assurance is a lower level of assurance, conducted in accordance with ISAEs, but is not a guarantee that it will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the subject matter information.

In a limited assurance engagement, the procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

In a limited assurance engagement, our engagement does not constitute an audit or review performed in accordance with the International Standards on Auditing or International Standards on Review Engagements and consequently an audit opinion or review conclusion will not be expressed. We shall not be responsible for reporting on any transactions beyond those covered by our limited assurance engagement. As part of an assurance engagement in accordance with ISAEs, we exercise professional scepticism throughout the engagement.

Given the purpose of the engagement, in performing the procedures listed above, we:

- Made enquiries with management to obtain an understanding on how the subject matter information was prepared, the internal controls environment, and information systems relevant to the sustainability reporting process.
- Performed walkthroughs of the systems, processes, and controls to collate, aggregate, validate and reported data.
- Reviewed information provided by third parties where applicable and make additional enquiries where necessary.
- Inspected supporting documentation on a sample basis and performed procedures to verify management’s reporting processes against the reporting criteria.
- Evaluated the reasonableness and appropriateness of significant estimates and judgments made by management in the preparation of the selected sustainability information.
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Life Healthcare.

Independent Assurance Practitioner's Report

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express any reasonable assurance opinion about whether Life Healthcare's selected KPIs have been prepared, in all material respects, in accordance with the accompanying Life Healthcare's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, and subject to the inherent limitations outlined elsewhere in this report, nothing has come to our attention that causes us to believe that the selected sustainability information as set out the Subject Matter paragraph above for the year ended 30 September 2024 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

Our report includes the provision of limited assurance on General waste to landfill and General recycled waste KPI's. These were previously not required to provide assurance on this selected KPI's.

The maintenance and integrity of Life Healthcare's website is the responsibility of Life Healthcare management. Our engagement and procedure did not involve the consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Sustainability Report or our independent limited assurance report that may have occurred since the initial date of presentation on the Life Healthcare website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Life Healthcare in accordance with the terms of our engagement and for no other purpose. We do not accept or assume liability to any party other than Life Healthcare, for our work for this report, or for the conclusion we have reached.

BDO South Africa Incorporated

Registered Auditors

BDO South Africa Inc

C Mashishi

Director

Registered Auditor

09 December 2024

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

Corporate information

Executive Directors

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

Non-Executive Directors

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

Company Secretary

J Ranchhod

Registered Office

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

Equity Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)

Debt Sponsor

FirstRand Bank Limited

Note regarding forward-looking statements

Any forward-looking statements or projections made by the Company, including those made in this report, 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 Company'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: LHF1
(Life Healthcare Funding)

Shareholders' diary

2024 final dividend payment date

17 December 2024

2024 special dividend payment date

13 January 2025

AGM date

20 February 2025

2025 interim results

On or about 22 May 2025

2025 final year results

On or about 27 November 2025



Head Office

Oxford Parks
203 Oxford Road
Cnr Eastwood and Oxford Roads
Dunkeld
2196

www.lifehealthcare.co.za