

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply *mutatis mutandis* throughout this document including this cover page.

Action required by Certificated and Dematerialised Shareholders

This Circular is issued in compliance with the Listings Requirements, for the purpose of providing information to the public with regard to the Company.

This document is important and should be read with particular attention to the section of this Circular entitled: "Action required by Shareholders", which commences on page 4.

If you are in any doubt as to what action you should take, please consult your Broker, banker, legal advisor, CSDP or other professional advisor immediately.

If you have disposed of all your Life Healthcare Shares, please forward this Circular to the purchaser of such Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.

Life Healthcare does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Life Healthcare Shares to notify such beneficial owner of the Transaction set out in this Circular.



LIFE HEALTHCARE GROUP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2003/002733/06)

ISIN: ZAE000145892

JSE and A2X share code: LHC

("Life Healthcare" or "the Company")

CIRCULAR TO LIFE HEALTHCARE SHAREHOLDERS

regarding:

The disposal by Life Healthcare, through its wholly owned subsidiary AMGL as seller, of 100% of the issued share capital of AcquisitionCo for the Purchase Consideration, constituting a Category 1 Transaction in terms of the Listings Requirements

and incorporating:

- an assurance report prepared by the Independent Reporting Accountant on the carve out historical consolidated financial information of AcquisitionCo, attached as Annexure 2;
- an assurance report prepared by the Independent Reporting Accountant on the *pro forma* financial information included in the Circular, attached as Annexure 4;
- a notice convening a general shareholders' meeting; and
- a form of proxy (*blue*) for use by certificated and own name Dematerialised Shareholders only.

**South African Corporate Advisor,
Sponsor and Corporate Broker**



South African Legal Advisor



Joint Financial Advisor



International Legal Advisor



Joint Financial Advisor



**Independent Reporting
Accountants**



Date of issue: Thursday, 9 November 2023

This Circular is available in English only. Copies of this Circular are available during normal business hours by prior arrangement from the registered offices of the Company and the Transfer Secretaries, at the addresses set out in the "Corporate Information and Advisors" section of this Circular, from the date of issue of this Circular until the date of the General Meeting, both days inclusive. This Circular is also available on the Company's website, www.lifehealthcare.co.za, with effect from the date of issue of the Circular.

CORPORATE INFORMATION AND ADVISORS

Directors

Dr Victor Litlhakanyane*¹ (*Chairman*)
Adv Mahlape Sello*¹ (*Lead Independent*)
Dr Jeanne Bolger*⁴
Peter Golesworthy*²
Caroline Henry*¹
Lars Holmqvist*³
Prof Marian Jacobs*¹
Paul Moeketsi*¹
Audrey Mothupi*¹
Joel Netshitenzhe*¹
Garth Solomon*¹
Fulvio Tonelli*¹
Peter Wharton-Hood*¹ (*Group Chief Executive*)
Pieter van der Westhuizen*¹ (*Chief Financial Officer*)

*Independent non-executive director, * Executive director,

¹ South African, ² British, ³ Swedish, ⁴ Irish

Joint Financial Advisor

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South Africa

International Legal Advisor

Allen & Overy LLP
One Bishops Square
London, E1 6AD
United Kingdom

South African Corporate Advisor, Sponsor and Corporate Broker

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
South Africa
(PO Box 786273, Sandton, 2146)

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg, 2196
South Africa
(Private Bag X9000, Saxonwold, 2132)

Life Healthcare Group Holdings Limited

Date and place of incorporation: 7 February 2003,
Pretoria, South Africa

Group Company Secretary

Joshila Ranchhod

Registered office

Building 2, Oxford Parks
203 Oxford Road
Cnr Eastwood and Oxford Roads
Dunkeld, 2196
South Africa
(Private Bag X13, Northlands, 2116)
Website: www.lifehealthcare.co.za

Alliance Medical AcquisitionCo Limited

Date and place of incorporation: 30 October 2007,
United Kingdom
(Registration number 6412789)
Registered office: Aml Hub, The Woods, Unit 40 Opus
Business Park, Warwick, United Kingdom, CV34 5AH

Joint Financial Advisor

Goldman Sachs International
25 Shoe Lane
London, EC4A 4AU
United Kingdom

South African Legal Advisor

Werksmans
The Central
96 Rivonia Road
Sandton, 2146
South Africa
(Private Bag 10015, Sandton, 2146)

Independent Reporting Accountants

Deloitte & Touche
(Practice number 902276)
5 Magwa Crescent
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IMPORTANT INFORMATION, FORWARD-LOOKING STATEMENTS AND OTHER DISCLAIMERS

The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this section and throughout this Circular.

GENERAL

Shareholders are advised to carefully read this Circular in its entirety, which contains a summary of the most material terms and conditions of the Transaction. Any decision to approve the Transaction should be made only on the basis of the information in this Circular. If you are in any doubt as to what action to take in relation to this Circular, you should consult your Broker, CSDP, banker, accountant, attorney or other professional adviser immediately.

APPLICABLE LAWS

The Transaction is proposed solely in terms of this Circular which sets out a summary of the most material terms and conditions on which the Transaction is to be implemented.

This Circular has been prepared for purposes of complying with the applicable disclosure requirements of the Listings Requirements, in connection with the Transaction.

SHAREHOLDER APPROVAL

The completion of the Transaction is subject to the Conditions Precedent set out in paragraph 4.1 of this Circular, including approval by Shareholders by way of an ordinary resolution, as the Transaction constitutes a Category 1 transaction in terms of section 9 of the Listings Requirements. The Transaction qualifies as a category 1 transaction as the value of the Transaction exceeds the 30% threshold outlined in paragraph 9.5 of the Listings Requirements, namely, the percentage ratio resulting from the Purchase Consideration divided by the aggregate market value of Life Healthcare Shares, excluding treasury shares, at the time of the Terms Announcement.

Shareholders are referred to the Notice of General Meeting attached to and forming part of this Circular for further information on the approvals referred to above.

CERTAIN FORWARD-LOOKING STATEMENTS

This Circular may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements included in this Circular reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements included in this Circular are made only as at the Last Practicable Date, and the Company undertakes no obligation and does not intend to update publicly or release any revisions to these forward-looking statements.

The forward-looking statements contained in this Circular have not been reviewed nor reported on by the auditors of the Company.

Many factors could cause the Company’s actual performance, results or achievements to be materially different from any future performance, results or achievements that may be expressed or implied by such forward-looking statements.

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this Circular is provided as at the Last Practicable Date.

DEMATERIALISATION AND REMATERIALISATION OF SHARES

No dematerialisation or rematerialisation of Shares by Shareholders may take place from the business day following the last day to trade Shares in order to be recorded in the Register to vote at the General Meeting, being Tuesday, 28 November 2023 up to and including the General Meeting record date, being Friday, 1 December 2023.

CONFLICTS OF INTEREST

In respect of the Transaction, RMB, through its corporate finance, sponsor and corporate broking teams, respectively, acts as South African Corporate Advisor, Transaction Sponsor and Corporate Broker to Life Healthcare.

In its capacity as Transaction Sponsor in relation to the Transaction, RMB confirmed to the JSE that there is no matter that would impact on its ability to exercise reasonable care and judgement in order to achieve and maintain independence and objectivity in its professional dealings in relation to Life Healthcare or that would impact on its ability to act within the Code of Conduct as set out in the Listings Requirements.

RMB has appropriate internal procedures in place to ensure that its ability to act independently as the South African Corporate Advisor, Transaction Sponsor and Corporate Broker to Life Healthcare in relation to the Transaction is not compromised.

Pursuant to these internal procedures, RMB identifies and manages the risks of perceived conflict and maintains strict information barriers to ensure that, as JSE sponsor, it is able to act independently from other divisions within RMB. RMB also maintains and enforces restrictions around access to information, in order that such access is limited to deal teams for whom the information is relevant, for the purposes of the Transaction.

ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this section and throughout this Circular.

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what actions to take, please consult your CSDP, Broker, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of any or all of your Shares, please forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.

GENERAL MEETING

1. ATTENDANCE AND VOTING AT THE GENERAL MEETING

1.1 Participation at the General Meeting

- 1.1.1 The General Meeting, convened in terms of the Notice of General Meeting incorporated in this Circular, will be held at Building 2, Oxford Parks, 203 Oxford Road, Cnr Eastwood and Oxford Roads, Dunkeld, 2196 and via electronic communication on Friday, 8 December 2023 at 10:30 SA time. Life Healthcare has retained the services of The Meeting Specialists Proprietary Limited to host the General Meeting on an interactive electronic platform, in order to facilitate electronic communication and voting by Shareholders.
- 1.1.2 Shareholders who wish to participate in and/or vote at the General Meeting are required to follow the instructions and details provided in the Notice of General Meeting. Shareholders are also referred to the “Electronic Participation General Meeting Guide” attached to the Notice of General Meeting for further instructions regarding electronic participation.
- 1.1.3 The Meeting Specialists Proprietary Limited will by no later than Thursday, 7 December 2023 notify eligible Shareholders of the link and unique invitation code through which eligible Shareholders can participate electronically. The Meeting Specialists Proprietary Limited will assist Shareholders with the details for electronic participation in, and/or voting at, the General Meeting and any issues experienced by Shareholders.
- 1.1.4 Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of the JSE, Life Healthcare and/or the Meeting Specialists Proprietary Limited. None of the JSE, Life Healthcare or The Meeting Specialists Proprietary Limited can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the General Meeting.

1.2 Voting at the General Meeting

- 1.2.1 Voting will be conducted by way of a poll and eligible Shareholders will be able to cast their vote electronically at the General Meeting.
- 1.2.2 All eligible Shareholders will be entitled to participate in the General Meeting and to vote (or abstain from voting) on the Resolution.

Shareholders should take note that:

- Shareholders who are participating via the electronic platform, in person or by proxy at the General Meeting, shall have 1 vote for every Share held or represented;
- Shareholders may make use of proxies for purposes of voting at the General Meeting, which they are encouraged to do;
- Dematerialised Shareholders who are not Own-Name Dematerialised Shareholders must read paragraph 2 in this “Action Required by Shareholders” section of this Circular for further information regarding voting, attendance and representation at the General Meeting;
- Certificated Shareholders and Own-Name Dematerialised Shareholders must read paragraph 3 in this “Action Required by Shareholders” section of this Circular for further information regarding voting, attendance and representation at the General Meeting; and

- Shareholders are also encouraged to submit any questions to Life Healthcare's Company Secretary, Joshila Ranchhod, at joshilar@life.co.za. These questions will be addressed at the General Meeting and may also be responded to through email.

2. DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED SHAREHOLDERS

2.1 General

It is the responsibility of each Shareholder to ensure that it has provided the necessary voting instructions to its CSDP or Broker in relation to the Resolution set out in the Notice of General Meeting. Life Healthcare does not accept responsibility, and will not be held liable, under applicable law or regulation, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Shares to notify such beneficial owner of the General Meeting or the details set out in this Circular.

2.2 Voting at the General Meeting

- 2.2.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- 2.2.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- 2.2.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your Broker or CSDP.
- 2.2.4 You must not complete the attached Form of Proxy (*blue*).

2.3 Attendance and representation at the General Meeting

- 2.3.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:
 - 2.3.1.1 attend, speak and vote at the General Meeting; or
 - 2.3.1.2 send a proxy to represent you at the General Meeting.
- 2.3.2 Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

3. CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

3.1 Voting, attendance and representation at the General Meeting

You may attend the General Meeting in person or by electronic communication and may vote (or abstain from voting) at the General Meeting. Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the Form of Proxy (*blue*) in accordance with the instructions contained therein and lodging it, by posting or emailing it to The Meeting Specialists Proprietary Limited at the details below, to be received by it, for administrative purposes, by no later than Wednesday, 6 December 2023 at 10:30 SA time or thereafter by handing such Form of Proxy (*blue*) to the chairman of the General Meeting or The Meeting Specialists Proprietary Limited at the General Meeting, at any time before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any postponement or adjournment of the General Meeting).

- Post: PO Box 62043, Marshalltown, 2017, South Africa
- Email: proxy@tmsmeetings.co.za

4. IDENTIFICATION

In terms of section 63(1) of the Companies Act, all General Meeting participants will be required to provide reasonably satisfactory identification, and the chairman of the General Meeting must be reasonably satisfied that the right of that person to attend, participate in and vote at the General Meeting as a Shareholder or a proxy or representative of a Shareholder, has been reasonably verified. Acceptable forms of identification include valid and original South African driver's licenses, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs and passports.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this section and throughout this Circular.

2023

Notice record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to receive the Notice of General Meeting	Friday, 3 November
Circular incorporating the Notice of General Meeting and Form of Proxy (<i>blue</i>), distributed to Shareholders on	Thursday, 9 November
Announcement of distribution of Circular and notice convening the General Meeting released on SENS on	Thursday, 9 November
Announcement of distribution of Circular and notice convening the General Meeting published in the South African press on	Friday, 10 November
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (see note 2 below) on	Tuesday, 28 November
General Meeting record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 1 December
For administrative purposes, Forms of Proxy (<i>blue</i>) in respect of the General Meeting to be received by The Meeting Specialists Proprietary Limited by no later than 10:30 SA time on	Wednesday, 6 December
Eligible Shareholders to receive link and unique invitation code through which they can participate electronically at the General Meeting	Thursday, 7 December
Forms of Proxy (<i>blue</i>) not lodged with The Meeting Specialists Proprietary Limited to be handed to the chairman of the General Meeting or The Meeting Specialists Proprietary Limited at the General Meeting at any time before the proxy exercises any rights of the Shareholder at the General Meeting on	Friday, 8 December
General Meeting held at Building 2, Oxford Parks, 203 Oxford Road Cnr Eastwood and Oxford Roads, Dunkeld, 2196 at 10:30 SA time and via electronic communication on	Friday, 8 December
Results of General Meeting released on SENS on	Friday, 8 December
Results of General meeting published in the South African press on	Monday, 11 December

Notes:

- The above dates and times are subject to amendment at the discretion of Life Healthcare, with the approval of the JSE. Any such amendment will be released on SENS and published in the South African press.
- Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades take place three South African Business Days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Tuesday, 28 November 2023, being the last day to trade, will not be eligible to attend, participate in and vote at the General Meeting.
- Dematerialised Shareholders, other than those with Own-name Registration, must provide their CSDP or Broker with their instructions for voting at the General Meeting by the cut-off time and date stipulated by their CSDP or Broker in terms of their respective Custody Agreements between them and their CSDP or Broker.
- If the General Meeting is adjourned or postponed, the above dates and times will change, but Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement of the General Meeting.
- Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
- All dates and times indicated above are South African Standard Time.
- No dematerialisation or rematerialisation of Shares by Shareholders may take place from the business day following the last day to trade Shares in order to be recorded in the Register to vote at the General Meeting, being Tuesday, 28 November 2023 up to and including the General Meeting record date, being Friday, 1 December 2023.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless otherwise stated or the context so requires, the words and expressions in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons and *vice versa*:

“AcquisitionCo”	Alliance Medical AcquisitionCo Limited, (registration number 06412789), a private limited company registered and incorporated in accordance with the laws of England and a wholly owned indirect subsidiary of Life Healthcare, the entire issued share capital of which being the subject of the Transaction, and which is the holding company of all Life Healthcare Group Subsidiaries relating to AMG;
“Act” or “Companies Act”	the South African Companies Act (No. 71 of 2008), as amended from time to time;
“ALISA JV”	Axim Life Isotopes South Africa joint venture between Life Healthcare and the AXIM Group of Companies;
“Alzheimer’s”	Alzheimer’s Disease;
“AMG”	being the business of AcquisitionCo and all subsidiaries of AcquisitionCo and which comprise the diagnostic imaging, molecular imaging and radiopharmacy businesses within the perimeter of the Transaction;
“AMGL”	Alliance Medical Group Limited, (registration number 08601376 and registered office at Aml Hub, The Woods, Unit 40 Opus Business Park, Warwick, United Kingdom CV34 5AH), a private limited company registered and incorporated in accordance with the laws of England and a wholly owned indirect subsidiary of Life Healthcare, which owns the entire issued share capital of AcquisitionCo and which separately holds the Company’s interests in LMI, which does not fall within the perimeter of the Transaction);
“AML”	Alliance Medical Limited, (registration number 2128897 and registered office at Aml Hub, The Woods, Unit 40 Opus Business Park, Warwick, United Kingdom CV34 5AH), a private company registered and incorporated in accordance with the laws of England and a wholly owned direct subsidiary of the AcquisitionCo and an indirect subsidiary of Life Healthcare;
“ARMS”	Alternative Reimbursement Models;
“ASL”	Azienda Sanitaria Locale, the center of administrative operations related to Public Healthcare in Italy under the national healthcare service;
“A2X Markets”	A2XMarketsProprietaryLimited, (registration number 2014/147138/07), a private company registered and incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act;
“B-BBEE”	Broad-Based Black Economic Empowerment;
“Board” or “Directors”	the Board of Directors of the Company as at the Last Practicable Date, the names of whom are set out in the “Corporate Information and Advisors” section of this Circular, or any one or each of them, as the context may require;
“Broker”	any person registered as a “broking member (Equities)” in terms of the rules of the JSE, issued and published in accordance with the Financial Markets Act;
“business day”	any day which is not a Saturday, Sunday, or official public holiday in South Africa provided that when the term “business day” is used in the definition of Completion Date, the term shall mean any day that is not a Saturday, Sunday or public holiday in England, Guernsey or South Africa;

“Carve-Out Historical Consolidated Financial Information”	shall have the meaning ascribed thereto in paragraph 9.2 below;
“Category 1 Transaction”	a transaction which is categorised as category 1 in terms of paragraph 9.5 of the Listings Requirements;
“CDCs”	community diagnostic centres;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Life Healthcare Shares which are evidenced by physical Documents of Title which have not been surrendered for Dematerialisation in terms of Strate;
“Circular”	this bound document to Shareholders, dated Thursday, 9 November 2023, issued by Life Healthcare in respect of the Transaction, including the annexures hereto and incorporating the Notice of General Meeting and the Form of Proxy (<i>blue</i>);
“CIP”	Co-investment Plan;
“CKD”	chronic kidney disease;
“CMS”	Centres for Medicare & Medicaid Services;
“COID”	Compensation for Occupational Injuries and Diseases;
“Completion Date”	the date on which, following fulfillment or waiver (if applicable) of the Conditions Precedent, completion of the Transaction occurs in accordance with the terms of the Sale and Purchase Agreement, being the last business day of the calendar month in which the Unconditional Date occurs, provided that, if there are fewer than 15 business days between the Unconditional Date and the last business day of that month, the Completion Date shall be on the last business day of the following calendar month;
“Conditions Precedent”	the conditions precedent to completion of the Transaction, as set out in paragraph 4.1 of this Circular;
“CSDP”	Central Securities Depository Participant, being a “participant” as defined in the Financial Markets Act;
“CT”	computerised tomography;
“Custody Agreement”	a custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held in Life Healthcare’s uncertificated securities register administered by a CSDP or Broker on behalf of such Shareholder;
“Dematerialisation” or “Dematerialise” or “Dematerialised”	the process by which securities which are evidenced by physical Documents of Title are converted to securities that are held in collective custody by a CSDP or its nominee in a separate central securities account and are transferable by electronic entry without a certificate or written instrument;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	Life Healthcare Shares which have been Dematerialised;
“DMDs”	disease modifying drugs;
“DMTN”	Domestic Medium-Term Notes;
“Documents of Title”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of Life Healthcare Shares;
“DOH”	National Department of Health in South Africa;
“EEA”	European Economic Area;
“EMA”	European Medicines Agency;
“Equity Value”	an amount being GBP 615,794,000 (approximately ZAR 14,424 million) ¹ as set out in the Sale and Purchase Agreement;

¹ Calculated at an exchange rate of GBP 1 = ZAR23.42 (exchange rate on the 4th of October 2023, being the last business day prior to the publication of the Terms Announcement).

“Equity Value Adjustments”	<p>the following adjustments to the Equity Value, including:</p> <ul style="list-style-type: none"> • addition of an amount of GBP 1.9 million in respect of vendor due diligence costs borne by Life Healthcare; • deduction of the following amounts (in each case as determined in accordance with the terms of the Sale and Purchase Agreement): <ul style="list-style-type: none"> – an amount in respect of accrued interest on intra-group payables (owed by AcquisitionCo and/or its subsidiaries to other members of the Life Healthcare Group) prior to the Completion Date; – an amount in respect of disclosed transaction costs paid or payable by AcquisitionCo and/or its subsidiaries; – an amount in respect of the shares subject to share incentive plans to be settled in cash that will vest on the Completion Date; – an amount in respect of the payments made pursuant to certain securities-based incentives prior to the Completion Date; and – an amount in respect of the tax arising from the vesting and/or settlement of any share incentive plans on the Completion Date; • deduction of “leakage” amounts customary for a transaction of this nature and the locked box mechanism set out in the Sale and Purchase Agreement;
“Exchange Control Regulations”	Exchange Control Regulations of 1961, made in terms of the Currency and Exchanges Act No 9 of 1933, as amended;
“EU”	European Union;
“EVP”	Employee Value Proposition;
“FDA”	The United States Food and Drug Administration, a federal agency within the Department of Health and Human Services;
“Financial Markets Act”	the Financial Markets Act (No. 19 of 2012), as amended from time to time;
“Form of Proxy”	The form of proxy (<i>blue</i>) incorporated into this Circular for use by Certificated Shareholders and Dematerialised Shareholders with “own name” registration only, for purposes of appointing a proxy to represent such Shareholder at the General Meeting;
“GBP”	Great British Pound;
“GEMS”	Government Employees Medical Scheme;
“General Meeting”	the general meeting of Shareholders to be held at Building 2, Oxford Parks, 203 Oxford Road, Cnr Eastwood and Oxford Roads, Dunkeld, 2196 and by way of electronic communication, on Friday, 8 December 2023 at 10:30 SA time, to consider and if deemed fit, pass the Resolution set out in the Notice of General Meeting, with or without modification;
“Group” or “Life Healthcare Group”	collectively, Life Healthcare and its Subsidiaries;
“HCU”	high care unit;
“HPCSA”	Health Professions Council of South Africa;
“HSE”	Health Service Executive that provides public health and social services in Ireland;
“IASB”	International Accounting Standards Board;
“iCON Infrastructure”	iCON Infrastructure LLP, (registration number OC364705 and registered office 5th Floor, 15 Golden Square, London W1F 9JG, United Kingdom), a limited liability partnership registered in accordance with the laws of England;
“iCON Infrastructure VI”	iCON Infrastructure Partners VI, which comprises two parallel limited partnerships, iCON Infrastructure Partners VI, L.P. and iCON Infrastructure Partners VI-B, L.P., acting by its managing general partner iCON Infrastructure Management VI Limited;

“ICU”	intensive care unit;
“IFRS”	International Financial Reporting Standards, as issued by the IASB;
“Independent Reporting Accountant” or “Deloitte”	Deloitte & Touche, (practice number 902276), Registered Auditors and the Company’s reporting accountants for the purpose of the Circular;
“IRR”	Internal Rate of Return;
“JSE”	JSE Limited, (registration number 2005/022939/06), a public company registered and incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act or the securities exchange operated by JSE Limited, as the context may require;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Circular, being Friday, 3 November 2023;
“Life Healthcare” or “the Company”	Life Healthcare Group Holdings Limited, (registration number 2003/002733/06), a public company registered and incorporated in accordance with the laws of South Africa and listed on the Main Board of the JSE and a secondary listing on A2X Markets under share code LHC;
“Life Healthcare International”	Life Healthcare International Proprietary Limited, (registration number 2005/037973/07), a private company registered and incorporated in accordance with the laws of South Africa and a wholly owned subsidiary of Life Healthcare;
“Life Healthcare Shares” or “Shares”	ordinary no par value shares in the stated capital of the Company;
“Life Health Solutions	Life Health Solutions Proprietary Limited, (registration number 2012/077831/07), a private company registered and incorporated in accordance with the laws of South Africa and a wholly owned subsidiary of Life Healthcare;
“Life Nkanyisa”	Life Nkanyisa Proprietary Limited, (registration number 1982/000915/07), a private company registered and incorporated in accordance with the laws of South Africa and a wholly owned subsidiary of Life Healthcare;
“Life UK HoldCo”	Life UK HoldCo Limited, (registration number 10478866 and registered office at Aml Hub, The Woods, Unit 40 Opus Business Park, Warwick, United Kingdom CV34 5AH), a private company registered and incorporated in accordance with the laws of England and a wholly owned indirect subsidiary of Life Healthcare;
“Listings Requirements”	the JSE Limited Listings Requirements in force as at the Last Practicable Date;
“LMI”	Life Molecular Imaging Limited, (registration number 04824675 and registered office at First Floor, The Woods, Unit 40 Opus Business Park, Warwick, United Kingdom, CV34 5AH), a private limited company registered and incorporated in accordance with the laws of England and a wholly owned indirect subsidiary of Life Healthcare, which holds the shares of Life Molecular Imaging GmbH (registration number HBR13682313), a private limited company registered and incorporated in accordance with the laws of England and a wholly owned indirect subsidiary of Life Healthcare, and which in turn holds the shares of Life Molecular Imaging Inc. (file number 6908106), a corporation incorporated in the State of Delaware and a wholly owned indirect subsidiary of Life Healthcare;
“LOS”	length of stay;
“LTIP”	Long-term Incentive Plan;
“MHRA”	the Medicines and Healthcare products Regulatory Agency, an executive agency of the Department of Health and Social Care in the United Kingdom;

“MOI”	the memorandum of incorporation of Life Healthcare;
“MRI”	magnetic resonance imaging;
“MSA”	Matching Share Awards;
“NAV”	net asset value;
“NHI”	National Health Insurance in South Africa;
“NHS”	National Health Service in the United Kingdom;
“Notice of General Meeting”	the notice to Shareholders convening the General Meeting which notice is attached to, and is incorporated in, this Circular;
“PET”	positron emission tomography;
“POPIA”	The South African Protection of Personal Information Act, 4 of 2013 (POPIA);
“PPDs”	paid patient days;
“PPP”	public private partnerships;
“PSP”	progressive supranuclear palsy;
“Purchase Consideration”	the total consideration payable by the Purchaser to AMGL, in cash, on the Completion Date free of any lien, right of set-off, counterclaim or other analogous right and in accordance with the terms and conditions of the Sale and Purchase Agreement, being an amount of GBP 615,794,000 (approximately ZAR 14,424 million) as adjusted for the Equity Value Adjustments, which, after adjustment, is as at the Last Practicable Date estimated to amount to GBP 592,567,247 (approximately ZAR 13,880 million subject to finalisation (as applicable) of the Equity Value Adjustments on the Completion Date;
“Purchaser”	Andromeda Bidco Limited, (registration number 15145709 and registered office 5th Floor, 15 Golden Square, London W1F 9JG, United Kingdom), a private company registered and incorporated in accordance with the laws of England and wholly indirectly owned by iCON Infrastructure VI;
“RAF”	Road Accident Fund in South Africa;
“Register”	collectively, the register of Shareholders holding Certificated Shares maintained by the Transfer Secretaries and each of the sub-registers of Shareholders who hold Dematerialised Shares maintained by the relevant CSDPs, in accordance with section 50 of the Companies Act;
“the Resolution”	the ordinary resolution in terms of which Shareholders will, subject to the passing thereof, approve the Transaction as a Category 1 Transaction in terms of paragraph 9.20 of the Listings Requirements, which resolution is to be proposed at and voted on at the General as set out in the Notice of General Meeting;
“SA” or “South Africa”	Republic of South Africa;
“Sale and Purchase Agreement”	the sale and purchase agreement concluded between AMGL and the Purchaser on or about Thursday, 5 October 2023 setting out, <i>inter alia</i> , the terms and conditions of, and steps required to complete, the Transaction;
“Sale Shares”	147,537,013 ordinary shares of GBP 0.00001 in the issued share capital of AcquisitionCo (comprising the entire issued share capital of AcquisitionCo);
“SARB”	South African Reserve Bank;
“SENS”	the Stock Exchange News Service of the JSE;

“SEP”	the Single Exit Price, being the maximum price that a medicine may be charged at in South Africa, as per the Medicines and Related Substances Act (101 of 1965) as amended, and Regulation 8 of the Regulations Relating to a Transparent Pricing System for Medicines and Scheduled Substances;
“Shareholders”	holders of Life Healthcare Shares;
“SPECT”	Single-photon emission computed tomography;
“Sponsor”	Rand Merchant Bank, a division of FirstRand Bank Limited, (registration number 1929/001225/06), a company registered and incorporated in accordance with the laws of South Africa, the further particulars of which appear under the “Corporate Information and Advisors” section of this Circular;
“Strate”	Strate Proprietary Limited, (registration number 1998/022242/07), a private company registered and incorporated in accordance with the laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for on-market and off-market share transactions concluded on, <i>inter alia</i> , the Johannesburg Stock Exchange and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
“Subsidiary”	a “subsidiary” as defined in the Companies Act, but also includes an entity incorporated outside South Africa which would, if incorporated in South Africa, be a “subsidiary” as defined in the Companies Act;
“Tangible NAV”	Tangible net asset value;
“Terms Announcement”	the terms announcement in respect of the Transaction published by Life Healthcare on SENS dated Thursday, 5 October 2023;
“Transaction”	the disposal by AMGL of the Sale Shares to the Purchaser for the Purchase Consideration pursuant to the terms of the Sale and Purchase Agreement;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited, (registration number 2004/003647/07), a private company registered and incorporated in accordance with the laws of South Africa;
“TSA”	Transitional Services Agreement;
“UK”	United Kingdom;
“Unconditional Date”	the date on which written notice is given by AMGL or the Purchaser, as the case may be, that the final remaining Condition Precedent has been satisfied, or has otherwise been waived (if applicable), in accordance with the terms of the Sale and Purchase Agreement;
“US”	United States or United States of America;
“VAT”	Value Added Taxation, levied in terms of the Value Added Tax Act (No. 89 of 1991), as amended;
“W&I”	warranty and indemnity; and
“ZAR”, “Rand” or “R”	South African Rand.



LIFE HEALTHCARE GROUP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2003/002733/06)

ISIN: ZAE000145892

JSE and A2X share code: LHC

("Life Healthcare" or "the Company")

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

Shareholders are referred to the announcement released on SENS on Thursday, 5 October 2023, wherein Life Healthcare advised Shareholders that the Group, through its wholly owned indirect subsidiary AMGL, and the Purchaser have entered into a binding agreement in relation to the Transaction, pursuant to which AMGL will dispose of the Sale Shares to the Purchaser for the Purchase Consideration on the terms and conditions set out in the Sale and Purchase Agreement. Accordingly, upon completion of the Transaction in accordance with the Sale and Purchase Agreement, the Purchaser shall be the owner of 100% of the shares in AcquisitionCo and no Group entity shall own any shares in AcquisitionCo.

AcquisitionCo historically held various subsidiaries relating to AMG and LMI. Following an internal restructure implemented in July 2023, LMI is now 100% held by Life Healthcare through its wholly owned subsidiary AMGL. LMI does not fall within the perimeter of the Transaction.

The Transaction constitutes a Category 1 Transaction in terms of section 9 of the Listings Requirements, as the value of the Transaction exceeds the 30% threshold outlined in paragraph 9.5 of the Listings Requirements, namely, the percentage ratio resulting from the Purchase Consideration divided by the aggregate market value of Life Healthcare's Shares, excluding treasury shares, at the time of the Terms Announcement and therefore requires the approval of Shareholders by way of an ordinary resolution.

Following satisfaction, or waiver if applicable, of the Conditions Precedent and completion of the Transaction in accordance with the Sale and Purchase Agreement, Life Healthcare will still qualify and meet the requirements for a listing pursuant to the provisions of the Listings Requirements.

The purpose of this Circular is to, *inter alia*:

- provide Shareholders with relevant information regarding the Transaction, which constitutes a Category 1 Transaction in terms of the Listings Requirements, so as to enable Shareholders to make an informed decision as to how they should vote on the Resolution; and
- convene the General Meeting, in terms of the Notice of the General Meeting, at which meeting the Resolution required to approve and implement the Transaction will be considered and, if deemed fit, passed by the Shareholders.

2. RATIONALE FOR THE TRANSACTION

Life Healthcare advanced its geographic and healthcare diversification ambitions through the acquisition of AMG in 2016, providing the Group with a strong position in the complementary service lines of diagnostic imaging, molecular imaging, and radiopharmaceutical manufacturing across the UK and Europe. The Group further advanced its international strategy through its investment in 2018 in LMI, a fully integrated research and development radiopharmaceutical company dedicated to developing and globally commercialising innovative molecular imaging agents for use in PET-CT diagnostics.

Since 2016, Life Healthcare has focused on strategically developing and growing AMG's partnerships and services across the UK and Europe, resulting in AMG's revenue increasing by 63% in the past six years, from GBP 233 million in 2016 to GBP 379 million in the year to 30 September 2022. Over this time, AMG was a key driver of long-term value creation, based on its:

- Competitive position as a vertically integrated provider of imaging services across the UK and Europe, operating 233 sites and delivering over 1.1 million scans per year across the UK and 10 other European countries;
- Reputable footprint in its core markets as a trusted partner to the NHS (in the UK), ASL (Italy) and HSE (Ireland);

- Significant, well invested asset base and strong competitive positions, which meant AMG has been forecasted to deliver consistent, hard currency returns well above its cost of capital; and
- Ability to capture consistent demand growth driven by the UK and Europe's evolving healthcare needs and state systems which are unable to respond to capacity challenges. Driven by these demand factors, AMG is increasingly operating in an out-of-hospital community setting, as demonstrated by the expansion of its footprint through CDCs, and is well positioned for expansion into other European and Middle Eastern countries.

Based on the increasing demand for imaging services across the UK and Europe and AMG's attractive positioning in its core markets, the Board and management of Life Healthcare continue to have strong conviction in AMG's prospects. AMG, with the full support of the Board, continues to execute its long-term strategy through, *inter alia*, development and expansion of its CDC footprint in the UK and Ireland, growth opportunities in Italy, increasing its cyclotron footprint in existing markets, continuing to increase its partnerships with its customers by entering into new contracts, driving increased volumes through existing infrastructure and improving efficiencies.

However, in late 2022 and early 2023 the Company received several unsolicited expressions of interest in AMG. Following extensive engagement, the interested parties submitted offers for AMG. The Board evaluated these offers and subsequently decided to proceed with iCON Infrastructure to enable it to submit a binding offer. After careful consideration, the Board believes the Transaction is in the best interests of Shareholders based on the following:

- **Ability for Shareholders to unlock significant value:** The Transaction provides an opportunity for Shareholders to unlock the material value in AMG in the immediate term and unlock a significant premium to the estimated value of AMG reflected in Life Healthcare's share price prior to the first Transaction-related cautionary announcement;
- **Acceleration of value:** As a result of the planned capital expenditure which forms a key pillar of AMG's business plan over the medium-term, a large portion of AMG's significant fundamental value sits in the outer years of the business plan. The Transaction therefore enables Shareholders to realise this longer-term value upfront, and de-risk the delivery of the AMG business plan from a Shareholder perspective;
- **Potential for AMG to continue to be undervalued in Life Healthcare's share price:** Considering the market's valuation of AMG historically as reflected in the Life Healthcare share price, there is no guarantee that future value creation through AMG would be fully reflected in the Life Healthcare share price going forward, and it is therefore possible that AMG continues to be undervalued within the Group's share price;
- **Enhancement of Life Healthcare's financial profile and strengthening of the Group's financial position:** The Transaction will result in improved return on capital metrics, as well as improved overall cash conversion, for the Group. The Transaction will also result in an overall reduction in gearing and an improved financial position. As a portion of the Purchase Consideration will be used to repay remaining international debt, the Transaction will result in Group gearing reducing to approximately one times net debt to normalised EBITDA¹, providing headroom to invest in growth and supporting the Group's ability to return capital to Shareholders;
- **Increased management and capital allocation focus on attractive growth opportunities:** AMG requires significant additional capital investment to meet its contract requirements, while the execution of the Transaction will allow management to focus its capital allocation priorities on accelerating its integrated care strategy in southern Africa and supporting future growth in LMI to deliver value for Shareholders;
- **Repositioning of Life Healthcare:** Following completion of the Transaction, Life Healthcare will be positioned as a leading, diversified, and integrated healthcare services provider in southern Africa with clear capital allocation priorities, a resilient and sustainable financial profile, and a strong cash generation ability. Life Healthcare will have strong southern African growth potential through its integrated care model and international growth potential through LMI's radiopharmaceutical portfolio; and
- **AMG is well positioned in the hands of the Purchaser:** The funds advised by iCON Infrastructure are active investors in European healthcare infrastructure, with investments in both the diagnostic and molecular imaging sectors. AMG is an attractive player well placed to continue supporting Europe's evolving healthcare needs. iCON Infrastructure views the strategic positioning of AMG as a significant opportunity to continue the development of a vertically integrated, pan-European imaging platform.

¹ Calculated as per Life Healthcare's debt agreements.

3. OVERVIEW OF THE BUSINESS

3.1 Summary of Life Healthcare's business segments

Life Healthcare is an international, diversified healthcare organisation listed on the JSE and secondary listed on A2X Markets, focused on delivering measurable clinical quality and cost-effective healthcare through a diversified, integrated care model. The Group provides high-quality, people-centered care through a diverse range of healthcare services across two major geographic segments, namely southern Africa and International.

3.1.1 Southern Africa

Life Healthcare is one of the largest private healthcare providers in southern Africa, primarily serving the private medically insured market and has over 40 years' experience in the private healthcare sector. Since commencing operations in the early 1980s with four hospitals, it has grown through acquisitions, capacity expansion within existing facilities, the addition of new lines of business and the development and construction of new hospitals. Life Healthcare currently operates 64 healthcare facilities (9,226 beds) in South Africa and one facility in Botswana.

Life Healthcare's southern African healthcare business, which represented 70.8% of Life Healthcare's revenue for the financial year ended 30 September 2022, is organised into two divisions:

- The hospitals and complementary services division provides services primarily to the private medically insured market, which represented approximately 8.95 million people in 2022². For the financial year ended 30 September 2022, the hospital and complementary services division generated 66.0% of Life Healthcare's revenue. The acute hospital business comprises general hospital facilities of various sizes. The complementary services business provides both inpatient and outpatient services in the areas of renal dialysis, acute rehabilitation, mental health, radiation and chemotherapy oncology, and diagnostic and molecular imaging.
- The healthcare services division includes the provision of acute and long-term chronic mental health and frail care services to state patients through Life Nkanyisa, one of the largest PPPs in South Africa (3,163 beds). The division also includes services to provincial health and social development departments, and the provision of primary healthcare, occupational healthcare and employee wellness services to employer groups in commerce, industry, state-owned enterprises, and mining, through Life Health Solutions. For the financial year ended 30 September 2022, the healthcare services division represented 4.8% of Life Healthcare's revenue.

3.1.2 International

The Group's international business, which represented 29.2% of the Group's revenue for the financial year ended 30 September 2022, includes AMG and LMI.

- AMG, which represented 27.2% of the Group's revenue for the financial year ended 30 September 2022, is one of the leading independent diagnostic and molecular imaging providers in the UK and western Europe, with a vertically integrated PET-CT network, enabling the manufacture and distribution of radioisotopes for its own PET-CT scanning facilities and third parties.
- LMI, which represented 2.0% of the Group's revenue for the financial year ended 30 September 2022, is a fully integrated research and development pharmaceutical company dedicated to developing and globally commercialising innovative molecular imaging agents for use in PET-CT diagnostics to detect specific diseases.

3.2 Mission and Vision

Life Healthcare's mission is to improve the lives of people through the delivery of high-quality, cost-effective care. The Group's vision is to be an international healthcare provider delivering measurable clinical quality through a diversified offering and people-centred approach.

² Council for Medical Schemes.

3.3 Life Healthcare's strategic pillars

The Group's strategic priorities and objectives are informed by four key strategic pillars that are approved by the Board annually and updated where relevant. These pillars, enabled through people, technology, and data and analytics, underpin the Group's strategic direction to:

1. Deliver high-**quality** care through continuous improvement in patient experience and clinical outcomes;
2. **Grow** revenue and earnings of existing businesses and invest in new markets where the Group can leverage its capabilities and/or geographic footprint. This encompasses strategic priorities across organic growth and innovation opportunities, growing and sustaining existing businesses and pursuing inorganic growth opportunities;
3. Deliver operational **efficiency** through process engineering and adoption of new technology, to improve operational performance of the Group's southern Africa operations and to drive efficiencies through digital transformation; and
4. Ensure long-term viability and **sustainability** through minimising environmental impact and positively impacting employees and the communities in which Life Healthcare operates.

3.4 Detailed overview of Life Healthcare's business divisions

3.4.1 Southern Africa

Hospitals and complementary services segment

Overview

The hospitals and complementary services segment, which represented 66.0% of the Group's revenue and admitted over 500,000 patients in the financial year ended 30 September 2022, is comprised of acute hospitals and complementary services. The segment, which provides services primarily to the private medically insured market, owns and operates 48 acute hospitals and also provides specialised care through Life Healthcare's renal dialysis, acute rehabilitation, mental health, oncology, and diagnostic and molecular imaging services.

The table below provides a summary of registered beds and units in facilities owned by Life Healthcare in southern Africa as at 31 March 2023 and at 30 September 2022, 2021 and 2020:

	as at 31 March [#]		as at 30 September [*]	
	2023	2022	2021	2020
Total facilities	65	66	66	66
Total registered beds	9 226	9 203	9 177	9 151
Acute hospitals:				
Facilities	48	49	49	49
Registered beds	8 290	8 271	8 256	8 240
Renal dialysis:				
Facilities	31	29	29	29
Renal dialysis stations	445	445	440	375
Acute rehabilitation:				
Facilities	8	8	7	7
Registered beds	334	334	319	319
Mental health:				
Facilities	9	9	9	9
Registered beds	602	598	602	592
Oncology:				
Facilities	5	5	5	4
Diagnostic and molecular imaging:				
Facilities	11 ³	8	–	–
MRI and CT scanners	11	11	–	–
X-ray and other scanners	49	49	–	–
Triple modality nuclear scanners (SPECT/CT/PET-CT)	3 ⁴	–	–	–

[#] All statistics, metrics and KPIs are tracked in detail by LHC for inclusion in the Company's integrated annual reports.

^{*} Extracted from the Company's integrated annual report.

³ Life Healthcare acquired TheraMed Nuclear and PET Vision's non-clinical imaging operations in H2 2023, consisting of facilities in Honeydew, Benoni and Midstream, taking the total from eight (as at 31 March 2023) to 11 diagnostic and molecular imaging facilities.

⁴ The scanners are triple modality nuclear scanners including SPECT/CT/PET-CT.

Life Healthcare operates a total of 47 acute hospital facilities in seven of South Africa's nine provinces and one acute hospital facility in Botswana. These facilities are generally located in metropolitan areas and consist of high-technology, multi-disciplinary hospitals offering highly specialised medical disciplines, community hospitals, same day surgical centres and dedicated niche facilities.

The acute hospitals provide both elective and emergency care and generally provide treatment on an inpatient basis only. The average inpatient LOS at Life Healthcare's acute hospitals in the financial year ended 30 September 2022 was 3.7 days. Although some doctors provide limited outpatient care at consulting rooms located at Life Healthcare's hospitals, Life Healthcare does not receive revenue for treatment provided on an outpatient basis, for which doctors generally charge patients directly.

The principal driver of revenue for Life Healthcare's hospitals division is the number of PPDs. Life Healthcare records one half-PPD for each period (or part thereof) between noon and midnight, or midnight and noon, for which a patient is admitted to hospital. Life Healthcare then accumulates these half-PPDs to determine its aggregate PPDs. Life Healthcare divides these PPDs across the number of bed days available in Life Healthcare's facilities to obtain the occupancy rate.

Once patients have been admitted, Life Healthcare charges fees based on the beds, equipment, operating theatres, pharmaceuticals, and surgical supplies used in connection with the treatment provided to the patient, in accordance with tariffs agreed with medical schemes. As Life Healthcare does not employ the doctors who practise at its acute care hospitals, Life Healthcare's revenue does not include the fees charged by the doctors for their services.

As at 30 September 2022, Life Healthcare was supported by approximately 3,000 specialists and other healthcare professionals. The Group seeks to optimise the use of its hospitals by maintaining excellent working relationships with these professionals, which it aims to achieve by investing in the latest technology and equipment, facilitating continuing engagement, providing quality nursing care, benchmarking clinical outcomes against international best practice and by meeting the needs of patients with respect and empathy.

Utilisation

Acute hospital utilisation is driven by the quantity, quality and mix of specialist services, the quality of management and nursing services, the condition of the facilities and equipment, location and geographic convenience for privately insured patients relative to the local competition in the area, as well as network arrangements through contracts with medical aids. Life Healthcare aims to maximise its hospital utilisation by maintaining a high number of quality doctors and other healthcare professionals providing patient care within the facility, as well as offering a breadth of services, high level of technology and emphasis on quality of care and convenience for patients and doctors. Other factors that impact utilisation include the change in the size of the privately insured population in South Africa, the increasing disease burden, an ageing privately insured population, local economic conditions and preferred network agreements with medical schemes.

The following table sets out certain operating statistics for the hospitals and complementary services segment.

	As at 31 March[#]		As at 30 September[*]	
	2023	2022	2021	2020
Total facilities	65	66	66	66
Total registered beds	9 226	9 203	9 177	9 151
Total PPDs	1 074 082	2 027 184	1 915 924	1 914 159
Occupancy ⁵	65.9%	61.9%	58.6%	58.0%
<i>of which:</i>				
Acute hospital occupancy	65.5%	61.1%	58.1%	57.8%
Complementary services occupancy ⁶	70.2%	69.1%	63.4%	64.0%
Average hospital and complementary services LOS (days)	4.02	4.04	4.42	4.08
Average acute LOS (days)	3.71	3.70	4.07	3.74

⁵ All statistics, metrics and KPIs are tracked in detail by LHC for inclusion in the Company's integrated annual reports.

^{*} Extracted from the Company's integrated annual report.

⁵ Occupancy is measured based on the weighted number of active beds during the period and takes acquisitions and expansions during the year on a proportionate basis into account.

⁶ Complementary services occupancy calculation includes mental health and acute rehabilitation PPDs.

Hospital admissions are subject to seasonal fluctuations, including decreases in patient utilisation during holiday periods and increases during the cold weather months. Life Healthcare experiences lower patient volumes in the first half of its financial year (October through March) than in the second half of its financial year (April through September), largely due to the summer months and associated school holidays during this period in South Africa.

Life Healthcare's operational metrics of admissions, LOS, PPDs and occupancy figures were all negatively impacted during the COVID-19 pandemic. However, since 2022 these metrics have begun to normalise, with the case mix starting to reflect fewer COVID-19 admissions with a concomitant return to pre-COVID-19 medical and surgical activities. For the six months to 31 March 2023, medical PPDs made up 51% of all PPDs, which was a similar level to that seen in 2019, although the absolute number of PPDs was 5% below COVID-19 pandemic levels.

Tariffs and reimbursement models

Life Healthcare's hospitals and complementary services businesses receive payments primarily from medical schemes, which provide private health insurance cover in South Africa. Life Healthcare generally agrees tariffs, or pricing arrangements, on an annual basis with the medical schemes, but in some cases longer-term contracts have been negotiated. Network arrangements are concluded over multi-year periods, with the related tariffs adjusted annually based on an inflation factor. These tariffs then apply to care received by patients insured by such medical schemes. As a feature of its business model, Life Healthcare has introduced ARMs in its payment arrangements with medical schemes since the early 2000s. Substantial resources have been invested in analysis and reporting to ensure risks arising under the alternative reimbursement contracts are managed appropriately throughout the business and enable operations to take advantage of opportunities offered by these arrangements. Life Healthcare continues to develop its ARM pricing strategy with the objective of ensuring efficient pricing and sharing of cost savings with medical healthcare funders.

The ARM comprises:

- *fixed fees*: a flat rate for a course of treatment, usually charged for procedures where the expected course of treatment is highly predictable (e.g. tonsillectomy). In a fixed fee tariff, Life Healthcare benefits through driving efficiencies resulting in reducing the costs associated within the fixed fee. Likewise, Life Healthcare bears the risk of cost overruns related to treatment, including the level of care, LOS, quantity of pharmaceuticals and surgical supplies utilised and the price of surgical supplies. Life Healthcare does not bear risk on the price of pharmaceuticals, which is governed by the SEP Regulations; and
- *per diems*: a daily rate charged for the facilities used. Through a per diem, Life Healthcare benefits through driving efficiencies resulting in reduced costs associated within the per diem. Likewise, Life Healthcare bears the risk of certain costs related to treatment, including the quantity of pharmaceuticals and the price and quantity of surgical supplies utilised. Life Healthcare does not bear risk on the LOS or the price of pharmaceuticals, which is governed by the SEP Regulations.

Revenue from ARM tariffs constituted approximately 70% of revenue for the hospitals and complementary services business in the financial year ended 30 September 2022. The remaining 30% of revenue was charged on a fee-for-service basis. Under fee-for-service tariffs, Life Healthcare does not take risk on the level of care and LOS, and charges the patient for the total cost of care, and all charges relating to tariff items (i.e. wards, operating theatre and equipment use, pharmaceuticals and surgical supplies) are passed on to the patient.

Facilities

Life Healthcare's acute hospitals consist of large, comprehensive hospitals offering an extensive range of medical disciplines and smaller general community facilities offering a basic range of medical disciplines. The complementary services provided by Life Healthcare (including renal dialysis, acute rehabilitation, mental health, oncology services, and diagnostic and molecular imaging) are located either at standalone facilities or within Life Healthcare's acute hospitals.

Life Healthcare owns the property and facilities used in connection with the vast majority of the healthcare facilities it operates. This permits Life Healthcare, in many cases, to make long-term investment plans to extend its capacity. The Group does not own seven of its 65 healthcare facilities, the majority of which are under long-term lease arrangements. The leased facilities represent 8% of the Group's total hospital and complementary services beds.

Life Healthcare does not typically own the auxiliary professional service facilities and related equipment, such as radiology and pathology services, but instead leases space to the professionals who operate those facilities, who then, in turn, provide a supporting service that is available to the doctors practising at Life Healthcare's hospitals. Patients are billed directly by the radiology or pathology practices, and Life Healthcare does not receive any revenue from such fees.

During 2022 Life Healthcare acquired the non-clinical assets of the East Coast Radiology practice in the Eastern Cape, and the non-clinical assets of the Eugene Marais Radiology practice in Gauteng. Life Healthcare also assumed the employment of the radiographers and other non-clinical employees at these practices. Within these practices patients are still billed directly by the radiologists and Life Healthcare is paid a fixed annual amount for the provision of the equipment and non-clinical staff who operate the equipment. During 2023, Life Healthcare continued its South African diversification strategy into nuclear medicine with the acquisitions of TheraMed Nuclear (TheraMed) and PET Vision's non-clinical imaging operations in Gauteng.

Life Healthcare's focus on improving the utilisation of its facilities following the COVID-19 pandemic led to a reduction in bed expansion across the Group's portfolio. The Group plans to continue to optimise its current bed portfolio, only adding beds at facilities where robust demand necessitates expansion.

Patients

As a private sector healthcare provider, the hospitals and complementary services business primarily provides services to patients who belong to medical schemes, and hence derives most of its revenue from medical schemes. To a lesser extent, the hospitals and complementary business receives payments directly from uninsured (self-pay) patients or from patients who need to make some form of co-payment as part of their medical scheme products' rules. The division also receives some payment from public sector funds such as the COID fund and the RAF.

	Year ended 30 September		
	2022	2021	2020
Private (incl. private medical schemes and self-pay patients)	98.3%	97.6%	97.8%
Public sector funds (COID and RAF)	1.7%	2.4%	2.2%

Relationships with Doctors

Life Healthcare's relationship with admitting and treating doctors is an essential aspect of its ability to obtain patient admissions. Life Healthcare does not employ the doctors who practise at its facilities, and the fees charged by these doctors for services are not included in Life Healthcare's revenue but are payable by patients directly to the doctors. However, at its acute rehabilitation units, Life Healthcare has received a special dispensation from the HPCSA to employ a small number of doctors.

Patients are generally admitted to the hospital facilities by the treating doctor who then supervises the treatment and care of the patient during their stay. Most doctors are based at a single hospital, although certain doctors may practise from two or more hospitals. Each hospital manager is responsible for the recruitment and approval of admission rights of the doctors who work at Life Healthcare's hospitals. Doctors who practise at Life Healthcare's hospitals are certified to practise in their particular areas of speciality by the HPCSA.

Life Healthcare competes for and attracts doctors to its facilities based on factors such as flow of patients, the location and reputation of its hospitals, the quality of equipment and facilities, personal and professional fit, mix of complementary disciplines, as well as personal and professional relationships with other admitting and referring doctors. Doctors practising at Life Healthcare's facilities, in particular doctors practising at Life Healthcare's acute care hospitals, benefit from the use of operating theatres, equipment, access to pathology and radiology services, patient referrals from and to other complementary services and the patient referrals that come through preferred network deals agreed to by Life Healthcare and medical schemes.

Doctors may have rental agreements in place where they practise, but do not otherwise work under contracts with Life Healthcare. To assist with the retention and motivation of doctors, Life Healthcare allows doctors to make equity investments in some of the operating companies where they practise. Life Healthcare also maintains a medical advisory committee at each of its hospitals, which provides an opportunity for doctors to be involved with the management and monitoring of the quality of care at the respective hospital. Life Healthcare has historically experienced low rates of turnover of doctors at its facilities.

Relationships with Medical Schemes

In South Africa, patients are insured by medical schemes, which are in turn either administered by medical aid administrators or are self-administered. Life Healthcare generally negotiates on an annual basis with the medical scheme administrators and self-administered schemes to determine the tariffs to be charged for its services, but in some cases longer-term contracts have been negotiated. In the financial years ended 30 September 2022, 2021 and 2020, payments received from the top four medical aid administrators (Discovery, Medscheme, MMI, and GEMS) accounted for approximately 79.4%, 78.2% and 79.6% of Life Healthcare's revenue, respectively.

Life Healthcare's funder and health policy department is responsible for all engagement with medical healthcare funders, administrators, and managed healthcare organisations. This department manages pricing, pricing models and preferred provider networks.

Life Healthcare's ambition is to be the leading preferred network provider in the country and it has been successful in winning a number of preferred network arrangements with medical schemes. Under a preferred network arrangement, the medical schemes require or financially incentivise patients to receive treatment at Life Healthcare's facilities as opposed to other healthcare facilities. As a result of these preferred network arrangements, Life Healthcare receives increased patient volumes, which in turn provides increased revenue, while also making Life Healthcare's hospitals more attractive for doctors. Examples of Life Healthcare's preferred network arrangements include Discovery Key Care, Discovery Delta and network arrangements with Medscheme, Momentum and GEMS.

Complementary Services

In addition to acute hospitals, Life Healthcare offers a range of complementary services, both in its acute care hospitals and in separate stand-alone facilities. Life Healthcare is focused on expanding the range of services it offers as part of its overall strategy to continue its development as an integrated healthcare services provider. Life Healthcare's complementary services currently include:

- **Renal dialysis:** Life Healthcare's renal dialysis business provides specialised services dedicated to treating patients with CKD who require acute or chronic renal dialysis. The global prevalence of CKD is estimated to be 11.1%⁷, making it a significant global non-communicable disorder. The worldwide prevalence of CKD has increased by 29.3% over the past three decades⁸, due to the rise in several risk factors, including increasing longevity and lifestyle changes, which have led to increased prevalence of diabetes mellitus and hypertension. Renal dialysis is an essential treatment modality for patients with CKD. Southern Africa has experienced a similar increase in CKD and consequently is seeing increasing demand for renal dialysis. In response to this demand, Life Healthcare has, over many years, developed a national footprint of 31 renal dialysis facilities providing acute and chronic dialysis treatments to patients with CKD. As at 31 March 2023, Life Healthcare's renal dialysis facilities included 445 renal dialysis stations located across all seven provinces in which Life Healthcare operates. In January 2023, Life Healthcare launched an integrated care product for renal dialysis through which the Group plans to increase access and affordability of renal dialysis and also improve patient compliance and outcomes. In May 2023, Life Healthcare concluded an agreement to acquire the renal dialysis assets of Fresenius Medical Care in southern Africa. This transaction, which remains subject to the fulfilment of various conditions precedent including Competition Commission approval, will see Life Healthcare acquire 51 renal dialysis clinics in SA, Namibia and eSwatini, complementing Life Healthcare's existing national network and enhancing the Group's integrated care product offering.
- **Acute rehabilitation:** Life Healthcare's acute rehabilitation service provides acute physical and cognitive rehabilitation for adult and paediatric patients disabled by brain or spinal trauma, stroke or other disabling injuries or conditions. Each rehabilitation patient's clinical outcomes and overall progress are scientifically measured to benchmark rehabilitation units and improve patient outcomes. Growth in this service was recently impacted by the slowdown in elective surgery during the COVID-19 pandemic, competition from sub-acute facilities and referral patterns from doctors. As at 31 March 2023, Life Healthcare had eight acute rehabilitation facilities with 334 beds.

⁷ Hill NR, Fatoba ST, Oke JL, Hirst JA, O'Callaghan CA, Lasserson DS, et al. Global prevalence of chronic kidney disease—a systematic review and meta-analysis. *PLoS ONE*. 2016;11(7) [accessed online via <https://www.ncbi.nlm.nih.gov/pmc>, July 2023].

⁸ Bikbov B, Purcell CA, Levey AS, Smith M, Abdoli A, Abebe M, et al. Global, regional, and national burden of chronic kidney disease, 1990–2017: a systematic analysis for the global burden of Disease Study 2017. *The Lancet*. 2020;395(10225):709–33 [accessed online via <https://www.ncbi.nlm.nih.gov/pmc>, July 2023].

- **Mental health:** Mental health issues represent a significant disease burden in SA. Depressive and anxiety disorders are both listed in the top ten non-communicable causes of chronic disability, and their impact on disability grew 16% and 10% between 2007 to 2017 respectively⁹. A recent study has also shown that more than a quarter of South Africans suffer from probable depression, a statistic that may have worsened due to the COVID-19 pandemic¹⁰. In response to the growing demand for mental healthcare services, Life Healthcare has grown its mental healthcare offering and is now a leading provider of private mental healthcare, with dedicated facilities in four of SA's nine provinces (the Western Cape, Eastern Cape, KwaZulu-Natal and Gauteng). Life Healthcare's mental health service provides multi-disciplinary mental healthcare to adult and adolescent patients for general psychiatric conditions and substance dependence, or other addictions associated with psychiatric disorders. The treatments offered include evidence-based drug therapy, individual psychiatric consultations and psychotherapy, group therapy and, where needed, physical therapy treatments. These holistic services are provided by a multidisciplinary team which, depending on individual patient needs, could comprise practitioners such as psychiatrists, psychologists, occupational therapists, physiotherapists, social workers, counsellors and nurses. As at 31 March 2023, Life Healthcare had nine mental facilities with 602 beds. Life Healthcare's mental health facilities experienced an increase in occupancy levels to 67.9% during the financial year ended 30 September 2022, from 59.3% for the financial year ended 30 September 2021, as more people sought treatment as the main effects of the COVID-19 pandemic abated. Life Healthcare's objective in the medium-term is to enhance and bolster its outpatient mental health services as opposed to adding additional bed capacity.
- **Oncology:** In 2018, cancer (of all types) was the fourth leading cause of mortality, accounting for almost 10% of all mortality in SA, with cancer-related deaths increasing by 29% between 2008 and 2018¹¹. Life Healthcare's oncology services (which include both inpatient and outpatient cancer treatment services) are mostly delivered in an outpatient setting, adjacent to an acute hospital, and form an integral part of the multidisciplinary teams and the varied care pathways that cancer patients may follow during their treatment cycles. At Life Vincent Pallotti Hospital, Life Healthcare has established a technologically advanced oncology centre offering comprehensive cancer management incorporating chemotherapy and radiotherapy (including brachytherapy and stereotactic radiotherapy) together with an extensive counselling programme. This "centre of excellence" includes the installation of a first Varian Ethos™ machine, the first adaptive radiotherapy unit in South Africa. Life Healthcare owns and operates five dedicated oncology facilities across southern Africa which act as referral centres for Life Healthcare's acute hospitals (and other third-party healthcare providers).
- **Diagnostic and molecular imaging:** During 2022, Life Healthcare acquired the non-clinical assets of the East Coast Radiology practice in the Eastern Cape and the non-clinical assets of the Eugene Marais Radiology practice in Gauteng. Life Healthcare also assumed the employment of the radiographers following an approval from the HPCSA as well as other non-clinical employees at these practices. Prior to these transactions, the Group only had exposure to radiology service provision through its single hospital in Botswana. Following the transactions, Life Healthcare now owns the non-clinical assets in eight radiology facilities, carrying out a range of diagnostic imaging services (including plain X-rays, ultrasounds, mammograms, MRIs, and CT scans). In May 2023, Life Healthcare also announced that it had acquired the non-clinical assets of a molecular imaging company called TheraMed Nuclear. Subsequently, Life Healthcare also acquired the non-clinical assets of PET Vision. Both TheraMed and PET Vision are nuclear medicine and molecular imaging businesses offering advanced-technology medical scanning services for the detection and treatment of diseases, such as organ dysfunction and cancer. These transactions, effective from 1 June 2023 in the case of TheraMed, and 1 August 2023 in the case of PET Vision, have added three facilities in Gauteng to Life Healthcare's portfolio, and expanded the Group's imaging services capabilities to include PET-CT and SPECT. Each of the three facilities has a triple modality nuclear scanner with the ability to perform SPECT, CT and PET-CT scans. These molecular imaging capabilities are particularly helpful in earlier and more accurate diagnosis of various cancers and this market segment is likely to see growth over the medium-term, particularly if supported by a more consistent supply of radioisotopes within South Africa, something that Life Healthcare is working to deliver through the ALISA JV and the establishment of a cyclotron-based radiopharmacy business.

⁹ South Africa National Non-Communicable Diseases Strategic Plan, May 2020 [accessed online via <https://www.sancda.org.za>, July 2023].

¹⁰ Ashleigh C, Rochat T, Naicker SN, Mapanga W, Mtintsilana A, Dlamini SN, Ware LJ, Du Toit J, Draper CE, Richter L, Norris SA. The prevalence of probable depression and probable anxiety, and associations with adverse childhood experiences and socio-demographics: A national survey in South Africa. *Frontiers in Public Health* 2022;10 DOI=10.3389/fpubh.2022.986531 [accessed online via <https://www.frontiersin.org/articles/10.3389/fpubh.2022.986531>, July 2023].

¹¹ Cancer in South Africa. Published by Statistics South Africa in 2023. Report No. 03-08-00. ISBN: 978-0-621-50661-7 [accessed online via <https://www.statssa.gov.za/publications>, July 2023].

Healthcare services segment

The Healthcare Services segment represented 4.8% of Life Healthcare's revenue in the financial year ended 30 September 2022.

The division comprises the provision of acute and long-term chronic mental health and frail care services to state patients through Life Nkanyisa and also provides primary healthcare, occupational healthcare and employee wellness services to employer groups in commerce, industry, state-owned entities, mining and correctional services through Life Health Solutions.

Life Nkanyisa offers specialised care for the most vulnerable people in the country, partnering with South Africa's provincial health and social development departments to provide comprehensive, long-term services for people requiring frail care, chronic mental healthcare, substance abuse and clinical care within a correctional services environment.

Life Nkanyisa ¹²	2022	2021	2020
Facilities	10	10	10
Beds	3 181	3 163	3 135
PPDs	1 084 765	1 052 685	1 034 042

Life Health Solutions offers an integrated health risk management service providing wellness programmes, occupational healthcare, primary healthcare, and emergency medical services to corporate and institutional clients. Services include contracted on-site occupational and primary healthcare services to large private and public employers.

Life Health Solutions ¹³	2022	2021	2020
Total enrolled employees	485 258	477 751	606 058
Occupational health clinics	250	246	281
Employee wellness clinics	83	82	82

3.4.2 International

AMG

Established in 1989, AMG has over 30 years' operating experience in providing high-quality, efficient and cost-effective diagnostic and molecular imaging services in the UK and Europe. AMG is wholly owned by the Group and has been controlled by the Group since its acquisition in 2016. For the year ended 30 September 2022, AMG added revenues of R7.7 billion and EBITDA of R1.6 billion to the Group. AMG continues to deliver solid financial performance aided by strong volume growth in key geographies and modalities.

AMG operates 233 sites and delivers over 1.1 million scans per year across the UK and 10 other European countries and is a trusted partner to a number of public health authorities across the UK and Europe, including the NHS (in the UK and Northern Ireland), ASL (Italy) and HSE (Ireland). AMG also provides services to private paying patients, particularly in Italy and Ireland.

AMG's services are comprised of the following operational subdivisions:

- **Diagnostic Imaging (or DI) services** include the provision of CT and MRI scans through a mixture of static (fixed location) and mobile (relocatable) sites. Many of AMG's static DI sites in the UK are located within, or adjacent to, NHS facilities. In recent years there has been an increasing preference to locate some of these DI services to more convenient, community-based sites called CDCs. AMG currently operates five CDCs in the UK with a further two CDCs under construction.
- **Molecular Imaging (or MI) services** mostly include PET-CT scans. AMG's PET-CT scans are delivered at static and some mobile sites. PET-CT scans are particularly useful for the early detection of a number of different types of cancer, cardiovascular and neurodegenerative diseases (such as Alzheimer's), leading to an earlier and more precise diagnosis and better therapeutic outcomes. PET-CT scans involve injecting patients with a radiopharmaceutical tracer (for example F-18-FDG) that is absorbed by cancer cells (if any are present), thereby enabling them to be detected by a PET scanner. At the same time a CT scan is performed, and the images from the PET scan are then combined with the CT images to provide an accurate composite image of where the cancer is located and which structures are affected.

¹² Extracted from the Company's integrated annual report.

¹³ Extracted from the Company's integrated annual report.

- **Radiopharmacy services** including the manufacturing of radioactive isotopes (e.g. F-18) and its labelling precursors to synthesise a radiopharmaceutical (e.g. F-18-FDG) for use in PET-CT scans. This includes radiopharmacy services where the manufactured radiopharmaceuticals are dispensed into secure vials for customers and are distributed and handed over to the end customer (imaging centre). A large proportion of radiopharmaceuticals manufactured by AMG's radiopharmacies in the UK are sent to AMG sites. AMG's ability to produce radioisotopes and synthesise radiopharmaceuticals, through the operation of five cyclotron sites in the UK and six cyclotron sites across Europe, for use in its own imaging facilities makes AMG one of the largest vertically integrated molecular imaging providers in Europe.
- **Other services:** In Italy, AMG provides a wide range of diagnostic imaging services other than CT and MRI scans, including ultrasound and plain X-ray scans, through a network of standalone, community-based clinics. In addition, some of the clinics provide pathology services and ancillary healthcare services such as physiotherapy.

The table below shows AMG's capabilities by major geography, as at 30 September 2022.¹⁴

	UK	Italy	Ireland	Other
Contribution to AMG revenue	55%	27%	13%	5%
Operating sites:				
Diagnostic imaging static sites	33	6	26	4
PET-CT national contract sites	40			
Mobile and relocatable sites	52			27
Clinics		37		
Cyclotron sites	5	1		5
Modality:				
MRI scanners	67	42	28	20
CT scanners	26	22	6	8
PET-CT scanners	41	4	1	9
Customer split:				
Public	90%	58%	52%	
Private	10%	42%	48%	

LMI

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. LMI globally manufactures its patented radiopharmaceuticals with manufacturing partners (including AMG's radiopharmacies) at 44 sites.

Radioisotope tracers are particularly important in the field of molecular imaging, using PET-CT scans, as they can provide early detection and characterisation of chronic and life-threatening diseases, such as various types of cancer, cardiovascular and neurodegenerative diseases (such as Alzheimer's), leading to an earlier and more precise diagnosis and a better therapeutic outcome.

The acquisition of LMI in 2018 gave Life Healthcare access to NeuraCeq®. NeuraCeq® is a US FDA, EMA and MHRA approved injectable F-18 labelled radiopharmaceutical used in PET-CT scans to detect beta-amyloid deposits in the brain. The detection of beta-amyloid deposits forms a key element of the diagnosis of Alzheimer's. NeuraCeq® is one of only three FDA/EMA/MHRA approved amyloid detecting radiopharmaceuticals.

¹⁴ Extracted from the Company's integrated annual report.

Alzheimer's is a global healthcare challenge, with research indicating that roughly one in nine people over the age of 65 in the US are affected by Alzheimer's, and over 36 million people in the US, UK and EU estimated to suffer from possible Alzheimer's dementia. Until recently there was minimal clinical need for PET-CT scans to diagnose Alzheimer's as there was no disease modifying treatment available. This has, however, changed in recent years, with significant progress being made with regards to drug treatment for Alzheimer's. Three Alzheimer's DMDs have recently been approved:

- **Leqembi™ (Eisai/Biogen):** The FDA granted accelerated approval on 6 January 2023 and full (traditional) approval to Leqembi™ on 6 July 2023, with the CMS announcing reimbursement for both Leqembi™ and diagnostic amyloid testing in the US for patients enrolled in a national patient registry. Eisai/Biogen also submitted their dossier requesting approval in EU countries, Japan, China, UK, and Canada.
- **Donanemab (Eli Lilly):** Donanemab received FDA accelerated approval on 19 January 2023. Phase 3 trials results were published in July 2023 and demonstrated an ability to reduce amyloid and a slowdown in cognitive decline during the trial. Eli Lilly submitted these results to the FDA requesting full (traditional) approval.
- **Aduhelm™ (Biogen):** Aduhelm™ received accelerated FDA approval on 7 June 2021, however it has not received full (traditional) approval and CMS reimbursement is limited to clinical research studies and, as such, Aduhelm™ has not seen much usage in the US yet.

LMI has seen continued demand for NeuraCeq® in recent years for use as part of ongoing clinical trials for potential Alzheimer's drugs that pharmaceutical companies have been investigating, including the three DMDs mentioned above. This clinical trial demand was largely responsible for driving LMI revenue up 43% for the year ended 30 September 2022.

The recent FDA approval of Leqembi™ and the associated CMS announcement regarding reimbursement of both Leqembi™ and amyloid diagnostic testing, is likely to result in the increased use of diagnostic PET-CT scans using amyloid-detecting radioisotope tracers, such as NeuraCeq® in the US. To benefit from this imminent opportunity, the Group is preparing to invest additional resources to help increase the sales of NeuraCeq® in the US, whilst also continuing to secure and increase third party manufacturing capabilities around the world.

In addition to NeuraCeq®, LMI has a healthy pipeline of novel radioisotope imaging agents which it is developing with a view to addressing significant unmet clinical needs in neurological, oncological, and cardiovascular diseases. The novel intellectual property protected imaging agents within LMI's pipeline are in various stages of development, including two products which are currently in phase three clinical trials.

A summary of the status of LMI's pipeline and various stages of approval is set out below:

PRODUCTS IN DEVELOPMENT					
	Product	Biomarker	Targeted disease	Development stage	Market opportunity*
Neuro-degenerative <small>Next-generation radio tracers for Alzheimer's, PSP, Parkinson's and other pathologies, with long shelf-lives and high yield</small>	NeuraCeq	Amyloid deposits	Alzheimer's	Marketed	>C300m
	18F-PI-2620	Tau deposits	Alzheimer's and PSP	Phase 3	2027 >C100m
	18F-DED	MAO-B	Neuro-inflammation	Phase 1	2030 Early, TBD
Cardiovascular <small>Biomarkers for detecting cardiac and vascular pathologies</small>	Florbetaben	Amyloid deposits	Cardiac amyloidosis	Phase 3	2025 >C10m
	18F-GP1		Thrombo-embolism (Stroke)	Phase 2	2028 >C100m

* Management estimates of potential revenue opportunity for each market, dependent on successful clinical trial completion and product launch
TBD = still to be determined

Key:

Pre-clinical

Clinical trial

Drug trial stage

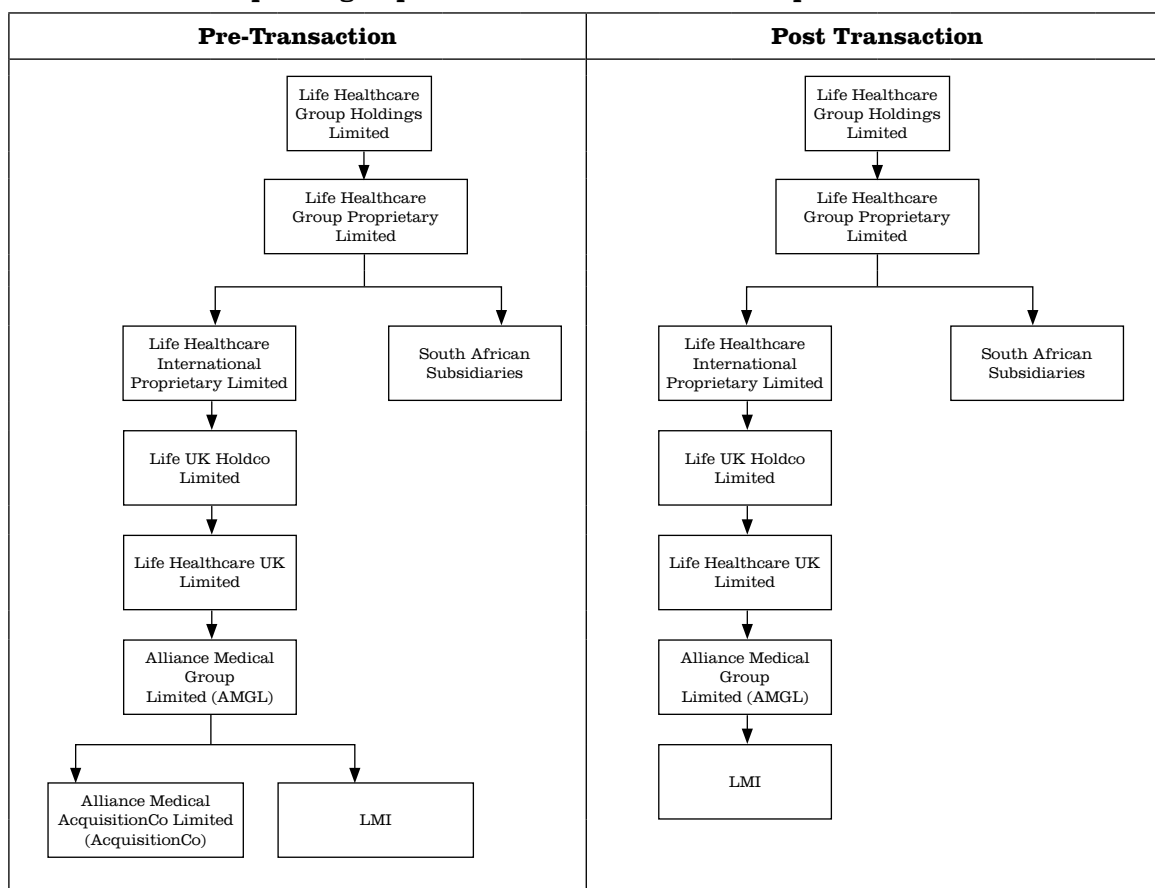
2025

Earliest possible approval date

>C100m

Revenue opportunity*

3.5 Life Healthcare simplified group structure before and after completion of the Transaction¹⁵



3.6 The prospects of the Group after completion of the Transaction

3.6.1 Strategic positioning and investment case

Following the completion of the Transaction, Life Healthcare will remain a leading, diversified, and integrated healthcare services provider in southern Africa with its international radiopharmaceutical business, LMI. The Transaction will result in a resilient and sustainable financial profile, improved overall Group cash conversion, and increased management and capital allocation focus on attractive growth opportunities in southern African through its integrated care model and internationally through LMI.

The following key strengths underpin the strategic positioning and investment case for Life Healthcare post the completion of the Transaction:

- Leading South African market position in an attractive and defensive industry:** Life Healthcare is a leading private hospital operator in an attractive and defensive healthcare market. As at 30 September 2022, Life Healthcare is estimated to have held market share of approximately 25% of the private hospital beds in South Africa, with the Group operating from an extensive geographic network of 66 healthcare facilities, including 48 acute facilities. Life Healthcare is a cost-effective provider of healthcare, and is the leading hospital operator for preferred provider agreements with medical healthcare funders. Life Healthcare's preferred provider status has been further demonstrated by major network wins effective in 2023 and bolstered by the introduction of Life Healthcare's renal value-based care product. In addition, Life Healthcare is one of the largest providers of contracted occupational healthcare in South Africa and operates the largest healthcare PPP in South Africa in partnership with provincial departments of health and social development.

¹⁵ AcquisitionCo and LMI have subsidiaries not shown in this simplified group structure.

- **Clinical excellence with a focus on patient-centred care:** Life Healthcare has a strong track record of providing high-quality, cost-effective, and measurable healthcare. The Group maintains international quality certifications and benchmarking against global health and safety, clinical and nursing best practices. Quality is one of Life Healthcare's key strategic pillars and continually improving the safety and quality of care is core to the Group's culture. Striving to consistently improve patient outcomes, enhance the patient experience and work closely with doctors has been, and remains, at the epicentre of Life Healthcare's business, as evidenced by the Group's quality and patient safety outcomes. The Group was the first South African hospital group to publish its quality scores annually by hospital.
- **Track record of operational performance, supported by a strong recovery following the COVID-19 pandemic:** Life Healthcare has an exceptional long-term track record of strong revenue and EBITDA growth in southern Africa, with compound annual growth rates between 2010 and 2019 of 8.6% and 11.4% respectively. The COVID-19 pandemic during 2020 saw revenue decline by 6.6% and normalised EBITDA decline by 34.0%. However, by 30 September 2022, Life Healthcare's revenue had grown by 15.8% (from 30 September 2020) while normalised EBITDA had grown by 20.3% over the same period.
- **Life Healthcare is at the forefront of an evolving complementary services landscape in southern Africa:** Through various investments in high-quality, attractive, complementary businesses in recent years, Life Healthcare has accelerated its growth into non-acute services and advanced its strategy to establish market-leading positions across renal dialysis, acute rehabilitation, mental health, oncology, and diagnostic and molecular imaging. The Group's growth in these services is central to its continued development as an integrated healthcare provider and is aligned with its focus on the development of value-based care products in South Africa.
- **Established and growing integrated care platform, well positioned to deliver growth and quality across the continuum of care:** Several initiatives are currently underway to enhance Life Healthcare's integrated care model, including integration of recent acquisitions in renal, diagnostic imaging and nuclear medicine and ongoing investment in new value-based care products. In addition, the investment into building two cyclotrons in Gauteng through the ALISA JV will enhance the Group's molecular imaging (PET-CT and SPECT) capability while also bolstering the diagnostic capability of the Group's oncology services.
- **Value upside and growth optionality through LMI:** Life Healthcare's investment in LMI represents potential for significant value creation for Shareholders, based on LMI's leading market position and recent pharmaceutical developments with FDA actual or pending approvals for drugs aimed at reducing beta-amyloid build-up in patients suffering with Alzheimer's disease. NeuraCeq®, which is already being manufactured on a global scale across 44 active sites and holds an estimated 33% market share, may soon be used in the diagnostic work-up of Alzheimer's patients starting drug treatment as well as in the monitoring of treatment with these drugs. FDA approval of Eisai and Biogen's Alzheimer's drug Leqembi™ in January 2023 materially de-risked the growth prospects for NeuraCeq®. As such, Life Healthcare's focus has now turned to investing to support increased commercial sales of NeuraCeq® and development of LMI's other clinical pipeline products, which provide further upside potential.
- **Experienced and dedicated management team, focused on delivering Life Healthcare's 2026 strategy:** The management teams in southern Africa and in LMI, who collectively have proven track records of performance within the healthcare sector, will remain with the Group post completion of the Transaction. Additionally, Life Healthcare has, on a contractual basis, secured the requisite skill sets of the relevant exiting AMG team for the development and operation of cyclotrons as well as the benchmarking of diagnostic and molecular imaging. The employment contracts of several critical Life Healthcare executive management team members also currently have a minimum notice period of 12 months and a further six months restraint of trade.

3.6.2 Life Healthcare's strategic priorities

Life Healthcare's strategy will remain centred on providing high-quality patient care that is cost effective for its patients and stakeholders. This is done through clinical excellence, continuous focus on driving improved efficiencies, caring for its employees, attracting the best clinicians and using analytics and technology, to positively impact the care it delivers.

The Group's vision of delivering measurable clinical quality through a diversified offering and people-centred approach will continue following the completion of the Transaction.

Informed by the Group's strategic pillars and capital allocation framework, Life Healthcare's key strategic priorities to deliver on its 2026 strategy include:

- Growing the core acute hospital business by becoming the preferred hospital group through the delivery of efficient, affordable, high-quality healthcare services;
- Enhancing and accelerating Life Healthcare's diversified and integrated offering in southern Africa, including the development of new care delivery models;
- As part of the Group's integrated strategy, developing a portfolio of value-based care products;
- PPP and NHI opportunities;
- Continuing to strategically invest in LMI to retain significant growth and return optionality for Shareholders; and
- Investing in Life Healthcare's enablement strategy across people, sustainability and technology, data, and analytics.

Further detail on Life Healthcare's prospects and strategic priorities following the completion of the Transaction is set out below.

Grow the core acute hospital business

Life Healthcare is focused on becoming the preferred hospital group in South Africa in terms of designated service provider networks by delivering efficient, affordable, high-quality healthcare services.

The acute hospital business has demonstrated a solid recovery following the impact of the COVID-19 pandemic in 2020. During 2023, as reported in our results for the six months to 31 March 2023, occupancy levels exceeded 70% in some months and monthly activities (such as PPDs) were tracking at levels similar to those prior to the pandemic. The recently awarded network deals are anticipated to drive additional patient volumes and activities into Life Healthcare's facilities and help to further improve the utilisation of these facilities.

As one of the largest hospital networks in southern Africa, Life Healthcare's acute care division remains the core of the Group's platform, generating strong cash flows and providing a significant and sustainable underpin to the Group's earnings. Investments in efficiencies, portfolio optimisation and maintenance capex will continue to differentiate the South African hospital portfolio and regional trends are expected to continue to support increased activities and higher occupancies.

Life Healthcare continues to engage and negotiate with medical insurance funders to optimise pricing arrangements and service offerings to remain a competitive provider in South Africa. Evidence of the success of this strategy was demonstrated by the recent network wins.

The Group aims to enhance its operational capabilities through the expansion of facilities within existing hospitals (brownfield expansion) by adding additional beds, wards and/or operating theatres in hospitals where occupancies are high and where projects are expected to deliver strong returns. Large capital projects, approved during 2023, will see refurbishment and upgrades to several facilities including Life Vincent Pallotti Hospital, Life Westville Hospital and Life Flora Hospital, while in 2024 plans include adding approximately 50 beds to the Life Hilton Hospital and increasing the footprint at Life Bayview Hospital.

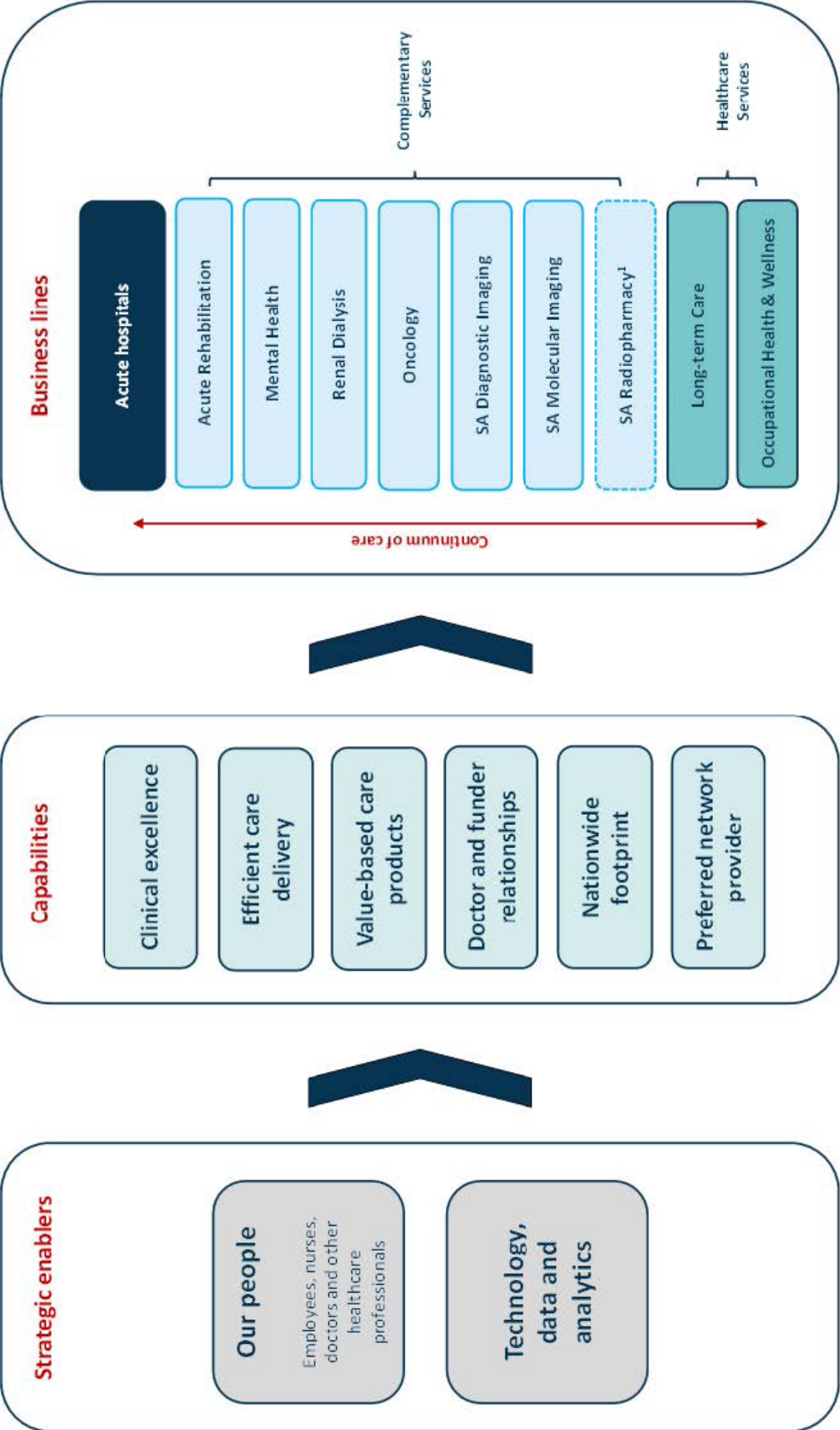
Life Healthcare will continue to carefully consider its portfolio of acute businesses and will add, sell or close businesses as required to optimise its portfolio.

Other key strategic priorities include growing patient volumes at existing facilities, driving optimal occupancy levels, and optimisation of the overall facility and bed portfolio. EBITDA growth is expected to be supported by digital transformation, formulary compliance and focused management of costs, all of which are ongoing.

Enhance and accelerate Life Healthcare's diversified and integrated offering in southern Africa

Healthcare trends are driving increased demand in non-acute settings, with the evolution of lifestyles driving increases in the incidence of non-communicable diseases. Life Healthcare has demonstrated strong growth from its complementary services division in recent years and, as a result of these trends, the Group anticipates further growth in these services.

A graphical representation of Life Healthcare's integrated care strategy is set out below:



¹ As part of the ALISA JV, two cyclotrons are being built at a facility in Gauteng. Completion expected during 2024.

Linking complementary services with the Group's acute hospital network forms the basis of the Group's integrated care strategy. The Group's investments in value-based care models in South Africa, actively driving a shift with the medical insurers towards alternative reimbursement models and value-based contracting to incentivise improved patient care and clinical efficiency as well as reducing the overall cost of care, forms part of this strategy.

Several initiatives are currently underway to enhance the service offering and capabilities of the complementary services business, including:

- **Bolstering the renal dialysis footprint:** In May 2023, Life Healthcare concluded an agreement to acquire the renal dialysis assets of Fresenius Medical Care in southern Africa. This transaction, which remains subject to the fulfilment of various conditions precedent, including Competition Commission approval, will see Life Healthcare acquire 51 renal dialysis facilities, integrate 500 employees, and continue to support c.2,500 patients in South Africa, Namibia and eSwatini. The acquisition will complement Life Healthcare's existing renal dialysis footprint and increase the potential scale of its integrated renal care product, as described further in paragraph 3.4.1.
- **Mental health:** Life Healthcare's objective in the medium-term is to enhance and bolster mental health services through expanding services to outpatient care, pre-hospitalisation management, and targeting interventions based on trigger events, such as trauma bereavement. Key to this strategy is working with industry, clinical role-players and practitioners on the care of a mental health patient and escalation and discharge protocols, proactive engagement with medical schemes on benefit models, and system and process upgrades to allow for clinical outcome metrics to be captured and overseen by Life Healthcare's teams and partners in psychiatry focused clinical management.
- **Acute rehabilitation:** Life Healthcare's medium-term expansion in acute care facilities over the next two years includes two additional acute rehabilitation facilities in different provinces with approximately 54 beds.
- **Development of oncology centres of excellence:** In 2016, Life Healthcare took the strategic decision to drive change in the way cancer treatment is being delivered in South Africa with the aim of providing innovative treatment to improve outcomes, affordability, and increased access to the latest world-class treatment available. As described in paragraph 3.4.1, cancer is one of the fastest growing diseases and is a leading cause of deaths in South Africa. The number of cancer cases is expected to significantly increase by 2040, and yet the treatment of cancer continues to be delivered in a fragmented, non-integrated system with varying quality outcomes and with few pockets of excellence. As part of this strategy, Life Healthcare has developed Life Vincent Pallotti Hospital in Cape Town as a world-class oncology centre and recently installed a Varian Ethos™ machine, the first adaptive radiotherapy unit in South Africa, with the ability to deliver AI-assisted personalised radiotherapy for Life Healthcare's oncology patients. The Life Vincent Pallotti oncology service delivers world-class screening, diagnostics and novel treatment technologies, and is supported by a national network of units ensuring access to the best cancer care. Life Healthcare's go-forward oncology strategy is underpinned by a best-in-class approach to facilities, equipment, human resources and associations with the best oncology centres worldwide. Life Healthcare's integrated care products under development (including preventative screening, diagnostics, medical oncology, radiation oncology, clinical trials, research, and support care in the form of counselling and rehabilitation as well as palliative care) will deliver a holistic patient journey, supported by technology, data and analytics. The Group plans to extend the oncology offering to other major centres in South Africa and services will be significantly bolstered by the inclusion of PET-CT services following the TheraMed and PET Vision acquisitions and in the medium-term by the development of a vertically integrated radiopharmacy division in South Africa once the ALISA JV cyclotrons are commissioned.

- **Growing the diagnostic and molecular imaging service offering and the provision of radiotracers within South Africa:** Global trends, including an ageing population and increasing burden of disease, underpin an increasing role for diagnostic imaging as part of early diagnosis techniques. Early diagnosis translates to better treatment, outcomes and lower cost of care¹⁶. Additional trends and advancements in technology, including population based diagnostic programmes, personalised therapy (including genomics and theranostics) and interventional radiology (minimally invasive, improved outcomes and shorter stays in hospital) are further supporting growth and long-term fundamentals for diagnostic imaging services. During 2022, Life Healthcare acquired the non-clinical assets of the East Coast Radiology and Eugene Marais Radiology practices, bringing the provision of diagnostic imaging into the complementary services division for the first time. In May 2023, Life Healthcare also announced the acquisition of the non-clinical operations of TheraMed in Gauteng. Subsequently, Life Healthcare also acquired the non-clinical assets of PET Vision. These transactions further entrench Life Healthcare's commitment to investing in medical imaging in South Africa and extend Life Healthcare's capabilities into nuclear and molecular imaging. As part of this journey, Life Healthcare will drive improved accessibility for clinicians and their patients in earlier detection and more accurate treatment planning for cancer patients across the country. The acquisitions also complement the ALISA JV announced in 2021 to develop two cyclotrons in South Africa, which will improve the stability of radioisotope supply, and serves to complement and support the expansion of the Group's molecular imaging and oncology services. Life Healthcare continues to explore additional acquisition opportunities within the diagnostic imaging market in South Africa.

The two cyclotrons being developed as part of the ALISA JV, which are anticipated to become operational late in 2024, will increase radioisotope production capacity and introduce more consistent supply of the radioisotopes in the country. This is expected to increase the usage of PET-CT scans, which require radioisotopes, as part of pathways designed to diagnose cancer patients at an earlier stage. These cyclotrons will complement both the oncology services and nuclear and molecular imaging services that form part of Life Healthcare's complementary services business. This will include other sought-after medical-grade isotopes for all PET-CT customers in southern Africa and access to isotopes for oncology, cardiovascular and neuro-degenerative diseases. This represents a significant advancement for patients in southern Africa, as the use of PET-CT imaging technology in diagnostics enables clinicians to diagnose diseases earlier and more accurately. Following international guidelines, PET-CT should be the preferred and recommended protocol in more than 40% of all cancer tumour cases. This pioneering joint venture will support South Africa's nuclear medicine community and paves the way for providing PET-CT scanning services and other opportunities for our Group across the region in the near future. AMG currently provides consulting services to Life Healthcare to help establish and run diagnostic and molecular imaging and cyclotrons. AMG will continue to provide these services to Life Healthcare on an arms-length and contractual basis.

As part of the Group's integrated care strategy, Life Healthcare is developing a portfolio of value-based care products

Life Healthcare is leading the path towards introducing value-based care models in South Africa to enhance quality patient care, improve patient outcomes, ensure positive patient experiences and improve clinical efficiency. The effective implementation of value-based care requires coordinated patient-centric journeys, uniquely designed by the healthcare provider. Life Healthcare's strategic initiative to lead disruption and innovation in value-based care is premised on:

- Coordinated, patient-centric journeys (enabled by design thinking and product development methodologies);
- Unified patient engagement and a clinical management system to enable world-class patient experiences;
- Leveraging data and analytics to design and manage value-based products, driving continual improvements in clinical excellence and efficiency;
- Becoming the leading network provider and partner of choice for funders;
- Value-based reimbursement/contracting with funders; and
- Managed network of contracted providers and partners.

¹⁶ *Diagnostics: Recovery And Renewal. Report of the Independent Review of Diagnostic Services for NHS England, October 2020. NHS England Publication Reference PAR242.*

In January 2023, Life Healthcare implemented an integrated renal care pathway programme and successfully launched its first renal dialysis value-based care contract with a leading South African medical scheme. This value-based care contract promotes improved patient outcomes, patient experience and care coordination, whilst delivering a more efficient and affordable service for patients and medical schemes.

The Group sees significant value in the adoption and roll out of additional value-based care models, with this approach widely expected to reframe how all contracting with funders is structured. Having begun with the development of a renal dialysis value-based care product launch earlier in the year, Life Healthcare is currently developing a number of other value-based care products.

The development of new integrated patient pathways delivering quantifiable valued-based care outcomes that benefit patients, healthcare providers and funders, are key drivers of future growth for the Group.

Public-private partnerships and National Health Insurance opportunities

Life Healthcare will continue to explore opportunities to partner with public health services in southern Africa. Whilst supporting the concept of universal healthcare access, the Group is of the view that the current NHI proposals in South Africa, that include creating a single fund that collects money and purchases services (from the public and private sectors) while at the same time restricting private health insurance coverage, will not result in improved healthcare access for all South Africans. Private healthcare providers could play a bigger role in the delivery of public healthcare services, either through some form of NHI or through other public-private contracting partnerships, as is the case in the other markets where Life Healthcare has operated historically. The Group views potential public-private contracting opportunities as a means to improve the utilisation of the Group's existing facilities whilst also addressing the need for broader access to high-quality healthcare in South Africa.

In addition, the Group stands ready to assist the South African Government with the skills shortages in the country by providing training of healthcare professionals and managers through its own training colleges and hospital facilities.

Continue to strategically invest in LMI to retain significant growth and return optionality for Shareholders

Following the Transaction, Life Healthcare's remaining international business will comprise LMI. NeuraCeq® is the main revenue driver for LMI and continues to generate sales from the clinical trials of DMDs within the Alzheimer's field. In addition, following the accelerated FDA approval of Eisai and Biogen's Alzheimer's drug Leqembi™ in January 2023, LMI has seen commercial sales of NeuraCeq® in the USA where some patients have had PET-CT scans as part their work-up prior to commencing treatment with Leqembi™. A full FDA approval application for Leqembi™ was approved on 6 July 2023 and reimbursement of the drug will be granted as long as patients are enrolled on a patient registry and undergo amyloid screening (amongst other criteria) prior to commencing treatment. Given these recent announcements, Life Healthcare anticipates patients adopting the envisaged treatment pathway, including having PET-CT scans with NeuraCeq®, late in 2023, which positively positions LMI. Filings for Leqembi™ approval in both Europe and elsewhere have also been made and the outcomes of these filings may also become known later in the year.

NeuraCeq® is already being manufactured on a global scale across 44 active sites and holds an estimated 33% market share. Life Healthcare's current focus for the LMI business remains to continue driving increased sales of NeuraCeq® from clinical trials and to prepare the business for commercial sales once Alzheimer's DMDs gain regulatory approval and reimbursement and sales of the drugs begin to increase.

Having successfully taken NeuraCeq from clinical stage to FDA approval, LMI is expanding its commercial reach to continue driving growth internationally, whilst also supporting further investment into its pipeline of other radioisotopes.

Life Healthcare will continue to implement a "stage-gated" approach to allocating capital to LMI, in line with the Group's capital allocation framework.

Sustainability

Sustainability is a key strategic focus for the long-term viability of the Group. Life Healthcare has been deliberate in integrating sustainability into the value creation strategy, including taking a holistic approach to ESG, considering it alongside delivery of quality care and risk.

This strategy includes the implementation of planned and measurable goals, with ESG-linked performance scorecards for executives and with the setting of environmental targets for the overall Group well progressed.

Life Healthcare's current environmental targets include reducing non-healthcare-related waste to landfill by 2030 and net-zero emissions by 2050. Additional initiatives focus on the annual reduction of water consumption and the continued rollout of solar installations across the Group's hospitals. Life Healthcare is proud of its AAA MSCI ESG rating, as well as the 3.2 FTSE/JSE Responsible Investment Index score achieved and remains focused on maintaining and improving these ratings.

A scarcity of healthcare workers continues to be experienced both domestically and internationally, due to problems with both higher wage inflation and retention of employees. To mitigate these issues, the Group launched a refreshed global EVP to position Life Healthcare as an employer of choice, and to attract and retain critical skills. Education is one of the three pillars of the Group's social strategy, including providing bursaries and training for nurses and specialists in South Africa. This pillar, together with healthcare access, to ensure a positive impact in the communities where Life Healthcare operates, are key focus areas. Multiple projects have been implemented across the three pillars.

Life Healthcare achieved a Level 3 B-BBEE status in 2022 and this commitment, as well as its commitment to broader sustainability, will not be impacted by the Transaction. The positioning of Life Healthcare following the Transaction as a leading, diversified healthcare services provider in southern Africa will allow the Group to solidify its ESG agenda and continue to prioritise initiatives that advance South Africa's sustainability imperatives.

Technology, data and analytics

Life Healthcare continues to see technology as a key enabler to improve the patient experience and clinical outcomes and deliver operational efficiencies. Key elements of this strategy include:

- Delivering and maintaining a secure, modern IT environment;
- Continuing to embed data-driven decision making across the organisation; and
- Enhancing the Group's ability to monitor patient care and ultimately support improved delivery.

In order to derive the full benefit of technology, Life Healthcare has undertaken a journey to modernise the Group's IT infrastructure, including upgrading IT hardware and infrastructure and migrating all applications to a cloud environment across the Group. This will strengthen cyber security, resilience and data protection while crucially enabling our value-based care model through access to high-quality data and the ability to integrate with different suppliers in best-of-class applications to manage all aspects of the patient journey.

Life Healthcare achieved a major milestone in completing the IT network and infrastructure upgrades across its acute hospital and complementary facilities during 2023. This modernisation enables the exploitation of latest technology advances to improve care but also enables more efficient use of technology to reduce costs. The experience of patients, colleagues and doctors in the hospital and facilities is already showing significant improvement, with the foundation now laid for further improvement.

Life Healthcare is also investing further to develop its advanced analytics capability and strengthen cyber security and data protection. The Group's digital strategy is being re-focused to improve communication and technology adoption, while facilitating the achievement of better clinical outcomes for patients and minimising cost of care.

3.6.3 Life Healthcare's capital allocation framework

The Group typically converts more than 90% of EBITDA into cash. This cash from operations is available to service finance costs and pay tax. The Group then allocates cash for maintenance and replacement capital expenditure as determined by the individual business units and approved by the Board through the annual budget process. The free cash remaining after finance costs, tax, distributions to non-controlling interests and maintenance and replacement capex is then available for selected growth opportunities and distributions to Shareholders. The Group will also fund growth opportunities through debt as long as gearing levels remain within acceptable levels.

The Group's capital allocation strategy is based on evaluating all investments and projects against IRR hurdle rates using the relevant country-specific weighted average cost of capital, plus an inflation-linked hurdle rate. This hurdle rate is adjusted depending on the investment opportunity. For example, brownfield expansion opportunities will have a lower hurdle rate relative to greenfield expansion opportunities.

As at March 2023, the Group's net debt to normalised EBITDA was at 2.2 times and well within its bank net debt to normalised EBITDA covenant of 3.5 times. As a portion of the proceeds of the Transaction will be used to repay the international debt, the Transaction will result in Group gearing reducing to approximately one times net debt to normalised EBITDA.

The Group also reviews the levels of debt between its various geographies to ensure that the capital structure and gearing levels are in keeping with Board approved thresholds and risk tolerances.

3.6.4 Distributions to Shareholders

The Group's current dividend policy states that dividends will be paid after taking into account the underlying earnings, cash generation and available funding of the Group, while retaining sufficient capital to fund ongoing operations and growth projects while maintaining gearing levels within acceptable levels.

Following the completion of the Transaction this policy will be reviewed. Detail on Life Healthcare's proposed application of the proceeds of the Transaction following completion is set out in paragraph 5 of this Circular.

4. TERMS OF THE TRANSACTION

4.1 Conditions Precedent

The Transaction is subject to the fulfilment or waiver (to the extent permissible) of the Conditions Precedent as agreed in the Sale and Purchase Agreement:

- An ordinary resolution in terms of section 9 of the JSE Listings Requirements being approved by Shareholders at the General Meeting of Shareholders to be convened in accordance with the notice of general meeting included in this Circular;
- The release (with effect from the Completion Date) of AML (a wholly owned direct subsidiary of AcquisitionCo) as debt guarantor in respect of Life Healthcare Funding's ZAR 7 billion DMTN Programme ("**DMTN Guarantee Release Condition**");
- The release of AML ("**Other Life Guarantee Release Condition**") from all liability (pursuant to deeds of release) under:
 - the guarantees given by AML in relation to Life Healthcare Group Proprietary Limited's obligations under the term loan facility agreements concluded by Life Healthcare Group Proprietary Limited with each of FirstRand Bank Limited (acting through its Rand Merchant Bank division), Standard Bank of South Africa Limited and Investec Bank Limited;
 - the guarantee given by AML in respect of Life Healthcare Group Proprietary Limited's obligations in respect of its general banking facilities with FirstRand Bank Limited (acting through its Rand Merchant Bank division) and Standard Bank of South Africa Limited; and
 - all liabilities under the guarantees given by AML in respect of Life UK Holdco Limited's obligations under two syndicated term loans with Barclays Bank plc; and
- Obtaining the following four regulatory clearances from the required regulatory authorities on the basis detailed and agreed in the Sale and Purchase Agreement ("**Regulatory Condition**"), namely:
 - Merger control clearance in Ireland pursuant to section 18(1) of the Irish Competition Act 2002 (as amended) if certain events, as detailed and agreed in the Sale and Purchase Agreement, have occurred;
 - Foreign Investment Clearance in Austria pursuant to the Austrian Investment Control Act (Investitionskontrollgesetz; Federal Law Gazette, I No. 87/2020);
 - Foreign Investment Clearance in Germany pursuant to the requirements of the German Federal Ministry of Economic Affairs and Climate Action, the German Foreign Trade and Payments Act and/or the German Foreign Trade and Payments Ordinance (as applicable); and
 - Foreign Investment Clearance in Italy pursuant to the Law Decree No. 21 of 15 March 2012 (as subsequently amended and supplemented) and the relevant implementing decrees.

The Purchaser may waive:

- with the written consent of AMGL (such consent not to be unreasonably withheld), in whole or in part and conditionally or unconditionally, the Regulatory Condition; and/or
- in whole or in part and conditionally or unconditionally, the DMTN Guarantee Release Condition and/or the Other Life Guarantee Release Condition.

4.2 Unconditional Date and Completion Date of the Transaction

Subject to the fulfilment or waiver of the Conditions Precedent set out in paragraph 4.1 above, the Company expects the Completion Date of the Transaction to occur in Q1 2024. The Sale and Purchase Agreement provides that the Conditions Precedent must be satisfied on or before the long stop date which is defined as five months from the date of signing of the Sale and Purchase Agreement or such other date agreed between AMGL and the Purchaser (with such period extendable by AMGL or the Purchaser by up to a further 60 days on one occasion).

4.3 Sale and Purchase Consideration

Subject to the Conditions Precedent being satisfied (or waived, to the extent permissible) and completion having occurred in accordance with the Sale and Purchase Agreement, on the Completion Date, AMGL shall sell, and the Purchaser shall purchase the Sale Shares with full title guarantee free from encumbrances (as defined in the Sale and Purchase Agreement) and together with all rights attaching to them at completion, including the right to receive all distributions and dividends declared, paid, made or accruing after completion.

The Purchase Consideration payable by the Purchaser is, as at the Last Practicable Date, estimated to be an amount of GBP 592,567,247 (approximately ZAR 13,880 million)¹⁷, subject to finalisation of the Equity Value Adjustments on the Completion Date, in accordance with the terms of the Sale and Purchase Agreement. The Purchase Consideration shall be payable in cash, to AMGL on the Completion Date free of any lien, right of set-off, counterclaim or other analogous right. No securities will form part of the consideration for the Transaction.

The current estimated Purchase Consideration is based on a post-IFRS 16 enterprise value for the Transaction of GBP 910 million (approximately ZAR 21,307 million).

4.4 Other significant terms

The Sale and Purchase Agreement contains several other terms which are customary for a transaction of this nature. These include:

- the provision of warranties by AMGL in favour of the Purchaser, which warranties include:
 - warranties classified as “fundamental warranties”, which relate to, *inter alia*, AMGL’s title to the Sale Shares, AMGL’s capacity and authority to enter into the Sale and Purchase Agreement and the solvency of AMGL, AcquisitionCo and its subsidiaries;
 - other warranties which relate to, *inter alia*, the business of AcquisitionCo and its subsidiaries, including in relation to their financial accounts, licences, compliance with laws, assets, employees and tax affairs;
- a tax covenant between AMGL and the Purchaser in terms of which AMGL undertakes to indemnify the Purchaser against certain “general” tax liabilities and costs related thereto and against certain “specific” tax liabilities and costs related thereto;
- provisions capping AMGL’s liability and setting various time limits within which claims under the Sale and Purchase Agreement must be made. The key points of note in this regard include:
 - the non-fundamental warranties given by AMGL are covered by a W&I policy obtained by iCON Infrastructure and as such (subject to the terms of the W&I policy), AMGL’s liability in respect of such warranties is capped at GBP 1;
 - the tax covenant given by AMGL is also covered by the W&I insurance policy and AMGL’s liability in respect of that is capped at GBP 1, save for certain separate tax covenants in respect of which the maximum aggregate financial liability is GBP 14.4 million with a time limit up to (and including) 31 December 2029;
 - AMGL’s liability in respect of all claims under the Sale and Purchase Agreement (including in respect of the fundamental warranties and all sections of the tax covenant but excluding any claim relating to “leakage” amounts as set out in the Sale and Purchase Agreement) shall not exceed the total proceeds paid by the Purchaser to AMGL in connection with the Transaction;

¹⁷ Calculated at an exchange rate of GBP 1 = ZAR23.42 (exchange rate on the 4th of October 2023, being the last business day prior to the publication of the Terms Announcement).

- Life Healthcare will provide a guarantee in favour of the Purchaser in relation to AMGL's obligations in the event of a breach of one or more of the fundamental warranties provided by AMGL, provided that Life Healthcare will have no obligations under such guarantee until such time as approval from the SARB has been obtained and is obliged to take all steps reasonably necessary to obtain the relevant SARB approval;
- the provision of warranties by the Purchaser in favour of AMGL, including warranties confirming (i) the solvency of the Purchaser and (ii) that the Purchaser has (and on the Completion Date shall have) immediately available on an unconditional basis the necessary cash resources to meet its obligations under the Sale and Purchase Agreement; and
- subject to certain exceptions, AMGL and the members of AMGL's group (including Life Healthcare) shall not, for a period of 24 months after the Completion Date, own or operate a business which competes with the business of AcquisitionCo and/or its subsidiaries in the UK, Italy, Ireland and Germany and any other jurisdiction in which AcquisitionCo and/or its subsidiaries (i) conducts its business as carried on as at the Completion Date and (ii) extends its business in accordance with its business plan.

5. APPLICATION OF THE PURCHASE CONSIDERATION

Life Healthcare proposes to return the Purchase Consideration to Shareholders, following, *inter alia*:

- Repayment of the remaining Group's offshore debt of approximately GBP 100 million at Life UK HoldCo;
- Settlement of transaction-related expenses; and
- Retention of approximately GBP 102 million of the proceeds for investment into attractive and identified growth initiatives relevant to executing the strategy of the Group, including:
 - investments to prepare LMI for Alzheimer's DMDs becoming widely used around the world, including investments to secure NeuraCeq® global production and sales capacity; and
 - funding the completion and integration of the acquisition of the assets and operations of 51 renal dialysis clinics in southern Africa from Fresenius Medical Care.

With respect to the funds proposed for investment into identified growth-related initiatives, Life Healthcare intends repatriating these proceeds to South Africa, in line with existing South African exchange control approvals, before allocating capital to the various investment opportunities.

Life Healthcare has made significant progress in recent years in relation to its diversification and integrated care strategy. The Group's proposed utilisation of a portion of the Purchase Consideration for investment into these initiatives is in line with the Group's strategic priorities and disciplined capital allocation framework. Extensive work has already been completed in assessing these growth opportunities and Life Healthcare believes these initiatives have the potential to deliver meaningful value creation as part of the Group's strategy.

Based on the above and subject to the finalisation of the total Equity Value Adjustments, the net proceeds from the Transaction after settlement of remaining offshore debt, transaction-related expenses and retention of a portion for investment into growth initiatives is estimated to be GBP 360 million (approximately ZAR 8,432 million).

GBP 450 million of the net disposal proceeds have been hedged to protect the Group from adverse movements in GBP/ZAR until the Completion Date. The hedge was concluded at an exchange rate of approximately ZAR23.43 for GBP 1. In the event that the Transaction does not complete, the hedging arrangement will be terminated at no cost to Life Healthcare.

Subject to Board approval and receipt of SARB and all other requisite approvals, Life Healthcare intends to return the net proceeds of the Transaction to Shareholders, the majority of which will be distributed by way of a special dividend within approximately three months of the Completion Date, with the remainder to be returned by way of a special dividend and/or buyback of Life Healthcare shares within 12 months of the Completion Date, depending on market conditions.

Shareholders will be informed by way of an announcement on SENS regarding any such special dividend which, if applicable, would be made in accordance with the JSE Listings Requirements, the Companies Act, the requirements of the SARB and the MOI.

Life Healthcare's proposed application of the Purchase Consideration is set out below:

Application of the Purchase Consideration	GBPm	ZARm¹
Enterprise value (post-IFRS16)	910	21,307
Lease liabilities	(64)	(1,499)
Net debt	(220)	(5,145)
Other debt-like items	(33)	(783)
Purchase Consideration	593	13,880
Repayment of Life UK HoldCo debt	(100)	(2,342)
Transaction related Expenses	(31)	(714)
Retention for attractive growth initiatives (see above)	(102)	(2,392)
Net proceeds available for distribution to Shareholders	360	8,432

Notes:

1. Calculated at an exchange rate of GBP 1 = ZAR 23.42 (exchange rate on the 4th of October 2023, being the last business day prior to the publication of the Terms Announcement).
2. Net debt = Total bank debt *plus* overdraft balances *less* cash and cash equivalents.
3. For Other debt-like items, please refer to the definition of Equity Value Adjustments.

6. CATEGORISATION OF THE TRANSACTION

As the value of the Transaction exceeds the 30% threshold outlined in paragraph 9.5 of the Listings Requirements, namely, the percentage ratio resulting from the Purchase Consideration divided by the aggregate market value of Life Healthcare's Shares, excluding treasury shares, at the time of the Terms Announcement, it meets the definition of a Category 1 Transaction as contemplated in Section 9 of the Listings Requirements. As a result, the Transaction is required to be adopted by way of an ordinary resolution of the Shareholders, which will require the support of more than 50% of the votes exercised on it at the General Meeting.

The Transaction does not involve any related parties and there are accordingly no related party transaction implications in terms of the Listings Requirements.

7. OVERVIEW OF THE PURCHASER

The Purchaser is wholly owned by Andromeda Infrastructure Limited, which is wholly owned by iCON Infrastructure VI. iCON Infrastructure VI comprises two parallel limited partnerships, iCON Infrastructure Partners VI, L.P. and iCON Infrastructure Partners VI-B, L.P. iCON Infrastructure Management VI Limited, the managing general partner of iCON Infrastructure VI, is licensed by the Guernsey Financial Services Commission.

iCON Infrastructure is the exclusive investment adviser to funds with cumulative commitments of approximately US\$8.0 billion, including iCON Infrastructure VI. iCON Infrastructure is regulated by the UK Financial Conduct Authority. iCON Infrastructure VI, iCON Infrastructure's latest flagship fund, closed fundraising in June 2022 with cumulative commitments of approximately US\$3.6 billion from over 50 investors. Investors in iCON Infrastructure's funds comprise globally recognised corporate and public pension funds, asset managers, insurance companies and sovereign wealth funds. The iCON Infrastructure group is focused on long term equity investments in infrastructure businesses located in Europe and North America, and the iCON Infrastructure funds have invested in a diversified portfolio of businesses spanning a range of infrastructure sectors including healthcare, transport, utilities, telecoms, energy and environment, and social infrastructure.

The funds advised by iCON Infrastructure are active investors in European healthcare infrastructure, with investments in both the diagnostic and molecular imaging sectors. iCON Infrastructure views AMG as an attractive player well placed to continue supporting Europe's evolving healthcare needs. iCON Infrastructure views the strategic positioning of AMG as a significant opportunity to continue the development of a vertically integrated, pan-European imaging platform.

The Purchaser has received an irrevocable equity commitment letter from iCON Infrastructure VI, pursuant to which the limited partnerships comprising iCON Infrastructure VI undertake to provide (in aggregate) the Purchaser with an amount in immediately available funds sufficient to allow the Purchaser to satisfy its obligation to pay the Purchase Consideration to AMGL ("**iCON Infrastructure VI ECL**"). AMGL is also party to the iCON Infrastructure VI ECL such that it can enforce the provisions contained therein. iCON Infrastructure VI's obligations under the ECL are conditional on the Purchaser being obliged to complete the Transaction under the Sale and Purchase Agreement.

8. INTERESTS OF THE PURCHASER

Neither the Purchaser nor the directors of the Purchaser hold any beneficial interest in Life Healthcare Shares.

Other than as described in this Circular, no agreement which could be considered material to a decision regarding the Transaction exists between the Purchaser and either the Company or the Directors, or persons who have been directors of the Company in the last 12 months or Shareholders or persons who were Shareholders within the 12 months prior to the Last Practicable Date.

There are no agreements between directors of the Purchaser and the Company or between the Company and shareholders in the Purchaser.

Life Healthcare holds no beneficial interest in the Purchaser.

9. FINANCIAL INFORMATION

9.1 Historical financial information of Life Healthcare

The full audited consolidated annual financial statements of Life Healthcare for the financial years ended 30 September 2020, 2021 and 2022 and the unaudited published interim results for the six-month period ended 31 March 2023 can be accessed on the Company's website (<https://www.lifehealthcare.co.za/investor-relations/results-and-reports/>), and will be made available for inspection by Shareholders at the registered office of Life Healthcare and can be made available through a secure electronic manner at the election of the Shareholder requesting inspection.

9.2 Carve-out historical consolidated financial information of AcquisitionCo

The audited Carve-Out Historical Consolidated Financial Information of AcquisitionCo for the financial year ended 30 September 2022 and the reviewed Carve-Out Historical Consolidated Financial Information for the financial years ended 30 September 2021 and 2020 and for the six-month period ended 31 March 2023 are set out in Annexure 1 of this Circular (the "**Carve-Out Historical Consolidated Financial Information**").

- For the avoidance of doubt, the Carve-Out Historical Consolidated Financial Information excludes LMI which does not fall within the perimeter of the Transaction; and
- The Carve-Out Historical Consolidated Financial Information comprises a detailed Carve-Out Consolidated Statement of Financial Position, Carve-Out Consolidated Statement of Profit or Loss, Carve-Out Consolidated Statement of Comprehensive Income, Carve-Out Consolidated Statement of Changes in Equity, Carve-Out Consolidated Statement of Cash Flows and notes to the Carve-Out Historical Consolidated Financial Information for the financial years ended 30 September 2020, 2021 and 2022 and for the six-month period ended 31 March 2023, as set out in Annexure 1.

Shareholders are advised that:

- The book value of the net assets of AcquisitionCo was GBP 631 million* (approximately ZAR 13,973 million) as at 31 March 2023, being the date of the latest unaudited published interim financial statements of the Group, which were prepared in accordance with IFRS; and
- The profits attributable from AcquisitionCo were GBP 1.2 million (approximately ZAR 25 million) for the six-month period ended 31 March 2023, being the date of the latest unaudited published interim financial statements of the Group, which were prepared in accordance with IFRS.

The Carve-Out Historical Consolidated Financial Information is the responsibility of the Directors.

The Independent Reporting Accountants report on the Carve-Out Historical Consolidated Financial Information is contained in Annexure 2 of this Circular.

* Post restructuring of LMI and distribution by way of a dividend in specie.

9.3 Pro forma financial information of the Transaction

The *pro forma* financial effects set out below should be read in conjunction with the *pro forma* statement of profit or loss and other comprehensive income and *pro forma* statement of financial position and related notes ("**Transaction pro forma financial information**") as set out in Annexure 3.

The Transaction *pro forma* financial information has been provided for illustrative purposes only, to provide information on how the Transaction may have affected the results and financial position of the Life Healthcare Group, assuming it was implemented for the six months to 31 March 2023. Because of its nature, the Transaction *pro forma* financial information may not fairly present Life Healthcare Group's financial position, changes in equity, results of operations or cash flows post the completion of the Transaction.

The Transaction *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors. The Transaction *pro forma* financial information has been prepared in accordance with the Listings Requirements, the Guide on *pro forma* Financial Information issued by SAICA and the Life Healthcare Group's accounting policies. The accounting policies used in the preparation of the *pro forma* financial information are compliant with IFRS and is consistent with those applied in the audited consolidated annual financial statements of Life Healthcare for the year ended 30 September 2022.

The Transaction *pro forma* financial information should be read in conjunction with the Independent Reporting Accountant's reasonable assurance report, as contained in Annexure 4 to this Circular.

The table below shows the *pro forma* financial effects of the Transaction, based on the unaudited financial results for the six months ended 31 March 2023 and on the assumptions that:

- for the purposes of calculating the NAV per Share and Tangible NAV per Share, the Transaction was effected on 31 March 2023; and
- for the purposes of calculating the attributable EPS and HEPS, the Transaction is assumed to have been effective on 1 October 2022.

	Before the Transaction (1)	<i>Pro forma</i> after the Transaction (2)	% Change between (1) and (2)
Basic earnings per share (cents)	37.9	114.7	202.6%
Diluted earnings per share (cents)	37.7	113.9	202.1%
Basic headline earnings per share (cents)	40.0	29.0	(27.5%)
Diluted headline earnings per share (cents)	39.8	28.9	(27.4%)
NAV per share (cents)	1,444.9	1,364.1	(5.6%)
Tangible NAV per share (cents)	230.8	1,146.3	396.7%
Weighted average number of Shares in issue (millions)	1 443	1 446	0.2%
Number of Shares in issue (millions)	1 467	1 467	–
Weighted average diluted number of Shares in issue (millions)	1 454	1 455	0.1%

Notes and assumptions:

1. The financial information in the "Before" column has been extracted, without adjustment, from the unaudited published interim results of the Life Healthcare Group for the six months ended 31 March 2023.
2. Represents the NAV, Tangible NAV, EPS and HEPS after the effects of the Transaction. Refer to Annexure 3 for detailed notes on the Transaction adjustments.
3. Represents the percentage movement as a result of the Transaction, being the percentage movement from column 1 to column 2.

Detailed notes and assumptions regarding the Transaction *pro forma* financial information are set out in Annexure 3. The report of the Independent Reporting Accountant in respect of the *pro forma* financial information appears in Annexure 4 to this Circular.

10. INFORMATION RELATING TO LIFE HEALTHCARE

10.1 Share capital and share history

The authorised and issued Share capital of Life Healthcare, as at the Last Practicable Date, before and after the Transaction, are set out below:

	Number of shares	Total value
Authorised		
Shares of ZAR 0.000001 each	4 149 980 000	ZAR4,149.98
Issued		
Shares of ZAR 0.000001 each	1 467 349 162	ZAR1,467.30
Treasury shares		
Treasury Shares before the Transaction	27 252 999	ZAR27.25
Treasury Shares after the Transaction*	24 189 125	ZAR24.19

* The reduction in treasury Shares will result from the settlement of existing incentive schemes for AMG employees as set out in paragraph 11.3 below.

10.2 Major Shareholders and interests

As far as the Directors are aware, as at the Last Practicable Date, the following persons are the direct or indirect beneficial owners of 5% or more of the total Shares in issue:

Shareholder	Direct or indirect beneficial owner	Number of Shares held	Percentage of issued Share capital
Government Employees Pension Fund (PIC)	Indirect beneficial owner	367 938 397	25.08%
Allan Gray Proprietary Limited ¹⁸	Indirect beneficial owner	151 270 899	10.31%

10.3 Material changes

The Directors are not aware of any material changes in the financial or trading position of Life Healthcare or the Group and its subsidiaries subsequent to the unaudited published Group interim results for the six months ended 31 March 2023, other than the changes which are the subject of this Circular and in any SENS announcements made by Life Healthcare on or before the Last Practicable Date.

10.4 Material loans

Details of the material loans of the Company and its Subsidiaries, as at the Last Practicable Date, are disclosed in Annexure 5 of this Circular.

10.5 Material contracts

Save in relation to the Sale and Purchase Agreement, there are no other material contracts that the Life Healthcare Group has entered into, either verbally or in writing, being restrictive funding arrangements and/or contracts entered into otherwise than in the ordinary course of the business carried on, or proposed to be carried on, within the preceding two years prior to the date of issue of this Circular or which constitutes an obligation or settlement that is material to the Life Healthcare Group.

11. INFORMATION RELATING TO THE DIRECTORS

11.1 Directors' interests in Shares and the Purchaser

The table below sets out the direct and indirect interests of the Directors (and their associates), including a Director who has resigned during the last 18 months, in the issued Share capital of the Company, as at the Last Practicable Date:

Director	Direct beneficial	Indirect beneficial	Associate interest	Total	% of issued Shares
Executive Directors					
PG Wharton-Hood	500 000	1 921 155	–	2 421 155	0.165%
PP van der Westhuizen*	386 733	998 133	4 832	1 389 698	0.095%
Non-executive Directors					
PJ Golesworthy	31 224	–	–	31 224	0.002%
GC Solomon	143 612	–	–	143 612	0.010%
Total	1 061 569	2 919 288	4 832	3 985 689	0.272%

* Pieter van der Westhuizen's direct beneficial interest increased by 55,581 Shares from 331,152 Shares to 386,733 Shares as a result of awards under the LTIP which vested in January 2023.

The Directors hold no beneficial interest in the Purchaser.

11.2 Directors' interests in transactions

Shareholders are advised that:

- Peter Wharton-Hood, who is a director of Life Healthcare, is a director of AMGL, AcquisitionCo, Life UK Holdco, Life UK Healthcare Limited and LMI, which are parties to the Transaction; and
- Pieter van der Westhuizen, who is a director of Life Healthcare, is a director AMGL, AcquisitionCo, Alliance Medical Holdings Limited, Life UK Holdco, Life UK Healthcare Limited, and LMI, which are parties to the Transaction.

¹⁸ Allan Gray acts on behalf of its clients. The above shares are held by Allan Gray's clients and not Allan Gray as principal.

Save in relation to the Directors' interests in the Transaction as set out above, none of the Directors (or Directors who have resigned in the 18 months preceding the Last Practicable Date), or directors of its major Subsidiaries, have any material beneficial interests, directly or indirectly in the Transaction or in any transactions that were:

- effected by Life Healthcare during the current or immediately preceding financial year; or
- during an earlier financial year and remain in any respect outstanding or unperformed.

11.3 Directors' service contracts and remuneration

Each of the executive Directors has concluded service contracts with terms and conditions that are market-related and appropriate for such appointments.

Other than the letters of appointment signed by the non-executive Directors, no service contracts have been concluded between Life Healthcare and the non-executive Directors.

As a consequence of the Transaction, the remuneration of the Directors will be affected as follows:

- Adjustments to Company share schemes:

The Company has approved the settlement of existing incentive schemes for AMG employees as per the rules of the existing schemes. The impacted AMG employees will be afforded good leaver status in respect of all these schemes.

Save pursuant to the adjustments to the Company shares schemes referred to above, the remuneration, fees earned, and any other benefits receivable by Directors, whether as executives or non-executives and prescribed officers, will not change as a direct consequence of the Transaction.

Full details of the remuneration of the Board for the year ended 30 September 2022 are incorporated by reference in terms of paragraph 23 of this Circular.

12. EXCHANGE CONTROL

The exchange control matters associated with the Transaction are subject to the existing exchange control approval(s) in place for Life Healthcare and where applicable, the approval by Life Healthcare's Authorised Dealer (as defined in the Exchange Control Regulations or the Financial Surveillance Department of the SARB, as the case may be) as this relates to the proposed settlement of offshore debt, payment of certain transaction-related fees and expenses and repatriation of net proceeds to South Africa. Life Healthcare will also make the required notifications to the Financial Surveillance Department as part of its normal reporting requirements post completion of the Transaction.

In relation Life Healthcare's provision of a guarantee in favour of the Purchaser in relation to AMGL's obligations in the event of a breach of one or more of the fundamental warranties provided by AMGL, Life Healthcare has applied to the SARB for approval to provide the guarantee. As per the terms of the Sale and Purchase Agreement, Life Healthcare will have no obligations under such guarantee until such time as approval from the SARB has been obtained and is obliged to take all reasonable steps necessary to obtain the relevant SARB approval.

13. INFORMATION IN RESPECT OF VENDORS AND PROMOTERS

Save as otherwise disclosed in the Group's annual financial statements, no assets that are material to the Group have been acquired or purchased during the three years preceding the date of the Circular or proposed to be acquired or purchased by Life Healthcare or by any of its Subsidiaries.

The Group has not entered into any promoters' agreements during the three years preceding the Last Practicable Date. Accordingly, no amount has been paid, or is accrued as payable, within the preceding three years, or proposed to be paid to any promoter or to any partnership, syndicate or other association of which such promoter is or was a member and no other benefit has been given or is proposed to be given to any promoter, partnership, syndicate or other association within the said period.

14. MATERIAL RISKS

The Group does not expect any new material risks to arise pursuant to the Transaction. The material risks as set out in the Group annual financial statements for the year ended 30 September 2022 are summarised below. The full details of these risks as well as the mitigants, as set out in the Group annual financial statements for the year ended 30 September 2022, are incorporated by reference in terms of paragraph 23 of this Circular.

14.1 Human capital (people)

People are Life Healthcare's most important asset and are key to its ongoing success. There is a global shortage of clinical staff, including nurses and radiographers. The shortage of radiographers and nurses will continue to have an impact on the Group post the Transaction. Due to the disposal of the international imaging business this risk to the Group does decrease simply due to a lower exposure. The shortage of nurses, radiographers and doctors in the South African market will, however, continue to affect Life Healthcare's ability to deliver quality care and services and, ultimately, the sustainability of its operations.

14.2 Funder (payor) risk

Life Healthcare is under continuous revenue pressure from healthcare funders looking to manage the overall cost of healthcare. In response to escalations in healthcare costs and the provision of healthcare services, funders have instituted a range of initiatives to manage down their costs. In South Africa, funder managed care initiatives aim to reduce hospital admission rates. They have introduced more affordable plans, which often come with less healthcare cover and increasingly restricted choice of healthcare providers' facilities (through preferred hospital networks). Life Healthcare's admission rates could be impacted by the ability to secure preferred network agreements with healthcare funders. AMG is exposed to a mix of public and private funders across the different territories in which it operates. Post Transaction, the Group will no longer be reliant upon realising long-term partnerships or securing continuation of service provision with public funders in the UK, Italy and Ireland other than potentially as it relates to LMI in the future.

14.3 IT systems, cyber-crime, and data security

The availability of information and ability to exchange information are crucial to the delivery of quality care. There is a trend towards digitisation as healthcare becomes more patient centric. Therefore, Life Healthcare's IT infrastructure and systems must be appropriate and fit-for-purpose to respond to this technological shift.

Cybersecurity risk remains a key risk to Life Healthcare's business. Healthcare data is valuable and cyber-criminal elements have relentlessly targeted healthcare organisations across the globe to the detriment of patient care. Extra vigilance and cyber-crime awareness are required around data security profiles and the accessibility of data. The balance between securing data behind a firewall and making it readily accessible to employees and business partners must shift to support new ways of working while keeping existing business processes and operations moving. The Group will continue to be exposed to this risk following the completion of the Transaction.

14.4 Macroeconomic and political risk

Life Healthcare operates in the global healthcare market, with its operations spread across different countries. The risk exists that country-specific factors, such as economic and political factors, or government policies, could adversely affect the Group.

The global economic outlook has deteriorated materially in recent years, as a result of the drawn-out Russia and Ukraine war, the lingering effects of the COVID-19 pandemic and the recent developments in the conflict involving Israel and Palestine. High inflation, increasing interest rates and soaring energy prices globally are eroding income and triggering a global cost-of-living crisis.

In South Africa, the effects of higher unemployment rates and a low-growth economy may impact on patients' ability to afford private healthcare cover.

Across the globe deteriorating social conditions may result in more frequent strike and protest actions, which could ultimately negatively impact our supply chain and continuity of operations.

Following the completion of the Transaction, the Group will have less direct exposure to the macroeconomic and political risks in the UK and Europe, however, the proportionate exposure to South African macroeconomic and political risk will increase.

14.5 Business continuity and resilience risk

A confluence of crises and disruptions have plagued the globe in the recent past. While each crisis is different, the management of the crisis must be adapted to suit the event and its correlated impacts. Life Healthcare operates in many geographies and has an extensive and complex property portfolio. Global and country events pose varying and potentially significant business interruption risks. Following the completion of the Transaction, the Group must continue to ensure that it remains resilient and continues to deliver high-quality care and excellent patient experience. Effective processes and structures that enable Life Healthcare to anticipate disruptive events, respond quickly and precisely to challenges are critical to remain sustainable.

14.6 Changing business environment risk

A dynamic and changing healthcare environment (for example: place and level of care, virtual consultations, telehealth, 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 Life Healthcare to deliver patient care that is patient centric. An increasing competitor landscape and the growing vertical of health technology, requiring appropriate strategies to remain relevant and ensure sustainable growth, will continue following the completion of the Transaction.

14.7 Regulatory and compliance risk

The Group is required to comply with all applicable laws and regulations of the countries in which it operates. In addition to these general compliance requirements, the global healthcare industry is subject to a growing number of new and amended regulations.

In South Africa, regulators are increasingly focusing on healthcare reform aimed at making healthcare more accessible and affordable.

The NHI Bill, the Medical Schemes Amendment Bill, Amendments to the HPCSA Ethical rules and the Office of Healthcare Standards: Norms and Standards introduced by the DOH continue to require attention. Following the completion of the Transaction, the Group's proportionate exposure to South African regulatory and compliance related risks will increase.

The Group continues to monitor and ensure compliance with various data protection requirements in all markets in which it operates and this will continue following the completion of the Transaction.

14.8 Clinical and patient safety risk

The quality of healthcare services provided by the Group and healthcare professionals and our patients' safety is of utmost importance to us. Failure to consistently deliver safe, high-quality care to our patients is a risk. This will continue following the completion of the Transaction.

14.9 Reputational risk

The Group'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 Life Healthcare's control can adversely affect its brand. This will continue following the completion of the Transaction.

15. WORKING CAPITAL STATEMENT

Subject to the completion of the Transaction, the Directors are of the opinion that the working capital available to the Company and the Group after completion thereof will be sufficient for the Company and Group's present requirements, i.e. for at least the 12 months from the date of issue of this Circular, and that:

- the Company and the Group will be able, in the ordinary course of business, to pay its debts as they fall due;
- the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group. For this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes.

16. LITIGATION

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which Life Healthcare is aware, which have or may have over the previous 12 months had a material effect on the financial position of the Life Healthcare Group.

17. LETTERS OF SUPPORT AND IRREVOCABLE UNDERTAKINGS

Letters of support and irrevocable undertakings to vote in favour of the Resolution required to complete the Transaction have been received from the following Shareholders, who directly and indirectly hold 20.59% and 1.50% respectively, and cumulatively 22.09%, of the issued share capital of Life Healthcare.

The table below shows only Shareholders which have provided written support to Life Healthcare and have also agreed for their names to be disclosed in this Circular.

Name of Shareholder	% of shareholding¹⁹
Letters of support	
Allan Gray Proprietary Limited ²⁰	10.31%
Sanlam Investment Management	3.50%
36ONE Asset Management Proprietary Limited	2.95%
Old Mutual Investment Group Proprietary Limited	1.96%
Truffle Asset Management Proprietary Limited	1.41%
Visio Capital Management Proprietary Limited	0.46%
Total	20.59%
Irrevocable undertakings	
Sasol Pension Fund	1.50%
Total	1.50%
Grand total	22.09%

Shareholders which have provided written support to Life Healthcare but do not wish to have their names disclosed are not shown in the table above. During engagements with Shareholders following the announcement of the Transaction, several Shareholders voiced their support for the Transaction but were not able to provide letters of support or irrevocable undertakings based on their internal policies.

18. ESTIMATED EXPENSES

The estimated costs of preparing and distributing this Circular, holding the General Meeting and implementing the Transaction, including the fees payable to professional advisers, are approximately GBP 30.5 million (approximately ZAR 644.9 million, excluding VAT), and include the following:

Description	Entity Responsible	Amount (GBP '000)	Amount (ZAR '000)*
Joint Financial Advisor	Goldman Sachs International	10,000	211,200
Joint Financial Advisor	Barclays Bank plc	10,000	211,200
South African Corporate Advisor, Sponsor and Corporate Broker	Rand Merchant Bank	783	16,536
South African Legal Advisor	Werksmans	200	4,224
International Legal Advisor	Allen & Overy LLP	4,000	84,480
International Legal Advisor	DLA Piper	280	5,914
International Financial Advisor	Wyvern	250	5,280
Independent Reporting Accountant	Deloitte & Touche	60	1,267
Tax Advisor	KPMG	10	211
International Tax advisor	EY	100	2,112
Financial Advisor	BDO	54	1,140
Vendor Due Diligence	PwC	1,984	41,902
	Teneo	445	9,398
Warranty and indemnity insurance	AON	30	634
Virtual data room	Datasite	84	1,774
JSE documentation fees and rulings	JSE Issuer Regulation	4	84
Other transaction costs [#]	–	2,252	47,562
Total		30,540	644,920

* calculated at an exchange rate of 1-pound sterling = ZAR21.12 (average exchange rate for the six months to 31 March 2023). Where expenses were incurred in ZAR, such amounts are translated to GBP at the same exchange rate for illustrative purposes only.

[#] Other transaction costs include costs incurred or to be incurred in respect of separating the IT systems of AMG from those of Life Healthcare and in respect of advisor's recoverable out of pocket expenses, including flights, accommodation and incidentals relating to the Transaction.

Other than as set out above, Life Healthcare has incurred no preliminary expenses in relation to the Transaction during the three years preceding this Circular.

¹⁹ Based on total shares in issue of 1,467,349,162.

²⁰ Allan Gray acts on behalf of its clients. The above shares are held by Allan Gray's clients and not Allan Gray as principal.

19. GENERAL MEETING

The General Meeting will be held on Friday, 8 December 2023 at 10:30 SA time at Building 2, Oxford Parks, 203 Oxford Road, Cnr Eastwood and Oxford Roads, Dunkeld, 2196 and by way of electronic communication, to consider and, if deemed fit, to pass, with or without modification, the requisite Resolution required to give effect to the Transaction.

The Notice of General Meeting is attached hereto and forms part of this Circular and contains the Resolution to be considered at the General Meeting.

Shareholders are referred to the full details of the actions required by Shareholders in the “Action required by Shareholders” section of this Circular which outlines the information regarding voting, attendance, and representation at the General Meeting.

20. OPINION AND RECOMMENDATION BY THE BOARD

The Board is of the opinion that the Transaction is in the best interest of all of the stakeholders and will be to the long-term benefit of Shareholders. Accordingly, the Board recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting relating to the Transaction, and all the Directors intend, in respect of their own beneficial holdings of Shares, if any, to vote in favour of the Transaction.

21. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are listed in the “Corporate Information and Advisors” section of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular in relation to Life Healthcare and certify that to the best of their knowledge and belief there are no material facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the Listings Requirements.

22. ADVISORS' CONSENTS

Each of the advisers, whose name appears in the “Corporate Information and Advisors” section of this Circular, has consented in writing to act in the capacities stated and to the inclusion of its names and, where applicable, to the inclusion of its reports in this Circular in the form and context in which they appear and has not withdrawn its consent prior to the publication of this Circular.

23. DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference into this Circular, and can be accessed at the links provided below, and are available for inspection, by prior arrangement with the Company Secretary of Life Healthcare, Joshila Ranchhod (joshilar@life.co.za), at the registered office of the Company from the date of this Circular until the date of the General Meeting (both days inclusive).

Document name	Link
The remuneration and benefits of Directors for the financial year ended 30 September 2022. Pages 69 to 71 of the annual financial statements for the year ended 30 September 2022.	https://www.lifehealthcare-online.co.za/annual-results-2022/pdf/afs.pdf
Details of the material risks and mitigants of the Group for the financial year ended 30 September 2022.	https://www.lifehealthcare.co.za/media/3720/life-healthcare-iar-2022_interactive.pdf

24. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of Life Healthcare and may also be accessed via Life Healthcare's website (www.lifehealthcare.co.za) or may be made available through a secure electronic manner at the election of the person requesting inspection from the date of this Circular until the date of the General Meeting (both days inclusive):

- the MOI of Life Healthcare and its major subsidiaries;
- the full audited annual financial statements of Life Healthcare for the financial years ended 30 September 2020, 30 September 2021 and 30 September 2022;
- the unaudited published interim results of Life Healthcare for the six-month period ended 31 March 2023;
- the Carve-Out Historical Consolidated Financial Information of AcquisitionCo for the financial years ended 30 September 2020, 30 September 2021 and 30 September 2022 and the interim results for the period ended 31 March 2023, as included in Annexure 1 of this Circular;
- the signed report by the Independent Reporting Accountant on the Carve-out Historical Consolidated Financial Information of AcquisitionCo for the financial years ended 30 September 2020, 30 September 2021 and 30 September 2022 and the interim results for the period ended 31 March 2023, as reproduced in Annexure 2 of this Circular;
- the *pro forma* financial information of Life Healthcare, as included in Annexure 3 of this Circular;
- the signed report by the Independent Reporting Accountant on the compilation of the *pro forma* financial information of Life Healthcare, as set out in Annexure 4 of this Circular;
- the signed written consents from each of the advisors, referred to in paragraph 22 of this Circular;
- the letters of support and irrevocable undertakings, as set out in paragraph 17 of this Circular;
- a signed copy of this Circular and all annexures hereto; and
- a signed copy of the Sale and Purchase Agreement provided that the signed copy of the Sale and Purchase Agreement will only be made available for physical inspection during normal business hours at the registered office of Life Healthcare.

Signed at Johannesburg on 9 November 2023 by Dr Victor Litlhakanyane on behalf of the Board, they being duly authorised in terms of resolutions signed by each Director and in terms of a resolution of the Board.

Dr Victor Litlhakanyane,

Chairman signing on behalf of the Board

9 November 2023

**CARVE-OUT HISTORICAL CONSOLIDATED FINANCIAL INFORMATION
OF ACQUISITIONCO FOR THE THREE YEARS ENDED 30 SEPTEMBER 2022,
30 SEPTEMBER 2021 AND 30 SEPTEMBER 2020
AND THE SIX-MONTH PERIOD ENDED 31 MARCH 2023**

The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this Annexure 1.

The Carve-Out Historical Consolidated Financial Information for the three years ended 30 September 2022, 30 September 2021 and 30 September 2020 is set out below, comprising the Carve-Out Historical Consolidated Statement of Profit or Loss, the Carve-Out Historical Consolidated Statement of Comprehensive Income, the Carve-Out Historical Consolidated Statement of Financial Position, the Carve-Out Historical Consolidated Statement of Changes in Equity, the Carve-Out Historical Consolidated Statement of Cash Flows and notes to the Carve-Out Historical Consolidated Financial Information.

The Carve-Out Historical Consolidated Financial Information for the three years ended 30 September 2022, 30 September 2021, and 30 September 2020 is the responsibility of the Directors. The Independent Reporting Accountant's Report on the Carve-Out Historical Consolidated Financial Information for the three years ended 30 September 2022, 30 September 2021, and 30 September 2020 is set out in Annexure 2.

Commentary

AMG has delivered to our expectations with all three major geographies (UK, Italy and Ireland) delivering higher scan volumes than in FY2021. However, the financial results in FY2021 included COVID-19-related contracts that came to an end in September 2021. This once-off benefit distorts the financial comparison against FY2021.

In the United Kingdom, Diagnostic Imaging volumes grew 2.0% year-on-year in FY2022. The mobile units that delivered COVID-19-related CT contracts for the NHS through to 30 September 2021 have been redeployed in the UK for both NHS and private work, and tariffs for this work have reverted to normal pricing. This has resulted in lower revenue and normalised EBITDA per scan when compared with the prior year, although this impact was in-line with our expectations.

PET-CT volumes in the UK have continued to grow strongly in FY2022 and were 11.1% higher than FY2021 volumes. We expect robust demand for PET-CT scanning to continue due to ongoing efforts to identify cancer and treat cancer while in its early stages. We have made progress during FY2022 in expanding our footprint of CDCs and currently have seven operational CDCs and a further two CDCs in development.

In Italy, volumes for the FY2022 period were 7.5% higher year-on-year relative to FY2021, supported by additional budgets being awarded by ASL in certain locations to assist clinics in reducing waiting lists.

In Ireland, the business has delivered another exceptional performance in FY2022. The business continued to benefit from a rebound in activity and increased public sector contracting resulting in FY2022 volumes being 24.4% higher relative to FY2021.

These operational results have resulted in AMG delivering 4.9% revenue growth year-on-year for the FY2022 period. However, normalised EBITDA declined by 10.1% during FY2022 due to the impact of the COVID-19-related contracts ending at the end of FY2021 and also the impact of higher salary inflation and increased energy costs. These factors led the normalised EBITDA margin for AMG to moderate to 20.8% versus the 24.2% reported in FY2021.

Basis of preparation

The Carve-Out Historical Consolidated Financial Information of AcquisitionCo, its subsidiaries and joint ventures ("**Consolidated Company**") has been prepared in accordance with IFRS and interpretations of those standards as issued by the IASB, Financial Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements. The additional disclosure required in terms of paragraph 8.12 (being the commentary) of the Listings Requirements has been included above in the Carve-Out Historical Consolidated Financial Information.

Presentation and functional currency

The Carve-Out Historical Consolidated Financial Information has been prepared in Pound Sterling (GBP) as the functional currency of AcquisitionCo is Pound Sterling. This differs to the currency of Life Healthcare, which is South African Rand.

Foreign currency transactions and balances

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

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

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

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

Rounding principles

Rounded to the nearest thousand, unless otherwise stated. Amounts less than £1,000 will therefore round down to £nil and are presented as a dash.

Historical financial information

The Carve-Out Historical Consolidated Financial Information has been extracted and compiled from the audited consolidated financial statements of Life Healthcare for the years ended 30 September 2022, 2021 and 2020 using historical results of operations, assets and liabilities attributable to the Consolidated Company. The Carve-Out Historical Consolidated Financial Information excludes LMI.

The Life Healthcare directors have relied on the fact that the Carve-Out Historical Consolidated Financial Information, which has been extracted from the consolidated financial statements of Life Healthcare for the years ended 30 September 2022, 2021 and 2020, is free from material misstatement, whether due to fraud or error, and that the Life Healthcare directors were responsible for the compilation of Life Healthcare's audited consolidated financial statements for the years ended 30 September 2022, 2021 and 2020 and the internal controls as they determined are necessary to enable the preparation and presentation of the aforementioned consolidated financial statements.

**Carve-Out Historical Consolidated Statement of Profit or Loss
for the years ended 30 September**

		Audited 2022 £000	Reviewed 2021 £000	Reviewed 2020 £000
	Notes			
Revenue	2	379,450	367,776	303,953
Other income		–	23	717
Drugs and consumables		(43,983)	(42,493)	(32,006)
Employee benefits expense	3	(106,767)	(95,809)	(82,158)
Retirement benefit asset income		(52)	12	17
Depreciation on property, plant and equipment		(39,409)	(38,538)	(35,361)
Amortisation of intangible assets		(21,481)	(22,122)	(22,534)
Repairs and maintenance expenditure on property, plant and equipment		(20,271)	(20,878)	(19,266)
Occupational expenses		(14,674)	(13,356)	(13,384)
Communication expenses		(3,648)	(4,291)	(8,157)
Radiology service costs		(85,686)	(75,287)	(66,547)
Professional, legal and secretarial fees		(2,823)	(3,606)	(2,208)
Expected credit losses		(724)	(992)	(1,375)
Other expenses	5	(22,305)	(22,403)	(16,619)
Loss on disposal of property, plant and equipment	7	(124)	(283)	(237)
Transaction costs relating to acquisitions and disposals		(443)	(116)	(338)
Operating profit		17,060	27,637	4,497
Finance income	4	10,441	–	4,541
Finance cost	4	(13,998)	(20,077)	(16,131)
Impairment of investment in joint venture	9	–	(235)	–
Share of joint ventures' net profit after tax	9	627	524	495
Profit/(loss) before tax	5	14,130	7,849	(6,598)
Tax expense	6	220	4,698	1,021
Profit/(loss) after tax		14,350	12,547	(5,577)
Profit/(loss) after tax attributable to:				
Ordinary equity holders of the parent		14,357	12,561	(5,609)
Non-controlling interest		(7)	(14)	32
		14,350	12,547	(5,577)

**Carve-Out Historical Consolidated Statement of Comprehensive Income
for the years ended 30 September**

	Audited 2022 £000	Reviewed 2021 £000	Reviewed 2020 £000
Profit/(loss) after tax	14,350	12,547	(5,577)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Movement in foreign currency translation reserve (FCTR)	1,242	1,995	(2,887)
Items that will not be reclassified to profit or loss			
Retirement benefit asset income, net of tax	598	–	–
Total comprehensive income/(loss) for the year	16,190	14,542	(8,464)
Total comprehensive income/(loss) attributable to:			
Ordinary equity holders of the parent	16,197	14,556	(8,496)
Non-controlling interest	(7)	(14)	32
	16,190	14,542	(8,464)

**Carve-Out Historical Consolidated Statement of Financial Position
at 30 September**

		Audited 2022 £000	Reviewed 2021 £000	Reviewed 2020 £000
	Notes			
ASSETS				
Non-current assets		961,958	950,707	958,359
Property, plant and equipment	7	267,409	240,575	241,034
Intangible assets	8	672,312	688,092	707,197
Investment in joint ventures	9	2,659	3,104	3,094
Deferred tax assets	11	18,482	18,014	6,070
Other assets		1,096	922	964
Current assets		168,929	139,431	137,632
Cash and cash equivalents	12	56,165	47,928	62,566
Trade and other receivables	13	70,465	68,514	56,999
Inventories	14	3,406	2,940	2,559
Income tax receivable		287	218	719
Loans to group companies	15	38,606	19,831	14,789
Total assets		1,130,887	1,090,138	1,095,991
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	16	147,537	147,537	147,537
Other reserves	17	371,152	373,253	373,500
FCTR		(2,588)	(3,830)	(5,825)
Retained Earnings		152,147	137,192	124,631
Non-controlling interest		46	53	67
Total equity		668,294	654,205	639,910
LIABILITIES				
Non-current liabilities		91,079	91,355	86,202
Interest-bearing borrowings	18	53,728	51,246	51,297
Employee benefit liabilities	10	6,524	7,222	7,377
Deferred tax liabilities	11	20,870	24,775	21,866
Provisions	20	6,070	5,842	4,304
Contingent consideration liabilities	21	194	234	85
Cash-settled share-based payment liability	22	3,693	2,036	1,273
Current liabilities		371,514	344,578	369,879
Trade and other payables	19	113,620	102,125	104,152
Interest-bearing borrowings	18	13,329	16,165	20,579
Provisions	20	1,639	1,807	1,642
Contingent consideration liabilities	21	20	20	–
Cash-settled share-based payment liability	22	1,651	1,076	–
Income tax payable		1,536	2,460	1,247
Loans from group companies	15	239,719	220,925	242,259
Total liabilities		462,593	435,933	456,081
Total equity and liabilities		1,130,887	1,090,138	1,095,991

**Carve-Out Historical Consolidated Statement of Changes in Equity
for the years ended 30 September**

	Attributable to equity holders of the Company					
	Stated capital £000	Other reserves £000	FC ¹ TR £000	Retained earnings £000	Non- controlling interest £000	Total equity £000
Balance at 1 October 2021	147,537	373,253	(3,830)	137,192	53	654,205
Total comprehensive income for the year	–	–	1,242	14,955	(7)	16,190
Profit for the year	–	–	–	14,357	(7)	14,350
Other comprehensive income	–	–	1,242	598	–	1,840
Movement in share-based payment scheme	–	81	–	–	–	81
Contribution to co-investment scheme (CIP)	–	(2,676)	–	–	–	(2,676)
Transferred in terms of CIP	–	494	–	–	–	494
Balance at 30 September 2022	147,537	371,152	(2,588)	152,147	46	668,294
Notes		17				
Balance at 1 October 2020	147,537	373,500	(5,825)	124,631	67	639,910
Total comprehensive income for the year	–	–	1,995	12,561	(14)	14,542
Profit for the year	–	–	–	12,561	(14)	12,547
Other comprehensive income	–	–	1,995	–	–	1,995
Movement in share-based payment scheme	–	(247)	–	–	–	(247)
Balance at 30 September 2021	147,537	373,253	(3,830)	137,192	53	654,205
Notes		17				
Balance at 1 October 2019	147,537	373,500	(2,938)	130,240	35	648,374
Total comprehensive (loss) for the year	–	–	(2,887)	(5,609)	32	(8,464)
Loss for the year	–	–	–	(5,609)	32	(5,577)
Other comprehensive loss	–	–	(2,887)	–	–	(2,887)
Balance at 30 September 2020	147,537	373,500	(5,825)	124,631	67	639,910
Notes		17				

**Carve-Out Historical Consolidated Statement of Cash Flows
for the years ended 30 September**

		Audited 2022 £000	Reviewed 2021 £000	Reviewed 2020 £000
	Notes			
Cash flows from operating activities				
Cash generated from operations	24	85,877	77,338	78,657
Transaction costs paid relating to acquisitions		(443)	(116)	(338)
Tax paid		(5,146)	(2,622)	(1,934)
Net cash generated from operating activities		80,288	74,600	76,385
Cash flows from investing activities				
Purchase of property, plant and equipment		(48,235)	(36,740)	(35,855)
Purchase of intangible assets		(1,504)	(1,670)	(1,204)
Proceeds on disposal of property, plant and equipment		458	968	712
Payments relating to loans to group companies		(18,776)	(5,042)	(5,185)
Acquisition of subsidiaries, net of cash acquired	25	(906)	(4,307)	(372)
Acquisition of investment in joint venture	9	(489)	(264)	–
Contingent considerations paid	21	–	–	(405)
Dividends received from joint ventures		1,587	383	308
Net cash utilised in investing activities		(67,865)	(46,672)	(42,001)
Cash flows from financing activities				
Repayment of bank loans	18	(141)	(3,013)	(10,481)
Repayment of lease liabilities	18	(16,934)	(6,198)	(7,347)
Payments relating to loans from group companies		–	(21,333)	–
Proceeds relating to loans from group companies		18,794	–	22,283
Finance cost paid		(4,919)	(4,910)	(4,862)
Net cash utilised in financing activities		(3,200)	(35,454)	(407)
Net increase/(decrease) in cash and cash equivalents		9,223	(7,526)	33,977
Cash and cash equivalents – beginning of the year		47,928	62,566	36,572
Effect of foreign currency rate movements		(986)	(7,112)	(7,983)
Cash and cash equivalents at the end of the year	12	56,165	47,928	62,566

**Notes to the Carve-Out Historical Consolidated Financial Information
for the years ended 30 September**

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

1.1 Going concern principles

The directors believe that the Consolidated Company has adequate financial resources to continue in operation for the foreseeable future, whilst part of Life Healthcare and accordingly the historical financial information has been prepared on a going concern basis.

Although the current liabilities exceed the current assets, the loans from group companies will be settled by the Purchaser as part of the Transaction on or immediately after the Completion Date.

The directors have therefore satisfied themselves that the Consolidated Company is in a sound financial position and has sufficient accessible capital and liquidity to continue to meet its obligations as they fall due.

1.2 Critical judgements, accounting estimates and assumptions

The preparation of the audited consolidated financial statements of Life Healthcare, from which the Carve-Out Historical Consolidated Financial Information has been extracted, requires the use of critical accounting estimates and assumptions and requires management to exercise judgements (refer 1.2.1) in the process of applying Life Healthcare's accounting policies. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

1.2.1 Critical judgements

Non-financial assets

Impairment – goodwill

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

The COVID-19 pandemic significantly impacted future cash flows, scan volumes and operating profit margins in the past two financial years (FY2021 and FY2020). During the financial year ended 30 September 2022, AMG's scan volumes exceeded pre-COVID-19 levels and are assumed to continue to grow throughout FY2023. A level of judgement is required in estimating future activities, scan volumes and the related cash flows.

The recoverable amounts of most CGUs were determined based on value-in-use.

Recoverable amounts based on value in use

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

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

Average discount rates	The weighted average cost of capital (WACC) was determined by considering the respective debt and equity costs and ratios. To determine the discount rates, the local risk-free rate was used based on the in-country government bond yield adjusted for a risk premium to reflect the increased risk of investing in equities. The discount rates used are pre-tax and reflect the specific risks relating to the industry and the countries in which they operate.
Growth rates in activities/volumes	Based on historical experience, capacity availability and the expected developments in the market.

Tariff and inflation increases/ tariff adjustment	Based on the latest available economic forecasts and management's expectations of the outcome of annual tariff negotiations.
Cost inflation/growth in overhead costs	Based on management knowledge, prior history or trends and latest available economic forecasts.
Terminal growth rates	These rates are country specific and determined based on the forecast market growth rates.

The Consolidated Company operates in the UK and various European countries, and the countries' growth rates differ. The growth assumed is a combination of tariff increases/decreases as well as volume increases. The tariff and volume assumptions are also different for each modality (diagnostic imaging, molecular imaging and radiopharmacy) with the majority trending upwards to mitigate the current inflationary environment where we are seeing larger spikes across smaller cost items. Inflation metrics across the European zone in which the Consolidated Company operates have traditionally been low, with the current economic forecasts increasing in the short term, but stabilising thereafter.

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

	2022 (%)	2021 (%)	2020 (%)
Contract renewals	90	90	90
Growth in activities (across all markets) ¹	0.0 – 15.0	0.0 – 17.0	0.0 – 13.0
Tariff adjustment (across all markets)	(2.0) – 3.5	(2.0) – 0.0	(3.0) – 1.5
Cost inflation, excluding energy costs (across all markets)	1.0 – 9.0	1.0 – 3.0	1.5 – 3.0
Energy costs (approximately 2.9% of cost base)	17.10	1.0 – 3.0	1.5 – 3.0
Average discount rate			
Pre-tax	8.36	7.39	7.46
Post-tax	7.30	6.11	6.48
Terminal growth rate	2.00	2.00	2.00

¹ The compound growth rate is calculated at 5.25% (2021:5.37%, 2020:4.47%) with the higher end of the range specifically relating to PET-CT in the UK.

Sensitivity analysis

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

Significant assumption	Impact
Average pre-tax discount rate	If the average discount rate increases to 10.1% (2021: 8.2%, 2020: 7.6%), the headroom will reduce to nil

Financial instruments

Impairment of financial assets

Trade receivables

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

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

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

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

- Days past due (DPD) are greater than 90 days.
- Default is considered likely, namely those accounts handed over to attorneys, deceased estates or where the debtor has negotiated a payment plan.
- An account has been flagged as non-performing.

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

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

Information regarding the ECLs is disclosed in note 13 and Schedule A – significant accounting policies (section 1.11 financial instruments).

Employee benefits

Long-term incentive schemes effective from 2019

Determining the fair value

Effective from 2021

1. Cash-settled share-based payment	Vesting in terms of this scheme takes place in three years from allocation.
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The key assumptions used in the model were as follows:

	2022	2021	2020
Average consumer price inflation (CPI)	7.41%	4.35%	3.10%
Expected forfeiture rates	4.00%	4.00%	4.00%
Average discount rate	7.10%	6.40%	11.70%
Life core purposes	100% achievement	100% achievement	100% achievement

Co-investment policy (CIP)

Determining the fair value

Effective from 2022

CIP – equity-settled share-based	<p>In terms of the CIP, participants elected to invest in Life Healthcare's securities in lieu of a portion of their performance bonus relating to the 2021 financial year (bonus shares). Life Healthcare matched each bonus shares awarded with the purchase of three matching shares (Life Healthcare matched shares). The bonus shares and Life Healthcare's matched shares will be restricted and will vest in the 2025 financial year.</p> <p>In addition, the participants were awarded Life Healthcare performance shares, which will be restricted and vest in the 2025 financial year, subject to specified performance conditions being achieved over a specific period of time. Refer note 17.</p> <p>The bonus and matching shares methodology is based on Life Healthcare's share price at grant date multiplied by an attrition factor to allow for expected forfeitures over the vesting period.</p> <p>The fair value of performance shares is determined using a Monte-Carlo valuation model. This methodology takes into consideration risk-neutral principles, independent volatility assumptions, Life Healthcare's share price and expected dividends over the vesting period. The attrition factor is applied outside of the Monte Carlo model.</p>
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The key assumptions used in the model were as follows:

	2022	2021	2020
Risk-free rates	Zero-coupon RSA spot swap curve ¹	n/a	n/a
Expected forfeiture rates	2.00%	n/a	n/a
Volatility ²	32.63%	n/a	n/a

¹ Zero-coupon RSA spot swap curve at grant date was 4.66%.

² The volatility is based on the average historic data over the last five years of the annualised share price of Life Healthcare and two comparator companies.

The target is expected to be achieved, with probability of 70% which is incorporated in the grant date fair value.

Refer notes 17 and 22 and Schedule A under 1.2 – Share-based payments.

Other

Deferred tax assets

The Consolidated Company recognises the future benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of the deferred income tax assets requires the Consolidated Company to make estimates related to expectations in future taxable income. Estimates of future taxable income are based on forecast cash flows from operations, assumptions regarding economic growth, interest rates, inflation rates and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Consolidated Company to realise the deferred tax assets recorded at the reporting date could be impacted. The deferred tax asset is reviewed at the end of the reporting period and adjusted if required. Additionally future changes in tax laws could limit the ability of the Consolidated Company to obtain tax deductions in future periods. Refer note 11.

Uncertain tax position

All uncertain tax positions that were challenged by tax authorities and that materially affected the disclosures in the Consolidated Company's financial information are disclosed in full, except where management assessed the likelihood of an outflow of resources as remote. The raising of a corresponding provision for the tax position will be dependent on management's best judgement of the probable outcome of the uncertain tax position.

2. REVENUE

The revenue note below disaggregates revenue based on primary geographical areas, type of customer and timing of revenue recognition that is applicable to the Consolidated Company.

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

	2022 £000	2021 £000	2020 £000
Primary geographical areas			
UK	207,759	196,574	159,534
Italy	103,766	104,307	88,120
Ireland	47,726	37,635	27,756
Other	20,199	29,260	28,543
	379,450	367,776	303,953
Type of customer			
Contract from customers			
Private (including private medical aids and cash paying patients)	46,530	47,178	35,469
Government and public healthcare facilities	262,601	253,795	205,018
Corporate institutions	70,319	66,803	63,466
	379,450	367,776	303,953
Timing of revenue recognition			
Over time	–		
At a point in time	379,450	367,776	303,953
	379,450	367,776	303,953

3. EMPLOYEE BENEFITS EXPENSE

	2022 £000	2021 £000	2020 £000
Salaries	85,265	78,745	67,190
Equity-settled share-based payment – CIP ¹	494	–	–
Cash-settled share-based payment – long term incentive schemes ²	3,526	1,720	696
Pension fund costs – defined contribution plans	3,469	3,049	2,941
Social security costs	13,321	11,818	10,768
Other	692	477	563
	106,767	95,809	82,158

¹ Refer statement of changes in equity.

² Refer note 22.

4. FINANCE INCOME AND COST

	2022 £000	2021 £000	2020 £000
Finance income	(10,441)	–	(4,541)
Foreign exchange gains	(10,441)	–	(4,541)
Finance cost	13,998	20,077	16,131
Interest on lease liabilities	2,766	2,882	2,828
Foreign exchange losses	–	9,147	1,388
Intercompany interest	9,028	5,968	9,829
Other ³	2,204	2,080	2,086
Net finance cost	3,557	20,077	11,590

³ Other includes mainly factoring interest and similar charges.

5. PROFIT BEFORE TAX

	2022 £000	2021 £000	2020 £000
The following items have been included as part of other expenses in arriving at profit before tax:			
Lease rentals – expense relating to short-term leases	467	445	211
Auditor's remuneration	894	910	875
Advertising and marketing expenses	1,352	1,300	875
Insurance premiums	2,322	2,187	1,723
IT costs	6,538	5,609	4,508
Travelling and accommodation expenses	1,809	4,612	1,188
Irrecoverable VAT	8,543	7,145	6,892
Other ⁴	380	195	347
	22,305	22,403	16,619

⁴ Other comprises mainly of general expenses and smaller overhead costs.

6. TAX EXPENSE

	2022 £000	2021 £000	2020 £000
Current income tax			
Current year	(4,283)	(4,222)	(2,746)
Prior year underprovision	181	239	1,126
Deferred income tax			
Origination and reversal of temporary differences	4,062	3,526	3,766
Prior year under provision	260	9,573	(116)
Benefit from previously utilised capital allowances and trading losses	–	(4,139)	(1,009)
Withholding taxes	–	(279)	–
Total tax expense	220	4,698	1,021
Reconciliation of the tax rate	%	%	%
Tax rate	19.00	19.00	19.00
Adjustments for non-cash items:			
Permanent differences – income not taxable/ expenses not deductible	(12.30)	27.62	(37.24)
Depreciation for the year different from capital allowances	0.17	0.42	(7.15)
Timing differences	3.24	5.05	(7.10)
Deferred tax not recognised	(0.19)	(16.19)	18.67
Change in tax rate	0.66	24.10	–
Prior year underprovision	(3.13)	(124.79)	15.23
Group relief (UK corporate tax grouping)	(19.18)	(6.94)	22.32
Effect of conversion of international tax rates to UK normal tax rate	10.18	11.87	(8.25)
Effective rate	(1.55)	(59.86)	15.48

7. PROPERTY, PLANT AND EQUIPMENT

	Land and build-ings owned £000	Improve-ments to right-of-use assets £000	Medical equip-ment £000	Motor vehicles and other equip-ment £000	Right-of-use assets £000	Assets under constru-ction £000	Total £000
Carrying value at 1 October 2021	32,029	37,940	112,535	12,015	33,824	12,232	240,575
Additions	–	–	6,806	3,898	16,000	37,531	64,235
Arising on acquisition of subsidiaries	–	–	50	22	–	–	72
Disposals, scrappings or derecognitions	–	–	(284)	(413)	(32)	–	(729)
Transfers	107	8,908	12,846	1,928	(22)	(23,767)	–
Depreciation	(2,441)	(4,597)	(22,162)	(4,925)	(5,284)	–	(39,409)
Effect of foreign currency movement	278	431	530	453	525	448	2,665
Carrying value at 30 September 2022	29,973	42,682	110,321	12,978	45,011	26,444	267,409
Comprising:							
Cost	51,944	88,276	301,269	37,780	61,299	26,444	567,012
Accumulated depreciation and impairment losses	(21,971)	(45,594)	(190,948)	(24,802)	(16,288)	–	(299,603)
	29,973	42,682	110,321	12,978	45,011	26,444	267,409

	Land and build- ings owned £000	Improve- ments to right- of-use assets £000	Medical equip- ment £000	Motor vehicles and other equip- ment £000	Right- of-use assets £000	Assets under constru- ction £000	Total £000
Carrying value at 1 October 2020	26,382	39,395	109,261	10,474	34,805	20,717	241,034
Additions	1,142	2,129	6,671	4,038	6,323	22,760	43,063
Arising on acquisition of subsidiaries	834	82	67	574	–	–	1,557
Disposals, scrappings or derecognitions	–	(5)	(786)	(445)	–	(15)	(1,251)
Transfers	6,360	2,053	21,580	1,237	–	(31,230)	–
Depreciation	(1,618)	(5,121)	(22,097)	(3,704)	(5,998)	–	(38,538)
Effect of foreign currency movement	(1,071)	(593)	(2,161)	(159)	(1,306)	–	(5,290)
Carrying value at 30 September 2021	32,029	37,940	112,535	12,015	33,824	12,232	240,575
Comprising:							
Cost	48,966	78,963	287,097	33,269	46,441	12,232	506,968
Accumulated depreciation and impairment losses	(16,937)	(41,023)	(174,562)	(21,254)	(12,617)	–	(266,393)
	32,029	37,940	112,535	12,015	33,824	12,232	240,575
Carrying value at 1 October 2019	19,604	45,285	103,265	8,746	–	23,121	200,021
Adjustment as a result of adopting IFRS 16	–	–	–	–	37,385	–	37,385
Additions	493	1,454	10,864	2,410	2,779	20,634	38,634
Arising on acquisition of subsidiaries	–	8	168	13	–	–	189
Disposals, scrappings or derecognitions	–	(190)	(124)	(630)	(6)	–	(950)
Transfers	8,292	(3,152)	15,011	2,965	–	(23,116)	–
Depreciation	(2,303)	(4,224)	(20,402)	(3,079)	(5,353)	–	(35,361)
Effect of foreign currency movement	296	214	479	49	–	78	1,116
Carrying value at 30 September 2020	26,382	39,395	109,261	10,474	34,805	20,717	241,034
Comprising:							
Cost	44,851	77,102	279,557	29,200	40,006	20,717	491,433
Accumulated depreciation and impairment losses	(18,469)	(37,707)	(170,296)	(18,726)	(5,201)	–	(250,399)
	26,382	39,395	109,261	10,474	34,805	20,717	241,034

Additional information on leases

	2022 £000	2021 £000	2020 £000
Right-of-use assets			
Land and buildings	44,866	33,788	34,739
Motor vehicles and other equipment	145	36	66
	45,011	33,824	34,805
Depreciation charge of right-of-use assets			
Land and buildings	(5,284)	(5,939)	(5,267)
Motor vehicles and other equipment	–	(59)	(86)
	(5,284)	(5,998)	(5,353)
Proceeds from sales of property, plant and equipment			
	2022 £000	2021 £000	2020 £000
Proceeds on disposal	458	968	712
Net book value property, plant and equipment disposed	(582)	(1,251)	(949)
Disposals, scrapplings or derecognitions	(582)	(1,251)	(949)
Relating to derecognitions of right-of-use assets	–	–	–
Loss on disposal of property, plant and equipment	(124)	(283)	(237)

8. INTANGIBLE ASSETS

	Goodwill £000	Customer relations £000	Brand name £000	Purchased technology licences £000	Total £000
Carrying value at 1 October 2021	579,174	101,306	4,916	2,696	688,092
Additions	–	–	–	1,503	1,503
Arising on acquisition of subsidiaries	2,687	–	–	–	2,687
Amortisation	–	(19,559)	(685)	(1,237)	(21,481)
Effect of foreign currency movement	1,379	68	–	64	1,511
Carrying value at 30 September 2022	583,240	81,815	4,231	3,026	672,312
Comprising:					
Cost	583,240	196,665	8,049	10,476	798,430
Accumulated amortisation and impairment losses	–	(114,850)	(3,818)	(7,450)	(126,118)
	583,240	81,815	4,231	3,026	672,312
Carrying value at 1 October 2020	577,651	120,685	5,600	3,261	707,197
Additions	–	–	–	1,670	1,670
Arising on acquisition of subsidiaries	3,321	364	–	–	3,685
Disposals or scrapplings	–	–	–	(182)	(182)
Amortisation	–	(19,461)	(684)	(1,977)	(22,122)
Effect of foreign currency movement	(1,798)	(282)	–	(76)	(2,156)
Carrying value at 30 September 2021	579,174	101,306	4,916	2,696	688,092

	Goodwill £000	Customer relations £000	Brand name £000	Purchased technology licences £000	Total £000
Comprising:					
Cost	579,174	196,436	8,049	9,131	792,790
Accumulated amortisation and impairment losses	–	(95,130)	(3,133)	(6,435)	(104,698)
	579,174	101,306	4,916	2,696	688,092
Carrying value at 1 October 2019	595,936	121,239	7,370	2,039	726,584
Additions	–	–	–	1,204	1,204
Arising on acquisition of subsidiaries	733	5	–	–	738
Amortisation	(20,077)	(687)	(1,770)	–	(22,534)
Effect of foreign currency movement	1,059	128	–	18	1,205
Carrying value at 30 September 2020	577,651	120,685	5,600	3,261	707,197
Comprising:					
Cost	577,651	196,621	8,050	7,738	790,060
Accumulated amortisation and impairment losses	–	(75,936)	(2,450)	(4,477)	(82,863)
	577,651	120,685	5,600	3,261	707,197

9. INVESTMENT IN JOINT VENTURES

	2022 £000	2021 £000	2020 £000
Unlisted ordinary shares			
Balance at 1 October	3,104	3,094	2,828
Share of net profit after tax	627	524	495
Share of current year profit before tax	627	524	495
Share of current year tax	–	–	–
Arising on acquisition of joint venture	489	264	–
Impairment loss ¹	–	(235)	–
Dividends declared by joint ventures	(1,587)	(383)	(308)
Effect of foreign currency movement	26	(160)	79
Balance at 30 September	2,659	3,104	3,094

¹ 20:20 Imaging Limited ceased trading and was liquidated on 27 September 2021, and therefore the investment was fully impaired.

Refer Schedule C – joint venture undertakings.

10. EMPLOYEE BENEFIT ASSETS AND LIABILITIES

	2022 £000	2021 £000	2020 £000
Employee benefit liabilities			
Trattamento di Fine Rapporto (TFR) retirement benefit obligation	(6,524)	(7,222)	(7,377)

TFR retirement benefit obligation (AMG)

Italian employees are entitled to a payment when they cease to be employed by the Company under a TFR scheme. The scheme is not defined as a defined benefit pension but is an unfunded liability, and therefore not all requirements under IAS 19 (revised) are applicable and accordingly limited disclosure is provided below:

	TFR scheme					
	2022 £000	2021 £000	2020 £000			
Actuarial assumptions applied in the valuation of the unfunded liability						
Discount rate for liabilities	3.2	0.8	0.7			
Inflation rate	2.1	0.8	1.2			
Future salary increases	1.0	1.0	1.0			
Future pension increases	3.1	2.1	2.4			
Reconciliation of the unfunded liability						
Balance at 1 October	(7,222)	(7,377)	(7,008)			
Service costs	(645)	(620)	(716)			
Interest cost	(55)	(50)	(53)			
Remeasurements	830	204	186			
Arising on acquisition of subsidiaries	(106)	–	–			
Contributions by plan participants	–	–	11			
Benefits paid	834	237	382			
Effect of foreign currency movement	(160)	384	(179)			
Balance at 30 September	(6,524)	(7,222)	(7,377)			
Sensitivity analysis						
	2022		2021		2020	
	Increase £000	Decrease £000	Increase £000	Decrease £000	Increase £000	Decrease £000
0.25% movement in the key assumptions:						
Effect on TFR unfunded liability						
Discount rate	(35)	+270	(192)	+200	+199	(93)
Inflation rate	+231	(2)	+145	(142)	(39)	+154
Future salary increases	+155	(76)	+50	(49)	+20	+250

11. DEFERRED INCOME TAX

	2022 £000	2021 £000	2020 £000
Deferred tax comprises:			
Deferred tax assets	18,482	18,014	6,070
Deferred tax liabilities	(20,870)	(24,775)	(21,866)
	(2,388)	(6,761)	(15,796)
The movement in the deferred tax account is as follows:			
Balance at 1 October	(6,761)	(15,796)	(18,302)
Arising on acquisition of subsidiaries	–	–	2
Effect of foreign currency movement	19	7	6
Current year charge through profit or loss	4,322	8,961	2,642
Other movements	32	67	(144)
Carrying amount at 30 September	(2,388)	(6,761)	(15,796)
Deferred income tax assets and liabilities attributable to the following items:			
Employee benefit liabilities	1,401	183	89
Other liabilities	778	255	729
Provision for ECL	272	263	260
Share-based payment liability	–	12	–
Accelerated wear and tear for tax purposes on property, plant and equipment	12,818	15,376	(45)
Tax loss carried forward	2,514	–	–
Intangible assets on acquisition of subsidiaries	(20,851)	(24,687)	(21,779)
Capital allowance pool	680	1,837	4,950
	(2,388)	(6,761)	(15,796)

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

	Deferred tax assets			Deferred tax liabilities		
	2022 £000	2021 £000	2020 £000	2022 £000	2021 £000	2020 £000
Within 12 months	–	–	–	–	–	–
After more than 12 months	18,482	18,014	6,070	(20,870)	(24,775)	(21,866)
	18,482	18,014	6,070	(20,870)	(24,775)	(21,866)

Management considers a number of factors in assessing whether to raise deferred tax assets on unutilised tax losses and capital allowances. These include a yearly analysis of trends in current and past performance of the entity which forms the base of a five-year forecast to determine if an entity will be in a position to utilise such tax losses or capital allowances in the foreseeable future, as well as any other key considerations that may affect current or future performance of the entity. Deferred tax assets on unutilised tax losses and capital allowances are only raised where forecasts indicate a reasonable expectation that such tax losses or capital allowances may be utilised to reduce a potential future tax liability.

The Consolidated Company has not recognised deferred tax assets to the value of GBP 25 million (2021: GBP 26 million, 2020: GBP 20 million) relating to tax losses available to carry forward against future taxable income in the Carve-Out Historical Consolidated Financial Information due to uncertainties regarding the utilisation of these losses in the foreseeable future. None of these losses are expected to expire.

12. CASH AND CASH EQUIVALENTS

	2022 £000	2021 £000	2020 £000
Bank accounts and petty cash	56,165	47,928	62,566

The cash at bank is on call and is immediately available.

Cash and cash equivalents includes GBP 0.8 million (2021: GBP 0.8 million, 2020: GBP 1.2 million) restricted cash which is held by various third parties in Italy and is not available for general use by other entities within the Consolidated Company.

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

13. TRADE AND OTHER RECEIVABLES

	2022 £000	2021 £000	2020 £000
Trade receivables	49,557	48,716	45,244
Less: Provision for ECL	(7,338)	(8,234)	(9,796)
Net trade receivables	42,219	40,482	35,448
Accrued income	22,140	19,145	14,639
Other receivables ^{1,3}	4,481	5,048	3,857
Prepaid expenses	1,625	3,839	3,055
Balance at 30 September	70,465	68,514	56,999
Reconciliation of provision for ECL²			
Balance at 1 October	(8,234)	(9,796)	(8,982)
ECL raised	(677)	(954)	(1,299)
Debt written off	1,690	2,227	616
Effect of foreign currency movement	(117)	289	(131)
Balance at 30 September	(7,338)	(8,234)	(9,796)

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

² Refer note 29 – risk management (credit risk).

³ Other receivables consist mainly of guarantee deposits in Italy.

14. INVENTORIES

	2022 £000	2021 £000	2020 £000
Ethical drugs and consumable products (including surgicals consumed as well as consumables related to the production of doses)	3,406	2,940	2,559
Less: Provision for obsolete stock	–	–	–
Balance at 30 September	3,406	2,940	2,559

No inventories were written off as expired stock.

15. **LOANS WITH GROUP COMPANIES**

	2022 £000	2021 £000	2020 £000
LOANS FROM GROUP COMPANIES			
Loans from holding companies			
Life UK Healthcare Limited	(228,826)	(210,311)	(231,744)
The loan is unsecured, bears interest at SONIA plus 2.85% and is repayable on demand.			
Life UK Healthcare Limited	(10,893)	(10,614)	(10,515)
The loan is unsecured, bears interest at SONIA plus 2.20% and is repayable on demand.			
	(239,719)	(220,925)	(242,259)
LOANS TO GROUP COMPANIES			
Loans to holding companies			
Alliance Medical Group Limited	2,732	1,670	705
The loan is unsecured, bears no interest and is repayable on demand.			
Loans to fellow subsidiaries			
Life Molecular Imaging Limited ¹	35,874	18,161	14,084
The loan is unsecured, bears interest at 5% and is repayable on demand.			
	38,606	19,831	14,789

¹ Refer to Schedule B, footnote 1.

16. **STATED CAPITAL**

	2022 £000	2021 £000	2020 £000
Stated capital comprises:			
Share capital	147,537	147,537	147,537
Reconciliation of number of shares			
Ordinary shares	000	000	000
Authorised (Share capital of £1 each)	147,537	147,537	147,537
Issued and fully paid:			
Balance at 30 September	147,537	147,537	147,537

17. **OTHER RESERVES**

	2022 £000	2021 £000	2020 £000
Distributable reserves	373,500	373,500	373,500
Long-term incentive schemes and CIP	(2,348)	(247)	–
	371,152	373,253	373,500
Long-term incentive schemes and CIP			
	2022 £000	2021 £000	2020 £000
Balance at 1 October	(247)	–	–
Charge for the year	81	(247)	–
Contribution to CIP	(2,676)	–	–
Vested during the year	–	–	–
Transferred in terms of CIP	494	–	–
Balance at 30 September	(2,348)	(247)	–

Terms and conditions

	Long-term incentive scheme – Consolidated Company CEO
Type	An equity-settled scheme
Background	During the 2021 financial year, Life Healthcare offered a once-off opportunity of company matched shares to the Consolidated Company CEO based on his investment. The intention of this offer is to retain the executive as well as to encourage shareholding in Life Healthcare thereby aligning to shareholder interests. In terms of this arrangement Life Healthcare matched a maximum investment of GBP 100,000 by the Consolidated Company CEO in Life Healthcare with a share purchase to a maximum value of GBP 300,000 in the market at the ruling market price.
Qualifying employees	Available to Consolidated Company CEO
Vesting requirements	2021 scheme:
	<p>Life Healthcare matched shares will vest in equal tranches on 31 December 2023, 31 December 2024 and 31 December 2025, respectively and are subject to the following conditions:</p> <ul style="list-style-type: none"> • Growth on TSR over predetermined thresholds relative to the TSR of listed comparator groups - In the case of unusual market conditions, the vesting will be subject to Board discretion. • The employee will be required to retain a level of investment in Life Healthcare shares of at least the initial investment over the vesting period.
Method of settlement	Shares
Leavers	If the employees leave, other than as a good leaver, they will be entitled to all their co-investment shares but will forfeit the entire Life Healthcare matched shares that have not vested.
2021 granted shares	522,714 @ ZAR21.97
2022 granted shares	None
Forfeited (number of shares)	92,892
Exercised (number of shares)	None
Vested (number of shares)	92,895
Contribution	An annual contribution is made by each employer company in the Group for its qualifying employees.

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

Leavers	<p>If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:</p> <ul style="list-style-type: none"> • Good leavers: shares will be released to the participant. • Bad leavers: <ul style="list-style-type: none"> • the shares will not be forfeited but will only be released to the participant after the vesting period. • should a participant leave to be employed by a direct competitor then the bonus shares will be forfeited. 	<p>If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:</p> <ul style="list-style-type: none"> • Good leavers: <ul style="list-style-type: none"> • retirement/ redundancy: a pro rata number of shares will vest, based on the number of months of completed employment compared to the total number of months in the vesting period. The remaining shares will be forfeited. • death/disability: all unvested shares will vest. • Bad leavers: the shares will be forfeited. 	<p>If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:</p> <ul style="list-style-type: none"> • Good leavers: a pro rata number of shares will vest, based on the number of months of completed employment compared to the total number of months in the vesting period and the extent to which the performance condition has been achieved between award date and termination date. The remaining shares will be forfeited. • Bad leavers: the shares will be forfeited.
2022 granted shares	365,829 shares at ZAR23.51	1,130,281 shares at ZAR23.51	1,041,444 shares at ZAR23.51
Forfeited (number of shares)	None	None	None
Vested (number of shares)	None	None	None
Contribution	Participants elected to defer 70% of their awarded short-term performance bonus relating to the 2021 financial year into shares in Life Healthcare.	For each bonus share awarded Life Healthcare awarded three matching shares.	Life Healthcare awarded performance shares to the value of 75% of the participants annual guaranteed package.

18. INTEREST-BEARING BORROWINGS

	2022		2021		2020	
	Non-current portion £000	Current portion £000	Non-current portion £000	Current portion £000	Non-current portion £000	Current portion £000
Unsecured borrowings						
Bank loan	876	–	362	159	395	3,227
Secured borrowings						
Lease liabilities	52,852	13,329	50,884	16,007	50,902	17,352
Total borrowings – 30 September	53,728	13,329	51,246	16,166	51,297	20,579

Terms and repayment schedule

	Interest rate at 30 September 2022	Repayment terms	Date of maturity/ final settlement	Carrying value 2022 £000	Carrying value 2021 £000	Carrying value 2020 £000
Bank loan	1.03% – 3.17%	Monthly/quarterly instalments	31 April 2031	876	521	3,622
Unsecured borrowings				876	521	3,622
Lease liabilities: Property, equipment and other	0.0% – 6.67%	Repayable in either quarterly or monthly instalments over 1 to 24 years ending Oct 2046.		66,181	66,891	68,254
Secured borrowings				66,181	66,891	68,254
Total borrowings				67,057	67,412	71,876
	Bank loans 2022 £000	Lease liab- ilities 2022 £000	Bank loans 2021 £000	Lease liab- ilities 2021 £000	Bank loans 2020 £000	Lease liab- ilities 2020 £000
Reconciliation of opening balance to closing balance						
Balance at 1 October	521	66,891	3,622	68,254	13,822	35,359
Cash flow movements						
Repayment of interest-bearing borrowings	(141)	(16,934)	(3,013)	(6,198)	(10,481)	(7,347)
Interest paid	(2,153)	(2,766)	(2,029)	(2,882)	(2,034)	(2,828)
Non-cash items						
Interest accrued	2,153	2,766	2,029	2,882	2,034	2,828
Additional lease liabilities recognised	–	16,000	–	6,323	–	40,165
Effect of foreign currency movement	496	224	(88)	(1,488)	281	77
Balance at 30 September	876	66,181	521	66,891	3,622	68,254
	Property, plant and equipment					
	2022 £000	2021 £000	2020 £000			
Carrying value of assets held as security for borrowings						
Lease liabilities	131,265	136,389	143,580			
Borrowing facilities						
	Total 2022 £000	Available 2022 £000	Total 2021 £000	Available 2021 £000	Total 2021 £000	Available 2020 £000
The Group has the following borrowing facilities:						
Factoring facility EUR and GBP	22,242	18,823	27,403	22,364	42,547	36,868
	22,242	18,823	27,403	22,364	42,547	36,868

19. TRADE AND OTHER PAYABLES

	2022 £000	2021 £000	2020 £000
Under current liabilities:			
Trade payables	37,316	28,249	28,498
Accruals	57,609	56,499	58,603
Employee-related payables	11,712	11,696	10,316
Value added tax	2,176	2,453	5,249
Other payables	4,807	3,228	1,486
Balance at 30 September	113,620	102,125	104,152

The employee-related payables include:

- the employee benefits payable to revenue tax authorities at year-end; and
- accrued annual leave and a performance bonus scheme payable in November.

20. PROVISIONS

	Property related £000	Cyclotron decom- missioning £000	Insurance provision £000	Total £000
Balance at 1 October 2021	4,719	2,616	314	7,649
Raised during the year	136	94	25	255
Utilised during the year	(234)	–	(38)	(272)
Effect of foreign currency movement	46	25	6	77
Balance at 30 September 2022	4,667	2,735	307	7,709
Included under non-current liabilities	3,028	2,735	307	6,070
Included under current liabilities	1,639	–	–	1,639
	4,667	2,735	307	7,709
Balance at 1 October 2020	3,882	2,064	–	5,946
Raised during the year	1,223	656	314	2,193
Utilised during the year	(313)	–	–	(313)
Effect of foreign currency movement	(73)	(104)	–	(177)
Balance at 30 September 2021	4,719	2,616	314	7,649
Included under non-current liabilities	2,912	2,616	314	5,842
Included under current liabilities	1,807	–	–	1,807
	4,719	2,616	314	7,649
Balance at 1 October 2019	3,584	1,930	–	5,514
Raised during the year	685	110	–	795
Utilised during the year	(426)	–	–	(426)
Effect of foreign currency movement	39	24	–	63
Balance at 30 September 2020	3,882	2,064	–	5,946
Included under non-current liabilities	2,240	2,064	–	4,304
Included under current liabilities	1,642	–	–	1,642
	3,882	2,064	–	5,946

21. **CONTINGENT CONSIDERATION LIABILITIES**

	2022 £000	2021 £000	2020 £000
Contingent consideration liabilities			
Balance at 1 October	254	85	463
Arising on acquisition of subsidiaries – refer note 25	–	174	21
Payment	–	–	(405)
Effect of foreign currency movement	(40)	(5)	6
Balance at 30 September	214	254	85
Included under non-current liabilities	194	234	85
Included under current liabilities	20	20	–
	214	254	85

22. **CASH-SETTLED SHARE-BASED PAYMENT LIABILITY**

	2022 £000	2021 £000	2020 £000
Balance at 1 October	3,112	1,273	332
Charge for the year	3,526	1,736	1,021
Vested during the year	(1,076)	–	–
Effect of foreign currency movement	(218)	103	(80)
Balance at 30 September	5,344	3,112	1,273
Included under non-current liabilities	3,693	2,036	1,273
Included under current liabilities	1,651	1,076	–
	5,344	3,112	1,273

23. **FINANCIAL INSTRUMENTS BY CATEGORY**

	2022 £000	2021 £000	2020 £000
Assets			
Amortised cost			
Trade and other receivables	68,840	64,675	53,944
Cash and cash equivalents	56,165	47,928	62,566
Other assets	1,096	922	964
Total assets	126,101	113,525	117,474
Liabilities			
Fair value through profit or loss			
Contingent consideration liabilities	214	254	85
Amortised cost			
Trade and other payables	99,732	87,976	88,587
Interest-bearing borrowings	67,057	67,412	71,876
Total liabilities	167,003	155,642	160,548

24. CASH GENERATED FROM OPERATIONS

	2022 £000	2021 £000	2020 £000
Reconciliation of profit before tax to cash generated from operations			
Profit before tax	14,130	7,849	(6,598)
Adjusted for:			
Share of joint ventures' net profit after tax	(627)	(524)	(495)
Depreciation on property, plant and equipment	39,409	38,538	35,361
Amortisation of intangible assets	21,481	22,122	22,534
Net finance costs (refer note 4)	3,557	20,077	11,590
Impairment of investments	–	235	–
Dividends received	(1,587)	(383)	(308)
Loss on disposal of property, plant and equipment	124	283	237
Transaction costs relating to acquisitions	443	116	338
Retirement benefit asset and post-employment medical aid income	52	(12)	(17)
Operating cash flow before working capital changes	76,982	88,301	62,642
Working capital changes:			
Inventories	(510)	192	(798)
Trade and other receivables	(2,600)	(10,892)	5,705
Trade and other payables (including provisions)	12,005	(263)	11,108
Cash generated from operations	85,877	77,338	78,657

25. ACQUISITIONS AND DISPOSALS

Acquisitions that resulted in business combinations

	2022 Centro Diagnostico Signa SRL (Signa)*	2022 Istituto Diagnostico Pistoiese SRL (IDP)*	2021 ZAG Zyklotron AG (ZAG)	2021 Monza Medicina SRL	2020 Priamar SRL
Acquirer	Alliance Medical Italia SRL	Alliance Medical Italia SRL	Life Radiopharma f-con GmbH, Holzhausen	Alliance Medical Italia SRL	Alliance Medical Italia SRL
Country of incorporation	Italy	Italy	Germany	Italy	Italy
Acquisition date	28 Oct 2021	29 Dec 2021	1 Jan 2021	30 Jun 2021	30 Dec 2019
Total purchase consideration	£0.6 million	£1.1 million	£4.3 million	£0.9 million	£0.6 million
Goodwill recognised	£0.6 million	£2.1 million	£2.9 million	£0.5 million	£0.7 million
Percentage voting equity interest acquired	100%	100%	100%	100%	100%
Primary reasons for business combination	This is in line with the strategy to grow the businesses.				
Qualitative factors that make up goodwill recognised	Goodwill is attributable to the acquired workforce and expected synergies from combining the acquired operations within the international operations.				
Contingent liabilities at acquisition	None	None	None	None	None

* Provisionally accounted for in terms of IFRS 3 Business Combinations.

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

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

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

	Centro Diagnostico Signa SRL (Signa)* £000	Istituto Diagnostico Pistoiese SRL (IDP)* £000	ZAG Zyklotron AG (ZAG) £000	Monza Medicina SRL £000	Priamar SRL £000
Total purchase consideration	(581)	(1,101)	(4,318)	(870)	(607)
Cash portion	(436)	(826)	(4,318)	(696)	(586)
Deferred payment	(145)	(275)	–	–	–
Contingent consideration	–	–	–	(174)	(21)
Fair value of net assets acquired	(33)	(972)	1,462	405	(126)
Property, plant and equipment	35	37	1,407	151	189
Customer relations	–	–	364	–	5
Trade and other receivables	142	57	624	111	50
Cash and cash equivalents	177	179	276	431	214
Inventories	–	–	560	14	12
Deferred tax asset	–	–	–	–	2
Borrowings	–	–	(244)	–	–
Provisions	–	–	(437)	–	–
Current tax asset/ liability	–	–	–	4	(3)
Trade and other payables	(387)	(1,245)	(1,088)	(306)	(595)
Goodwill	614	2,073	2,856	465	733
Cash outflow to acquire businesses, net of cash acquired					
Initial cash considerations	(436)	(826)	(4,318)	(696)	(586)
Less: Cash at acquisitions	177	179	276	431	214
	(259)	(647)	(4,042)	(265)	(372)
Impact on consolidated information from date of acquisitions					
Revenue	572	539	1,102	413	849
Net profit	(77)	47	148	(16)	(127)
Impact on consolidated information if the business combinations took place on 1 October					
Revenue	572	848	1,541	2,092	1,186
Net profit	(77)	74	69	85	(120)

Investment in joint venture (Altakassusi Alliance Medical LLC)

The Consolidated Company acquired 45% of Altakassusi Alliance Medical LLC in Saudi Arabia on 10 November 2020, with additional investments during 2022. The amount invested was £0.6 million. Refer to Schedule C.

26. RELATED PARTIES

Joint ventures – refer to Schedule C

The Consolidated Company has investments in a number of joint ventures. Details are disclosed in note 9 and Schedule C.

Subsidiary companies – refer to Schedule D

During the year, certain companies in the Consolidated Company entered into transactions with other companies in the Consolidated Company. These intra-group transactions have been eliminated on consolidation.

Related-party transactions

Transactions between entities within the Consolidated Company and with fellow subsidiaries of Life Healthcare.

Interest Interest is charged or paid on all inter-group balances at agreed-upon rates.

Rentals Mobile scanners are leases between certain group companies at market-related rates.

Royalties AMG charges a 3% fee of the relevant revenue where countries use the AMG brand.

Key management

Key management is defined as all executive management and functional heads.

	2022 £000	2021 £000	2020 £000
Remuneration			
Salaries	5,893	5,689	5,530
Share-based payment – long term incentive schemes	2,273	1,267	483
Pension fund costs – defined contribution plans	277	262	257
	8,443	7,218	6,270

27. COMMITMENTS AND CONTINGENCIES

Capital commitments

Capital expenditure approved for property, plant and equipment

23,796	20,033	35,534
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Funds to meet capital expenditure will be provided by the Life UK HoldCo resources, for as long as the Consolidated Company falls under Life Healthcare.

Contingent liabilities

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

28. EVENTS AFTER THE REPORTING PERIOD

Life Healthcare received several unsolicited proposals from third parties to acquire the Consolidated Company after the reporting period. The Sale and Purchase Agreement was signed on 5 October 2023 and the Transaction is subject to shareholder approval.

29. RISK MANAGEMENT

Overall risk management programme

The Consolidated Company's overall financial risk management programme focuses, *inter alia*, on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Consolidated Company's financial performance. Financial risk management is carried out by Life Healthcare's central treasury department (treasury) under policies approved by Life Healthcare's investment committee. Treasury identifies, evaluates and economically hedges financial risks in close cooperation with the Consolidated Company's operating units. Life Healthcare has written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Capital risk management

The Consolidated Company's capital structure is monitored and managed by Life Healthcare and borrows mostly at a Life Healthcare Group level. The objective when managing capital is to safeguard the Consolidated Company's ability to continue as a going concern in order to provide returns to shareholders and to provide for sufficient capital expansion. The capital structure of the Consolidated Company consists of debt, which includes the interest-bearing borrowings disclosed in note 18, cash and cash equivalents disclosed in note 12 and equity as disclosed in the statement of financial position.

Life Healthcare uses the net debt to normalised EBITDA ratio, as defined in the debt agreements, to measure the funding requirements in the form of debt or equity. Normalised EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for non-recurring items.

In order to maintain or adjust the capital structure, the Consolidated Company may issue new shares, issue new debt, refinance existing debt or sell assets to manage the debt level, in consultation with Life Healthcare.

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

Financial risk

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

Market risk

Foreign exchange risk

Risk exposure	<p>The Consolidated Company interacts with international suppliers and is exposed to foreign exchange risk arising from various currency exposures. The foreign currency transactions are mainly denominated in:</p> <p>European euro</p> <p>The Consolidated Company's presentation currency is GBP, but as it operates internationally with investments in foreign operations, it is exposed to a number of currencies, including the exposure to European euro (EUR), Polish zloty (PLN) and Norwegian krone (NOK). As the subsidiaries trade mainly in European currency, there is no material foreign exchange effect.</p>
How the risk arises	<p>Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Consolidated Company's functional currency and from net investments in foreign operations. These transactions include certain inter-company loans which expose the Consolidated Company to foreign exchange risk.</p>
Objectives, policies and processes for managing the risk and methods used to measure risk	<p>The Consolidated Company reviews its foreign currency exposure on an ongoing basis.</p>
Concentration of risk	<p>The Company has investments in foreign operations in Italy, Spain, northern Europe, Ireland and other smaller investments across Europe. The net assets of the Italy, Spain, northern Europe, Ireland and other smaller investments are exposed to foreign currency translation risk as the companies are subsidiaries of the Company.</p>
Liquidity risk	
Risk exposure	<p>Those financial liabilities of the Consolidated Company with contractual cash flows and maturity dates are exposed to liquidity risk.</p>
How the risk arises	<p>Liquidity risk arises should the Consolidated Company not be able to meet its obligations as they become due.</p>

Objectives, policies and processes for managing the risk and methods used to measure risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed banking facilities and the ability to close out market positions. The Consolidated Company's liquidity risk is mitigated by the availability of funds to cover future commitments. The Consolidated Company manages liquidity risk through an ongoing review of future commitments and banking facilities. Due to the dynamic nature of the underlying businesses, Life Healthcare's treasury maintains flexibility in funding by maintaining availability under committed credit lines through the Consolidated Company's holding company.

The Consolidated Company has sufficient available bank facilities through its holding company that can be utilised to service short-term commitments.

Cash flow forecasts are prepared and utilised facilities are monitored on a regular basis. Longer-term cash flow forecasts are updated quarterly.

LIBOR transition

The Consolidated Company had GBP intercompany loans referenced to LIBOR and engaged with lenders through Life UK Holdco to switch the underlying reference rate from LIBOR to the Sterling Overnight Indexed Average (SONIA). The Consolidated Company effected the changes by directly amending the benchmark rate in the agreements on an economically equivalent basis. The effective date was 31 December 2021, being the cessation date of GBP LIBOR. No additional risks were identified and there was no change to the carrying amount of the liability. The Consolidated Company has EUR intercompany loans referenced to EURIBOR which are unaffected, as EURIBOR falls outside the scope of reference rate reform.

Financial liabilities transitioned:

Interest bearing borrowings	Currency	Interest rate benchmark	New reference rate
Loans from holding companies	Pound sterling	LIBOR	Sterling Overnight Indexed Average "SONIA"
Refer note 15.			

Concentration of risk

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

	2022 £000	2021 £000	2020 £000
Lease liabilities	66,181	66,762	68,254
Less than 1 year	13,814	16,007	17,352
1 to 2 years	15,080	12,009	13,378
2 to 5 years	18,564	22,216	18,986
Over 5 years	18,723	16,530	18,538
Trade and other payables	113,620	102,125	104,152
Less than 1 year	113,620	102,125	104,152
Contingent consideration liabilities	214	254	85
Less than 1 year	20	20	–
1 to 2 years	–	–	–
2 to 5 years	–	–	–
Over 5 years	194	234	85
Loans from group companies	239,719	220,925	242,259
Less than 1 year	239,719	220,925	242,259
Total	419,734	390,066	414,750

Credit risk

Risk exposure	Credit risk arises mainly from cash and cash equivalents, trade and other receivables and other assets.		
	Trade receivables comprise a widespread customer base.		
How the risk arises	Credit risk is the risk of financial loss due to counterparties to financial instruments not meeting their contractual obligations.		
Objectives, policies and processes for managing the risk and methods used to measure risk	The Consolidated Company evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. If there is no independent rating, each region's credit risk function assesses the credit quality of the non-government customer, taking into account its financial position, past experience and other factors. Credit guarantee insurance is not purchased.		
	In certain territories, use is made of invoice factoring facilities which are on a non-recourse basis, further reducing the credit risk from individual customers.		
Concentration of risk	The maximum exposures to credit risk at the reporting date are cash and cash equivalents, the carrying value of each class of trade and other receivables as well as other assets. The Consolidated Company does not hold any collateral as security.		
Maximum exposure to credit risk by class of financial instrument	Financial assets exposed to credit risk at year-end were as follows:		
	2022 £000	2021 £000	2020 £000
Trade and other receivables	68,840	64,675	53,944
Cash and cash equivalents	56,165	47,928	62,566
Loans to group companies	38,606	19,831	14,789
Other assets	1,096	922	964

Cash and cash equivalents

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

	2022 £000	2021 £000	2020 £000
British pound sterling	31,453	18,939	42,220
European euro	24,558	28,632	20,339
Polish zloty	105	189	5
Norwegian krone	49	168	2
Balance at 30 September	56,165	47,928	62,566

Trade and other receivables

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

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events and current conditions. Trade receivables are written off when the Consolidated Company has exhausted all options regarding the debt. Refer 1.2.1 Critical judgements and Schedule A – significant accounting policies (section 1.10 financial instruments).

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

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

£'000	Current	31 - 60 days	61 - 90 days	91 - 180 days	>180 days	Total
2022						
Private patients	18	21	8	27	645	719
Private organisations	9,869	3,249	876	1,280	6,909	22,183
Government and public healthcare facilities	8,617	8,182	2,375	1,826	5,655	26,655
UK	4,204	7,529	2,044	1,356	1,594	16,727
Italy	1,546	(31)	1	64	3,171	4,751
Ireland	2,449	598	223	199	229	3,698
Other	418	86	107	207	661	1,479
Trade receivables	18,504	11,452	3,259	3,133	13,209	49,557
ECL (£'000)	10	19	18	153	7,138	7,338
Weighted average ECL rate	0.1%	0.2%	0.6%	4.9%	54.0%	
2021						
Private patients	3	(50)	24	81	997	1,055
Private organisations	6,632	3,377	1,255	2,363	6,820	20,447
Government and public healthcare facilities	11,187	7,752	1,408	2,106	4,761	27,214
UK	5,110	7,096	1,057	1,446	785	15,494
Italy	3,372	153	22	141	3,145	6,833
Ireland	2,213	411	270	259	262	3,415
Other	492	92	59	260	569	1,472
Trade receivables	17,822	11,079	2,687	4,550	12,578	48,716
ECL (£'000)	8	14	25	59	8,128	8,234
Weighted average ECL rate	0.0%	0.1%	0.9%	1.3%	64.6%	
2020						
Private patients	212	58	814	19	851	1,954
Private organisations	9,544	1,851	709	1,005	7,412	20,521
Government and public healthcare facilities	10,259	5,699	1,520	894	4,397	22,769
UK	3,757	4,403	934	541	711	10,346
Italy	4,346	372	23	(138)	3,157	7,760
Ireland	895	358	79	103	146	1,581
Other	1,261	566	484	388	383	3,082
Trade receivables	20,015	7,608	3,043	1,918	12,660	45,244
ECL (£'000)	1,815	17	45	42	7,877	9,796
Weighted average ECL rate	9.1%	0.2%	1.5%	2.2%	62.2%	

Other assets

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

SCHEDULE A

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the Carve-Out Historical Consolidated Financial Information are set out below. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Summary of significant accounting policies			
1.1 Revenue Other income Finance income Operating profit			
1.1.1 Revenue from contracts with customers		1.1.2 Finance income	1.1.3 Operating profit
1.2 Employee benefits			
Short-term benefits	Termination benefits	Post-employment benefits	Share-based payments
Group Accounting			
1.3 Consolidation		1.4 Equity accounting	1.5 Translation of foreign operations
Operating assets			
1.6 Property, plant and equipment	1.7 Intangible assets		1.8 Leases
1.9 Inventories			
1.10 Financial instruments			
Initial recognition and measurement		Subsequent measurement	Offsetting
1.11 Provisions			
1.12 Capital and reserves			
Share capital and equity			
1.13 New and amended accounting standards adopted by the Consolidated Company			
1.14 New accounting standards and IFRS Interpretations Committee (IFRIC) interpretations not yet effective			

1.1 Revenue and other income

1.1.1 Revenue from contracts with customers

Recognition of revenue

The Consolidated Company is in the business of providing diagnostic services. Revenue is measured at the amount which the Consolidated Company expects to become entitled to as a result of providing those services under the specific contract.

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

Diagnostic services

Performance obligations include the provision of diagnostic imaging services, molecular imaging services and patient services as well as the manufacturing and distribution of radiopharmaceuticals.

Imaging services focus on MRI, CT and molecular imaging via PET-CT services across the UK and Europe.

These services are predominantly supplied to public funders, such as the NHS in the UK and ASL in Italy, and numerous public and private funders across Europe.

Revenue is provided on a fixed fee basis for imaging services (per scan or per day rate) depending on the terms of the contract.

Radiopharmaceuticals are manufactured and distributed for PET-CT scanning operations and clinical trials.

Revenue is provided on a fixed fee basis (per dose or per delivery) for manufacturing activities and on reaching contractual obligations.

Revenue is recognised at the point of time when the goods are used, distributed or sold.

1.1.2 Interest income

	Includes	Recognition	Measurement
Interest income	Interest income on funds invested and foreign exchange gains.	Recognised, in profit or loss, using the effective interest rate (EIR) method, unless it is doubtful.	Effective interest method When a loan and receivable is impaired, the Consolidated Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original EIR of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original EIR.

1.1.3 Operating profit

Operating profit is the result generated from the Consolidated Company's continuing revenue-producing activities (considered core operations), thus excluding finance income, finance cost and taxes. Operating profit also excludes, as non-core, any profit earned from investments in joint ventures.

1.2 Employee benefits

Short-term employee benefits

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

Termination benefits

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

Post-employment benefits

Defined contribution plan		
Scheme	TFR scheme	A pension plan under which the Consolidated Company pays fixed contributions into a separate entity. The Consolidated Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
Accounting treatment		<p>The payments to defined contribution retirement benefit plans are charged as an expense as they fall due.</p> <p>Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.</p>

Shared-based payments (IFRS 2)

Cash-settled					
Includes	Long-term incentive scheme effective from 2019				
	<p>Life Healthcare granted awards to its international Group and country executives as well as senior management (qualifying employees) on 1 January each year (from 2019). The value of awards will be tier-based and linked to individual performance. A modifier of between 0.5 and 2 for the 2021 and 2022 schemes and between 1 and 2 for the 2019 and 2020 schemes can be applied to the allocation for key talent retention, this is applicable to all participants at the discretion of the Group CEO. Each award will be converted into notional performance shares. Vesting in terms of the scheme takes place in three years from allocation, with vesting subject to a range of non-market performance conditions.</p> <p>The benefits payable to these qualifying employees will be determined in ZAR and converted to their local currency at the prevailing exchange rates at the time, on vesting date.</p>				
	<p>The number of awards that vest are dependent on a service condition as well as various performance conditions, set out below:</p>				
		weighting %			
		2022	2021	2020	2019
	Group executives:				
	Capital efficiency	n/a	n/a	40	40
	Normalised Group HEPS	60	60	40	40
	Life core purpose outcome	40	20	20	20
	Retention shares	n/a	20	n/a	n/a
	Country executives:				
	Capital efficiency	n/a	n/a	35	30
	Normalised country EBIT	n/a	n/a	35	30
	Life core purpose outcome	40	40	30	40
	Normalised Group HEPS	60	60	n/a	n/a
	Country managers:				
	Capital efficiency	n/a	n/a	20	15
	Normalised country EBIT	n/a	n/a	40	35
	Life core purpose outcome	40	40	40	50
	Normalised Group HEPS	60	60	n/a	n/a

Shared-based payments (IFRS 2)**Cash-settled** (continued)

Includes	Long-term incentive scheme effective from 2019 <i>(continued)</i>
	<p>Capital efficiency is measured as return on capital employed compared to WACC.</p> <p>Normalised Group HEPS is based on growth of HEPS in excess of CPI.</p> <p>Normalised country EBIT is based on growth of EBIT in excess of CPI.</p> <p>Life Healthcare core purpose outcomes is based on country-specific non-financial measures that drive long-term sustainability of the Group.</p> <p>The retention notional performance shares are not subject to performance conditions and will vest on the vesting date, subject to continued employment.</p> <p>The value of the notional performance shares, paid out in cash to the qualifying employees, is based on the 30-day VWAP of ordinary shares in Life Healthcare as at the vesting date.</p> <p>If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply:</p> <ul style="list-style-type: none"> • Good leavers with a date of termination of employment: <ul style="list-style-type: none"> – that is more than one year before the vesting date of the grant: <ul style="list-style-type: none"> • 2019 scheme: will result in all notional performance shares held by the participant being forfeited and cancelled for no consideration; • 2020 to 2022 schemes: the participant shall retain a pro rata number of notional performance shares based on number of months completed service relative to the vesting period of 36 months, the balance of notional performance shares shall be forfeited and cancelled for no consideration; or • that is one year or less before the vesting date of the grant, will retain all notional performance shares and he/she shall continue to be treated as a participant as if his/her employment had not been terminated (2019 to 2022 schemes). • Bad leavers with a date of termination of employment prior to vesting date, will result in all notional performance shares held by the participant being forfeited and cancelled for no consideration (2019 to 2022 schemes).
Accounting treatment	<p>The benefits are measured at the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period. The value of the services received (expense), and the related liability are recognised over the vesting period and disclosed in note 22.</p>

Equity-settled

Includes	Long-term incentive scheme	Co-investment plan (CIP)
Accounting treatment	<p>The Consolidated Company operates these incentive schemes as equity-settled share-based payment schemes. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the grant date. At the end of the reporting period, Life Healthcare revises its estimate of the number of awards that are expected to vest, based on the number of employees remaining in the scheme and it recognises the corresponding impact of the revision of original estimates, if applicable, in profit or loss with a corresponding adjustment to equity. Refer note 17.</p>	

Group accounting

1.3 Consolidation

Subsidiaries

Initial recognition and measurement

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

Acquisition-related costs are expensed as incurred.

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

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

Non-controlling interest

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

Contingent consideration

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

Inter-company transactions

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

Changes in ownership without change in control

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

Loss of control

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

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

1.4 Equity accounting

Equity-accounted investments consists of joint ventures.

Initial recognition and measurement

Interests in joint ventures are initially recognised at cost in accordance with the equity method of accounting.

Changes in ownership interest

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

Subsequent measurement

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

Impairment

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

Unrealised gains and losses

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

1.5 Translation of foreign operations

Procedures followed to translate to presentation currency

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

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

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

Exchange differences on monetary items

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

Cash flows

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

Operating assets

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

Useful lives

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

Impairment	<p>The Consolidated Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Consolidated Company estimates the recoverable amount of the asset. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.</p> <p>Impairment indications include:</p> <p>External sources of information:</p> <ul style="list-style-type: none"> Significant adverse changes that have taken place or are expected in the near future in the technological, competitive market, economic or legal environment in which the Consolidated Company operates. Increases in interest rates or other market rates of return that may materially affect the discount rate used in calculating the asset's recoverable amount. The carrying amount of the Consolidated Company's net assets exceeds the Consolidated Company's market capitalisation. <p>Internal sources of information:</p> <ul style="list-style-type: none"> Obsolescence or physical damage affecting the asset. Idle or unutilised assets. Plans to discontinue or restructure the operations to which the asset belongs or the asset's disposal. Significant decline in management's forecasts of future net cash inflows.
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1.6 Property, plant and equipment

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

1.7 Intangible assets

Categories	Initial measurement and recognition	Subsequent measurement	Estimated useful life
Goodwill	Excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired, and liabilities and contingent liabilities assumed.	Cost less accumulated impairment losses	Not amortised
Customer relations	Cost represents the fair value as at the date of the business combination, valued on the royalty method or the multi-period earnings excess method (MEEM). Cost	Cost less accumulated amortisation and impairment losses	5 – 15 years
Brand name			12 years
Purchased technology licences			Duration of respective agreements

Costs associated with the developing or maintaining of computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software and internally generated intangible assets in respect of product development costs controlled by the Consolidated Company that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets when the criteria per IAS 38 have been met.

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

Goodwill

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

At acquisition date, goodwill is allocated to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. CGUs are defined as the individual operating units.

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

1.8 Leases

Consolidated Company as lessee

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

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

Initial measurement and recognition	Subsequent measurement	Depreciation method:
<p>Assets and liabilities arising from a lease are initially measured at present value. Lease liabilities include the net present value of the following lease payments:</p> <ul style="list-style-type: none"> • Fixed payments (including in-substance fixed payments), less any lease incentives receivable. • Variable lease payments that are based on CPI or WIBOR. • The exercise price of a purchase option if the lessee is reasonably certain to exercise that option. • Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. <p>The discount rate used in calculating the present value of the lease liability and right-of-use asset is the incremental borrowing rate, which is the rate that the relevant business unit (lessee) would have to pay to borrow funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.</p> <p>The incremental borrowing rate was calculated using an adjusted Group WACC approach by extracting the pre-tax cost of debt element from the WACC rate, which was adjusted for the following:</p> <ul style="list-style-type: none"> • Local borrowing rates • The unsecured/secured nature • Lessee-specific credit risk • Lease start date and term 	<ul style="list-style-type: none"> • Right-of-use asset at cost less accumulated depreciation and impairment. • Liability at amortised cost. 	<p>Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.</p>

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets (defined as assets with a value of less than GBP 5,000) comprise IT equipment and contracts for general business services.

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

1.9 Inventories

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

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

1.10 Financial instruments

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

Financial assets

The Consolidated Company has the following financial assets:

- Cash and cash equivalents
- Trade and other receivables
- Loans to group companies
- Other assets

Initial recognition and measurement

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

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

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

On initial recognition:

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

Subsequent measurement

Financial assets are subsequently measured at amortised cost.

Financial assets at amortised cost

The Consolidated Company's financial assets at amortised cost includes trade and other receivables, loans receivable and cash and cash equivalents.

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

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

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

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

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

Derecognition

The Consolidated Company derecognises a financial asset (i.e. removed from the Consolidated Company's consolidated statement of financial position) when:

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

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

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

Impairment of financial assets

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

Trade receivables

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

- Disclosures for critical judgements, accounting estimates and assumptions – refer note 1.2.
- Risk management – credit risk relating to trade receivables note 29.

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

The Consolidated Company established an ECL model that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment affecting the ability of the customer to settle outstanding balances. For instance, if the forecast economic conditions (i.e. GDP, unemployment, repo rate, impact of the pandemic) are expected to lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The Consolidated Company considers a financial asset in default when contractual payments are past due (described under 1.2.1 Critical judgements relating to trade receivables). However, in certain cases, the Consolidated Company may also consider a financial asset to be in default when internal or external information indicates that the Consolidated Company is unlikely to receive the outstanding contractual amounts in full.

The Consolidated Company considers the following factors:

- The history of the specific customer.
- Indications of financial difficulties of the specific customer.
- Credit terms specific to the customer.
- General economic conditions.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. This is when the Consolidated Company has exhausted all options regarding the debt, and it also includes the following factors:

- The account is handed back from the debt collectors as uncollectable, i.e. the Consolidated Company has followed full legal process.
- The debtor is deceased and the estate is insolvent.
- The debtor cannot be traced.

Financial liabilities

The Consolidated Company has the following financial liabilities:

- Interest-bearing borrowings
- Contingent consideration liabilities
- Loans from group companies
- Trade and other payables

Initial recognition and measurement

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

On initial recognition:

- financial liabilities held at fair value through profit and loss are measured initially at fair value, excluding transaction costs; and
- all other financial liabilities are initially measured at fair value, including transaction costs.

Subsequent measurement

Financial liabilities are subsequently measured as either:

- financial liabilities at amortised cost; or
- financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost

Within the Consolidated Company, this category applies to interest-bearing borrowings and trade and other payables.

After initial recognition, these financial liabilities are subsequently measured at amortised cost, using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

This EIR amortisation is included as finance costs in the statement of profit or loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition, and fees or costs that are an integral part of the EIR.

Financial liabilities at fair value through profit or loss

Within the Consolidated Company, this category applies to contingent consideration liabilities.

As a result, gains and losses on the liabilities are recognised in the statement of profit or loss.

The Consolidated Company has not designated any financial liability at fair value through profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Company prior to the end of the financial year, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Trade and other payables also include employee-related payables, which represent a performance bonus scheme. Refer 1.2 “Short-term employee benefits”.

Derecognition

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset, an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.11 Provisions

Provisions are recognised when the Consolidated Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Consolidated Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Property related and cyclotron decommissioning

Represents the decommissioning costs of cyclotrons used in the production of radiopharmacy products and property restoration costs.

- Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as a provision. The cash flows are discounted at a current pre-tax rate.
- Property restoration provisions include the estimated costs to restore leased properties to their original condition when the lease term expires.

1.12 Capital and reserves

Stated capital comprises ordinary share capital.

Share capital and equity

Share capital issued by the Company is recorded at the proceeds received, net of issue costs. Incremental costs directly attributable to the issue of new shares or options, other than in connection with a business combination, are shown in equity as a deduction, net of tax, from the proceeds.

1.13 New and amended accounting standards adopted by the Consolidated Company

The Consolidated Company has applied the following standards, amendments and interpretations for the first time for their annual reporting period commencing 1 October 2021:

- Amendments to IFRS 7, IFRS 9 and IAS 39 – interest rate benchmark reform phase 2.
- Amendments to IFRS 16 – COVID-19 related rent concessions beyond 30 June 2021.

Impact

The implementation of these standards and amendments had no material financial impact on the Consolidated Company.

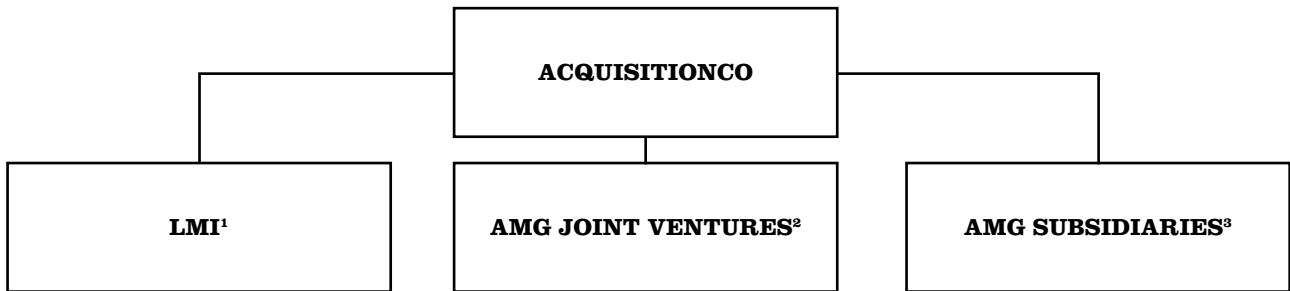
1.14 New accounting standards, amendments and IFRIC interpretations not yet effective and not early adopted (at September 2022)

The following amendments and IFRICs are effective for annual periods beginning on or after 1 January 2022:

- Amendments to IFRS 3 to update an outdated reference to the conceptual framework in IFRS 3 without significantly changing the requirements in the standard (1 January 2022).
- Amendment to IAS 16 – the amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management (1 January 2022).
- Amendment to IAS 37 Onerous contracts – the amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract (1 January 2022).
- Amendment to IAS 1 – the amendment aims to promote consistency in applying the requirements by helping companies determine whether debt and other liabilities with an uncertain settlement date should be classified as current or non-current (1 January 2023).
- Amendment of IAS 1 and IFRS Practice Statement 2 – the amendment requires that an entity discloses its material accounting policies, instead of its significant accounting policies (1 January 2023).
- Amendment of IAS 8 – the amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates (1 January 2023).
- Amendment of IAS 12 – The amendment clarifies that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition (1 January 2023).
- Annual improvements 2018-2020 cycle – amendments and clarifications to existing IFRS standards (1 January 2022).
- All the amendments and IFRICs listed above are not expected to have a material impact on the Consolidated Company in the current or future periods.

SCHEDULE B

SIMPLIFIED GROUP STRUCTURE FOR THE YEAR ENDED 30 SEPTEMBER 2022, 30 SEPTEMBER 2021 AND 30 SEPTEMBER 2020



¹ AcquisitionCo historically held various subsidiaries relating to AMG and LMI. Following an internal restructure implemented during 2023, LMI is now 100% held by Life Healthcare through its wholly owned subsidiary AMGL. As such, AcquisitionCo holds only the subsidiaries relating to AMG. LMI will not form part of the disposal and hence was excluded from the Carve-Out Historical Consolidated Financial Information.

² Refer to Schedule C for list of AMG joint ventures.

³ Refer to Schedule D for list of AMG subsidiaries.

SCHEDULE C

JOINT VENTURE UNDERTAKINGS FOR THE YEARS ENDED 30 SEPTEMBER

Joint Ventures

Name of joint venture	Functional Currency	Issued share capital			Interest in share capital			Book value of the shares			Amounts owing by/(to) joint ventures			
		2022	2021	2020	2022	2021	2020	2022	2021	2020	2022	2021	2020	
		Total	Total	Total	%	%	%	£000	£000	£000	£000	£000	£000	
Unlisted investments														
Barringtons MRI Limited ¹	EUR	100	100	100	50	50	50	2,059	2,993	2,796	-	-	-	-
Altakassusi Alliance Medical LLC ²	SAR	100	100	-	45	45	-	600	111	-	-	-	-	-
20:20 Imaging Limited ³	EUR	-	-	300	-	-	30	-	-	302	-	-	-	-
								2,659	3,104	3,098	-	-	-	-

¹ The Company is incorporated in the Republic of Ireland and the issued shares are reflected in euros.

² The Company is incorporated in Saudi Arabia and the issued shares are reflected in Saudi riyal.

³ Liquidated during FY21.

SCHEDULE D**Subsidiary undertakings for the years ended 30 September**

		2022			2021			2020		
Name	Country of incorporation	Value of investment in ordinary share capital £0	Effective % owner-ship	Value of investment in ordinary share capital £0	Effective % owner-ship	Value of investment in ordinary share capital £0	Effective % owner-ship	Value of investment in ordinary share capital £0	Effective % owner-ship	Principal activities
Alliance Medical Holdings Limited	England)	-	100	-	100	-	100	-	100	Management services
Alliance Medical Leasing Limited	England	-	100	-	100	-	100	-	100	Finance Services
Alliance Medical Limited	England	38,563	100	38,563	100	38,563	100	38,563	100	Medical diagnostic imaging services and parent of English operating subsidiaries
*Alliance Medical Radiopharmacy Limited	England	-	100	-	100	-	100	-	100	Production of PET radio pharmaceuticals
*Alliance Medical Molecular Imaging Limited	England	-	100	-	100	-	100	-	100	Production of PET radio pharmaceuticals
*Alliance Diagnostic Services Limited	England	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Lodestone Patient Care Limited	England	-	100	-	100	-	100	-	100	Holding company
*Piramal Imaging Limited	England	-	100	-	100	-	100	-	100	Development and production of PET radio pharmaceuticals
* Priamar srl	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
Alliance Medical Limited Sede secondaria	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Alliance Medical Italia S.r.l.	Italy	78,367	100	78,367	100	78,367	100	78,367	100	Management services and parent of Italian operating subsidiaries
*Alliance Medical S.r.l.	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Alliance Medical Technologies S.r.l.	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Alliance Medical Diagnostic S.r.l.	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Radioterapia Aurelia S.r.l.	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Opportunity srl	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Laboratorio Albaro srl	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Il Centro srl Diagnostica e Terapia Medica	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Centro Polispecialistico valli Stura e Orba, Srl	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Imed srl	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Centro Diagnostico Castellano srl	Italy	-	100	-	100	-	100	-	100	Medical diagnostic imaging services
*Centro di Radiologia srl	Italy)	-	100	-	100	-	100	-	100	Medical diagnostic imaging services

Name	Country of incorporation	2022		2021		2020	
		Value of investment in ordinary share capital £0	Effective % ownership ship	Value of investment in ordinary share capital £0	Effective % ownership ship	Value of investment in ordinary share capital £0	Effective % ownership ship
*Centro Alfa srl	Italy)	-	100	-	100	-	100
*Charter Medical Diagnostic Imaging Ireland Limited	Ireland	-	100	-	100	-	100
*Alliance Medical Diagnostic Imaging Ireland Limited	Ireland	-	100	-	100	-	100
*Alliance Medical Diagnostic Imaging Ireland (Northern Ireland) Limited	Ireland	-	100	-	100	-	100
*Cork Community Imaging Limited	Ireland	-	100	-	100	-	100
*Barringtons MRI Limited	Ireland	-	50	-	50	-	50
*20/20 Imaging Limited	Ireland	-	0	-	0	-	33
*BSM Diagnostica Gesellschaft mbH	Austria	-	100	-	100	-	100
*Alliance Medical GmbH	Germany	-	100	-	100	-	100
*Tomovation GmbH	Germany	-	100	-	100	-	100
*Life Radiopharma f-con GmbH	Germany)	-	67	-	67	-	67
*Life Radiopharma Bonn GmbH	Germany)	-	100	-	100	-	100
*Life Radiopharma Berlin GmbH	Germany	-	100	-	100	-	100
*Alliance Medical BV	Holland	-	100	-	100	-	100
*Life Radiopharma Warszawa SP Zoo	Poland	-	100	-	100	-	100
*Alliance-Servicos Diagnosticos por Imagen Unipessoal LDA	Portugal	-	100	-	100	-	100
*Imagen Medical Digital Servicios Diagnosticos S.A.	Spain	-	80	-	80	-	80
*Alliance Medical La Rioja S.L.	Spain	-	100	-	100	-	100
*European Scanning Centre (Harley Street) Limited	England	-	100	-	100	-	100
*European Scanning Centre LLP (Harley Street)	England	-	84.5	-	84.5	-	84.5

		2022		2021		2020	
Name	Country of incorporation	Value of investment in ordinary share capital £0	Effective % ownership ship	Value of investment in ordinary share capital £0	Effective % ownership ship	Value of investment in ordinary share capital £0	Effective % ownership ship
							Principal activities
*European Scanning Centre LLP 2 (Harley Street)	England	-	92.5	-	92.5	-	92.5 Medical diagnostic imaging services
*European Scanning Centre LLP MSK (Harley Street)	England	-	97	-	97	-	97 Medical diagnostic imaging services
*European Scanning Centre LLP (Manchester)	England	-	98.5	-	98.5	-	98.5 Medical diagnostic imaging services
*European Scanning Centre LLP (Cardiff)	England	-	100	-	100	-	100 Medical diagnostic imaging services
*ZAG Zyklotron AG	Germany	-	100	-	100	-	100 Production of PET radio pharmaceuticals
*Monza Medicina SRL	Italy	-	100	-	100	-	100 Medical diagnostic imaging services
*Centro Diagnostico Signa SRL ⁽¹⁾	Italy	-	100	-	100	-	100 Medical diagnostic imaging services
*Istituto Diagnostico Pistoiese ⁽²⁾	Italy	-	100	-	100	-	100 Medical diagnostic imaging services
		116,930		116,930		116,930	

**held indirectly*

Excluded from the Consolidated Company:

*Life Molecular Imaging GmbH	Germany	-	100	-	100	-	100 Development and production of PET radio pharmaceuticals
Life Molecular Imaging SA	Switzerland	23,612	100	23,612	100	23,612	100 Development and production of PET radio pharmaceuticals
*Life Molecular Imaging Inc	USA	-	100	-	100	-	100 Development and production of PET radio pharmaceuticals

REVIEWED CONDENSED CARVE-OUT HISTORICAL CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 MARCH 2023

The Condensed Carve-Out Historical Consolidated Financial Information for the six months ended 31 March 2023 is set out below, comprising the Carve-Out Historical Consolidated Statement of Profit or Loss, the Carve-Out Historical Consolidated Statement of Comprehensive Income, the Carve-Out Historical Consolidated Statement of Financial Position, the Carve-Out Historical Consolidated Statement of Changes in Equity, the Carve-Out Historical Consolidated Statement of Cash Flows and notes to the Carve-Out Historical Consolidated Financial Information for the six months ended 31 March 2023.

The Carve-Out Historical Consolidated Financial Information for the six months ended 31 March 2023 is the responsibility of the directors. The Independent Reporting Accountant's Report on the Carve-Out Historical Consolidated Financial Information for the six months ended 31 March 2023 is set out in Annexure 2.

COMMENTARY

In the UK, revenue grew by 10.5% compared to prior year (31 March 2022). This was driven by PET-CT volumes growing by 9.9% year-on-year on the back of continued demand for PET-CT scanning due to ongoing efforts to identify cancer while in its early stages. Diagnostic Imaging volumes grew 4.4% year-on-year. We have made progress in expanding our footprint of CDCs. With the recent completion of the Oldham Northern Care Alliance CDC and the acquisition of the Taunton Diagnostic Centre, AMG now has seven CDCs in operation and a healthy pipeline of CDCs which are in advanced negotiation phase.

In Italy, volumes for the current period were 4.4% lower year-on-year, largely attributable to higher-than-expected scan volumes in the prior period related to the COVID-19 scan backlog and weaker volumes in December 2022 than the business typically sees at the end of each calendar year. ASL budget cycles typically start in January of each year in most regions, and so we have seen volumes improving through February and March. Revenue grew by 6.6% year-on-year with scanning case mix changes and pricing increases for private scans offsetting the lower volumes.

In Ireland, the business continues to benefit from strong demand and increased public sector contracting resulting in volumes in the current period being 16.8% higher than in H1-2022. Revenue grew by 30.1% year-on-year due to scanning case mix changes and price increases for private scans.

These operational results have resulted in AMG delivering 12.8% growth in revenue for the current period. Normalised EBITDA grew by 8.3% during H1-2023 with the normalised EBITDA margin moderating to 20.3% (versus 21.1% at H1-2022 and 20.8% reported for the full 2022 financial year). The impact of higher headcount, salary inflation and increased energy and transport costs all contributed to the lower margin. While inflation remains elevated in many geographies across Europe, energy costs have declined, and the impact of rising interest rates is likely to result in general inflation moderating further during the course of 2023.

**Condensed Carve-Out Historical Consolidated Statement of Profit or Loss
for the six months ended 31 March 2023**

	Notes	Reviewed 31 March 2023 £000
Revenue	1	208,457
Operating expenses		(166,178)
Depreciation on property, plant and equipment		(20,314)
Amortisation of intangible assets		10,772
Impairment of investment	4	(1,546)
Profit on disposal of property, plant and equipment		193
Transaction costs		(22)
Operating profit		9,818
Finance income		230
Finance cost	2	(9,053)
Share of joint ventures' net profit after tax		358
Profit before tax		1,353
Tax expense		(183)
Profit after tax		1,170
Profit after tax attributable to:		
Ordinary equity holders of the parent		1,170
Non-controlling interest		–
		1,170

**Condensed Carve-Out Historical Consolidated Statement of Comprehensive Income
for the six months ended 31 March 2023**

	Reviewed 31 March 2023 £000
Profit after tax	1,170
Other comprehensive income	
Items that may be reclassified to profit or loss	
Movement in FCTR	(477)
Total comprehensive income for the period	693
Total comprehensive income attributable to:	
Ordinary equity holders of the parent	693
Non-controlling interest	–
	693

**Condensed Carve-Out Historical Consolidated Statement of Financial Position
as at 31 March 2023**

		Reviewed 31 March 2023 £000
	Notes	
ASSETS		
Non-current assets		954,685
Property, plant and equipment	3	265,501
Intangible assets	4	660,562
Deferred tax assets		19,758
Other non-current assets	5	8,864
Current assets		162,526
Cash and cash equivalents		37,418
Loans to group companies		44,448
Other current assets		80,660
TOTAL ASSETS		1,117,211
EQUITY		
Attributable to equity holders of the Company		669,237
Stated capital		147,537
Reserves		521,700
Non-controlling interest		57
TOTAL EQUITY		669,294
LIABILITIES		
Non-current liabilities		86,098
Interest-bearing borrowings	6	49,662
Deferred tax liabilities		19,717
Other non-current liabilities		16,719
Current liabilities		361,819
Interest-bearing borrowings	6	13,917
Loans from group companies		241,181
Other current liabilities		106,721
TOTAL LIABILITIES		447,917
TOTAL EQUITY AND LIABILITIES		1,117,211

**Condensed Carve-Out Historical Consolidated Statement of Changes in Equity
for the six months ended 31 March 2023**

	Reviewed Stated capital £000	Reviewed FCTR £000	Reviewed Retained earnings £000	Reviewed Other Reserves £000	Reviewed Non- controlling interest £000	Reviewed Total Equity £000
Balance at 1 October 2022	147,537	(2,588)	152,147	371,152	46	668,294
Total comprehensive (loss)/ income for the period	–	(477)	1,170	–	–	693
Profit for the period	–	–	1,170	–	–	1,170
Other comprehensive loss	–	(477)	–	–	–	(477)
Transactions with non- controlling interest	–	–	–	–	11	11
Contribution to CIP	–	–	–	(583)	–	(583)
Transferred in terms of CIP	–	–	–	521	–	521
Share-based payment charge for staff benefit schemes	–	–	–	358	–	358
Balance at 31 March 2023	147,537	(3,065)	153,317	371,448	57	669,294

**Condensed Carve-Out Historical Consolidated Statement of Cash Flows
for the six months ended 31 March 2023**

	Reviewed 31 March 2023 £000
Cash generated from operations	32,742
Finance income received	230
Tax paid	(2,274)
Net cash generated from operating activities	30,698
Purchase of property, plant and equipment	(25,748)
Purchase of intangible assets	(561)
Loan to group companies	(4,381)
Loan to joint venture	(4,758)
Net cash utilised in investing activities	(35,448)
Repayment of interest-bearing borrowings	(5,817)
Finance costs paid	(8,089)
Net cash utilised in financing activities	(13,906)
Net decrease in cash and cash equivalents	(18,656)
Cash and cash equivalents – beginning of the period	56,165
Effect of foreign currency rate movements	(91)
Cash and cash equivalents at end of the period	37,418

Basis of presentation and accounting policies

The Condensed Carve-Out Historical Consolidated Financial Information for the six months ended 31 March 2023 is prepared in accordance with the requirements of the Listings Requirements. The accounting policies are in terms of IFRS and are consistent with those applied in the Carve-Out Historical Consolidated Financial Information for the three years ended 30 September 2022, 30 September 2021 and 30 September 2020. There were no material changes to the critical judgements, accounting estimates and assumptions applied as disclosed in the Carve-Out Historical Consolidated Financial Information for the three years ended 30 September 2022, 30 September 2021 and 30 September 2020. The Condensed Carve-Out Historical Consolidated Financial Information for the six months ended 31 March 2023 is prepared in accordance with and contains the information required by IAS 34 Interim Financial Reporting, and Financial Pronouncements as issued by the Financial Reporting Standards Council.

Interim comparatives

Paragraph 8.7 of the Listings Requirements states that no comparative results need to be shown if the interim financial information has been prepared using accounting policies that are identical to those contained in the historical financial information and if being prepared for the purposes of this requirement. The results for the six months ended 31 March 2023 have been prepared using the same accounting policies as those in the historical financial information for the years ended 30 September 2022 and 30 September 2021. The Condensed Carve-Out Historical Consolidated Financial Information has been prepared specifically to meet the requirements of the Listings Requirements.

**NOTES TO THE CONDENSED CARVE-OUT HISTORICAL CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 MARCH 2023**

1. REVENUE

The table below illustrates the disaggregation disclosure by primary geographical areas, type of customer and timing of revenue recognition.

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

	£000
Primary geographical areas	
UK	105,248
Italy	56,528
Ireland	28,548
Other	18,133
	208,457
Type of customer	
Contract from customers	
Private (including private medical aids and cash paying patients)	25,944
Government and public healthcare facilities	143,786
Corporate institutions	38,727
	208,457
Timing of revenue recognition	
At a point in time	208,457
	208,457

2. FINANCE COSTS

	£000
Intercompany interest	7,433
Interest on lease liabilities	1,620
	9,053

3. PROPERTY, PLANT AND EQUIPMENT

	£000
Carrying value at 30 September 2022	267,409
Additions	18,586
Additions other than right-of-use assets recognised ^{1 2}	15,874
Right-of-used assets recognised	2,712
Depreciation	(20,314)
Effect of foreign currency movement	(180)
Carrying value at 31 March 2023	265,501

¹ Consist of purchase of property, plant and equipment per statement of cash flows (£25,748) less movement in accruals (£9,874).

² Additions mainly relate to medical equipment.

4. INTANGIBLE ASSETS

	£000
Carrying value at 30 September 2022	672,312
Additions	561
Amortisation	(10,772)
Impairment of goodwill ¹	(1,546)
Effect of foreign currency movement	7
Carrying value at 31 March 2023	660,562

¹ A site in the UK was closed due to a change in market conditions. The goodwill allocated to the site was impaired.

5. OTHER NON-CURRENT ASSETS

The increase from 30 September 2022 relates to loan advanced to joint venture of £4,758,000.

6. INTEREST-BEARING BORROWINGS

	£000
Total borrowings at 30 September 2022	67,057
Repayment of interest-bearing borrowings	(5,817)
Additional lease liabilities recognised	2,712
Other non-cash movement	228
Effect of foreign currency movement	(601)
	63,579

7. EVENTS AFTER REPORTING PERIOD

Life Healthcare received an offer from Andromeda Bidco Limited to acquire the Group's interest in AcquisitionCo. The Group accepted the offer, and the Sale and Purchase Agreement was signed on 5 October 2023. The Transaction is expected to close in Q1 2024. This is considered as a non-adjusting event.

8. CAPITAL COMMITMENTS

Capital expenditure approved for the year ended September 2023 is £76,237,000, of which £31,567,000 was spent for the period to 31 March 2023.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE CARVE-OUT HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF ACQUISITIONCO

The Directors
 Life Healthcare Group Holdings Ltd
 Building 2
 Oxford Parks
 203 Oxford Road
 Cnr Eastwood and Oxford Roads
 Dunkeld
 2196
 Dear Sirs/Madams

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE AUDITED CARVE-OUT HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND THE REVIEWED CARVE-OUT HISTORICAL CONSOLIDATED INTERIM FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

Introduction

We have:

- audited the Carve-Out Historical Consolidated Financial Information of AcquisitionCo in respect of the year ended 30 September 2022 as presented on pages 46 to 104 of Annexure 1 to the Circular;
- reviewed the Carve-Out Historical Consolidated Financial Information of AcquisitionCo in respect of the years ended 30 September 2021 and 30 September 2020 as presented on pages 46 to 104 of Annexure 1 to the Circular; and
- reviewed the Condensed Carve-Out Historical Consolidated Financial Information of AcquisitionCo for the 6 months period ended 31 March 2023 as presented in Annexure 1 to the Circular.

Carve-Out Historical Consolidated Financial Information of AcquisitionCo for the year ended 30 September 2022

Opinion

The Carve-Out Historical Consolidated Financial Information in respect of the year ended 30 September 2022 as presented in Annexure 1 of the Circular comprises the carve-out historical consolidated statement of financial position as at 30 September 2022, and the carve-out historical consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the carve-out historical consolidated financial information, including a summary of significant accounting policies.

In our opinion, the Carve-Out Historical Consolidated Financial Information presents fairly, in all material respects, the carve-out historical consolidated statement of financial position of AcquisitionCo as at 30 September 2022, and its carve-out historical consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Reporting Accountant's Responsibilities for the Audit of the Carve-Out Historical Consolidated Financial Information section of our report. We are independent of AcquisitionCo in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to the basis of preparation section to the Carve-Out Historical Consolidated Financial Information, which describes the basis of preparation and presentation of the Carve-Out Historical Consolidated Financial Information including the approach to and the purpose for preparing the financial information. Consequently, the Carve-Out Historical Consolidated Financial Information may not necessarily be indicative of the financial performance that would have been achieved had AcquisitionCo operated as an independent group, nor may it be indicative of the results of operations of the AcquisitionCo for any future period. Our opinion is not modified in respect of this matter.

Directors' Responsibility for the Carve-Out Historical Consolidated Financial Information

The Company's directors are responsible for the preparation and fair presentation of the Carve-Out Historical Consolidated Financial Information of AcquisitionCo for the year ended 30 September 2022 in accordance with International Financial Reporting Standards and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of the Carve-Out Historical Consolidated Financial Information of AcquisitionCo that are free from material misstatement, whether due to fraud or error.

In preparing the Carve-Out Historical Consolidated Financial Information of AcquisitionCo, the directors are responsible for assessing AcquisitionCo's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate AcquisitionCo or to cease operations, or have no realistic alternative but to do so.

Reporting Accountant's Responsibilities for the Audit of the Carve-Out Historical Consolidated Financial Information of AcquisitionCo for the year ended 30 September 2022

Our objectives are to obtain reasonable assurance about whether the Carve-Out Historical Consolidated Financial Information for the year ended 30 September 2022 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Carve-Out Historical Consolidated Financial Information.

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

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

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

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

Carve-Out Historical Consolidated Financial Information for the years ended 30 September 2021 and 30 September 2020

We have reviewed the Carve-Out Historical Consolidated Financial Information of AcquisitionCo in respect of the years ended 30 September 2021 and 30 September 2020 set out in Annexure 1 of the Circular, comprising the carve-out historical consolidated statements of financial position, and the carve-out historical consolidated statements of profit or loss, comprehensive income changes in equity and cash flows, including a summary of significant accounting policies and selected explanatory notes.

Directors' Responsibility for the Carve-Out Historical Consolidated Financial Information

The directors are responsible for the preparation and fair presentation of the Carve-Out Historical Consolidated Financial Information in accordance with International Financial Reporting Standards and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of carve-out historical consolidated financial information that is free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility for the Reviews of the Carve-Out Historical Consolidated Financial Information for the years ended 30 September 2021 and 30 September 2020

Our responsibility is to express conclusions on the Carve-Out Historical Consolidated Financial Information for the years ended 30 September 2021 and 30 September 2020. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400, (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Carve-Out Historical Consolidated Financial Information are not prepared, in all material respects, in accordance with International Financial Reporting Standards and the JSE Listings Requirements. This standard also requires us to comply with relevant ethical requirements.

A review of the Carve-Out Historical Consolidated Financial Information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of the directors and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Carve-Out Historical Consolidated Financial Information.

Conclusion on the Carve-Out Historical Consolidated Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Carve-Out Historical Consolidated Financial Information of AcquisitionCo for the years ended 30 September 2021 and 30 September 2020 do not present fairly, in all material respects, the carve-out historical consolidated financial position of AcquisitionCo as at 30 September 2021 and 30 September 2020, and its carve-out historical consolidated financial performance and carve-out historical consolidated cash flows for the years then ended, in accordance with the International Financial Reporting Standards and the JSE Listings Requirements.

Emphasis of Matter – Basis of Preparation

We draw attention to the basis of preparation section to the Carve-Out Historical Consolidated Financial Information, which describes the basis of preparation and presentation of the Carve-Out Historical Consolidated Financial Information including the approach to and the purpose for preparing the financial information. Consequently, the Carve-Out Historical Consolidated Financial Information may not necessarily be indicative of the financial performance that would have been achieved had AcquisitionCo operated as an independent group, nor may it be indicative of the results of operations of the AcquisitionCo for any future period. Our conclusion is not modified in respect of this matter.

Condensed Consolidated Carve-Out Interim Financial Information for the 6 months period ended 31 March 2023

We have reviewed the Condensed Carve-Out Historical Consolidated Interim Financial Information of AcquisitionCo, as presented in Annexure 1 of the Circular, which comprise the condensed carve-out historical consolidated statement of financial position as at 31 March 2023 and the condensed carve-out historical consolidated statements of profit and loss, comprehensive income, changes in equity and cash flows for the 6 months period then ended, including a summary of significant accounting policies and selected explanatory notes.

Directors' Responsibility for the Condensed Carve-Out Historical Consolidated Interim Financial Information

The directors are responsible for the preparation and presentation of this condensed carve-out historical consolidated interim financial information in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of carve-out historical consolidated interim financial information that is free from material misstatement, whether due to fraud or error.

Reporting Accountant's Responsibility for the Review of the Condensed Carve-Out Historical Consolidated Interim Financial Information for the 6 months period ended 31 March 2023

Our responsibility is to express a conclusion on the condensed carve-out historical consolidated interim financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the condensed carve-out historical interim financial information are not prepared in all material respects in accordance with International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting and the JSE Listings Requirements.

A review of interim financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the condensed carve-out historical consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Carve-Out Historical Consolidated Interim Financial Information of AcquisitionCo for the 6 months period ended 31 March 2023 is not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting and the JSE Listings Requirements.

Emphasis of Matter – Basis of Preparation

We draw attention to the basis of preparation section to the Carve-Out Historical Consolidated Interim Financial Information, which describes the basis of preparation and presentation of the Condensed Carve-Out Historical Consolidated Interim Financial Information, including the approach to and the purpose for preparing the financial information. Consequently, the Condensed Carve-Out Historical Consolidated Interim Financial Information may not necessarily be indicative of the financial performance that would have been achieved had AcquisitionCo operated as an independent group, nor may it be indicative of the results of operations of the AcquisitionCo for any future period. Our conclusion is not modified in respect of this matter.

In addition, we draw attention to the note to the Condensed Carve-Out Historical Consolidated Interim Financial Information for the 6 months' period ended 31 March 2023, which details that no comparative information has been presented in accordance with paragraph 8.7 of the Listings Requirements. Our conclusion is not modified in respect of this matter.


Purpose of the report

The purpose of our report is for the circular of the Company and is not to be used for any other purpose.

The Carve-Out Historical Consolidated Financial Information and Condensed Carve-Out Historical Consolidated Interim Financial Information has been prepared solely for the purpose of fulfilling management's financial reporting responsibilities in order to comply with the respective JSE Listings Requirements. As a result, the Carve-Out Historical Consolidated Financial Information and Condensed Carve-Out Historical Consolidated Interim Financial Information may not be suitable for, or relied on, for another purpose.

Deloitte & Touche
Registered Auditor
Per: JAR Welch
Partner

1 November 2023
5 Magwa Crescent
Waterfall City Waterfall
Gauteng
2090

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PRO FORMA FINANCIAL INFORMATION OF THE TRANSACTION

The definitions and interpretations commencing on page 7 of this Circular apply, mutatis mutandis, to this Annexure 3.

The Transaction *pro forma* financial information is the responsibility of the directors and has been prepared for illustrative purposes only to provide information about how the Transaction may have affected Life Healthcare's unaudited interim financial results for six months ended 31 March 2023 and, because of its nature, may not give a fair presentation of Life Healthcare's financial position, changes in equity, results of operations or cash flows after the Transaction.

The Transaction *pro forma* financial information has been prepared in accordance with the Listings Requirements, the Guide on *pro forma* Financial Information issued by SAICA and the Life Healthcare's accounting policies. The accounting policies used in the preparation of the *pro forma* financial information is compliant with IFRS and are consistent with those applied in the audited annual financial statements of Life Healthcare for the year ended 30 September 2022.

Pro forma consolidated statement of profit or loss for the period ended 31 March 2023

	1	2	3	4	5	6
	Group last published results before the Transaction	Deconsolidation of AcquisitionCo Pro forma entries	Pro forma entries	Group after deconsolidation before disposal entries	Adjustments relating to the Transaction: Disposal of AcquisitionCo and related costs	Pro forma After the Transaction
Notes	1	2	3	4	5	6
<i>ZAR million</i>						
Revenue	15,290	(4,403)	8	10,895	-	10,895
Other income	99	-	-	99	-	99
Operating expenses	(13,899)	4,167	-	(9,732)	(101)	(9,833)
Fair value loss on financial instruments	(22)	-	-	(22)	-	(22)
Impairment of investment	(33)	33	-	-	-	-
Loss on disposal of investment in subsidiary	-	-	-	-	(330)	(330)
Exchange gain reclassified to profit or loss on disposal	-	-	-	-	2,213	2,213
Profit on disposal of property, plant and equipment	4	(4)	-	-	-	-
Transaction costs	-	-	-	-	(645)	(645)
Operating profit	1,439	(207)	8	1,240	1,137	2,377
Finance income	60	(5)	-	55	-	55
Finance cost	(581)	191	-	(390)	(11)	(401)
Share of associates' and joint ventures' net profit after tax	12	(8)	-	4	-	4
Profit before tax	930	(29)	8	909	1,126	2,035
Tax expense	(305)	4	-	(301)	2	(299)
Profit after tax	625	(25)	8	608	1,128	1,736
Profit after tax attributable to:						
Ordinary equity holders of the parent	547	(25)	8	530	1,128	1,658
Non-controlling interest	78	-	-	78	-	78
	625	(25)	8	608	1,128	1,736

Pro forma condensed consolidated statement of comprehensive income for the period ended 31 March 2023

	1	2	3	4	5	6
	Group last published results before the Transaction	Deconsolidation of AcquisitionCo Pro forma entries	Pro forma entries	Group after deconsolidation before disposal entries	Adjustments relating to the Transaction: Disposal of AcquisitionCo and related costs	Pro forma After the Transaction
Notes	1	2	3	4	5	6
Profit after tax (R'm)	625	(25)	8	608	1,128	1,736
Items that may be reclassified to profit or loss						
Movement in FCTR	1,220	(1,083)	-	137	(2,213)	(2,076)
Items that will not be reclassified to profit or loss						
Retirement benefit asset and post-employment medical aid, net of tax	(33)	-	-	(33)	-	(33)
Total comprehensive income/(loss) for the period	1,812	(1,108)	8	712	(1,085)	(373)
Total comprehensive income/(loss) attributable to:						
Ordinary equity holders of the parent	1,729	(1,108)	8	629	(1,085)	(456)
Non-controlling interest	83	-	-	83	-	83
	1,812	(1,108)	8	712	(1,085)	(373)
Reconciliation of headline earnings (R'm)						
Profit attributable to ordinary equity holders	547	(25)	8	530	1,128	1,658
Adjustments						
Impairment of investment	33	(33)	-	-	-	-
Profit on disposal of property, plant and equipment	(4)	4	-	-	-	-
Loss on disposal of investment in subsidiary	-	-	-	-	330	330
Exchange gain reclassified to profit or loss on disposal	-	-	-	-	(2,213)	(2,213)
Transaction costs	-	-	-	-	645	645
Tax effect on adjustments	2	(2)	-	-	-	-
Headline earnings	578	(56)	8	530	(110)	420

	Adjustments relating to the Transaction:					
	Group last published results before the Transaction	Deconsolidation of AcquisitionCo Pro forma entries	Group after deconsolidation before disposal entries	Pro forma entries	Disposal of AcquisitionCo and related costs	Pro forma After the Transaction
Notes	1	2	3	4	5	6
Headline earnings	578	(56)	8	530	(110)	420
Interest on SARS VAT matter	47	-	-	47	-	47
Unwinding of contingent consideration	28	-	-	28	-	28
Other	(10)	-	-	(10)	-	(10)
Normalised earnings¹	643	(56)	8	595	(110)	485
Weighted average number of shares in issue (million)	1,443	3	-	1,446	-	1,446
Diluted weighted average number of shares in issue (million)	1,454	1	-	1,455	-	1,455
Earnings per share (cents)	37.9	(1.7)	0.6	36.7	77.9	114.7
Diluted earnings per share (cents)	37.7	(1.7)	0.5	36.4	77.5	113.9
Headline earnings per share (cents)	40.0	(3.9)	0.6	36.7	(7.6)	29.0
Diluted headline earnings per share (cents)	39.8	(3.9)	0.5	36.4	(7.6)	28.9
Normalised earnings per share (cents) ¹	44.6	(3.9)	0.6	41.1	(7.6)	33.5

¹ Non-IFRS measures. The calculation of normalised earnings and normalised earnings per share excludes non-trading related items as listed above. Normalised earnings per share is based on the normalised profit attributable to equity holders of the parent, divided by the weighted average number of ordinary shares in issue during the year.

Notes to the *pro forma* statement of profit or loss and statement of comprehensive income

All Pound Sterling denominated adjustments have been converted to Rand at the average exchange rate for the period ended 31 March 2023 of GBP 1:ZAR21.12, except where stated otherwise.

1. Extracted, without adjustment, from the unaudited condensed consolidated interim financial statements of Life Healthcare for the period ended 31 March 2023.
2. Extracted, without adjustment in GBP, from the reviewed carve-out historical consolidated financial information of AcquisitionCo for the six-months ended 31 March 2023 as presented in Annexure 1 to the Circular. To give effect to the Transaction, assuming the disposal of AcquisitionCo occurs on 1 October 2022, the information extracted from Annexure 1 is converted from Pounds to Rands using the average foreign exchange rate of ZAR21.12 (which is the same as used in the Life Healthcare interim results) and rounded to the nearest Rand million. Rounding differences may arise from translating Pounds thousand, as per the historical financial information disclosed in Annexure 1, to the nearest Rand million. This adjustment will have a continuing effect.
3. *Pro forma* entries represent:
 - the reversal of intercompany transactions included in column 1 and relates to sales (ZAR8 million) between LMI and AcquisitionCo; and
 - the vesting of 3 million shares in Life Healthcare that are held for the purpose of selected AcquisitionCo executives and senior managers who are participants of the CIP scheme. These shares will not form part of Life Healthcare's treasury shares going forward, as these shares will vest on disposal date.

These adjustments will have a continuing effect.

4. Represents the *pro forma* Group after deconsolidation of AcquisitionCo but before the financial impact as a result of the disposal illustrated in column 5.
5. Column 5 represents the following:
 - 5.1 Non-recurring transaction costs of ZAR 645 million (GBP 30.5 million) which relate directly to the Transaction have been expensed. These transaction costs are not deductible for tax purposes. This adjustment will not have a continuing effect.
 - 5.2 The repayment of the interest-bearing borrowings will result in an interest saving of between 3.35% and 5.37% per annum. For the purposes of this calculation, the repayment is assumed to be made on 1 October 2022.
 - 5.2.1 Finance cost savings are calculated as follows:

Syndicated term loans in the UK	Value (ZAR'm) (refer note 6.1 to <i>pro forma</i> Statement of Financial Position)	Interest rate	Interest amount ZAR'm
Term loan A2	1,991	3-month SONIA plus 2.00%	50
Term loan B2	1,338	3-month EURIBOR plus 1.90%	20
Term loan C	443	3-month SONIA plus 1.70%	11
Term loan D	1,991	3-month SONIA plus 1.75%	48
Term loan E	2,141	3-month EURIBOR plus 1.65%	30
Debt fees expensed (utilisation and commitment fees)			11
Finance cost saving			170
Already taken into account by deconsolidating AcquisitionCo ¹			(156)
Finance cost saving (this will have a continuing effect)			14
Debt raising fees previously capitalised, to be expensed (this will be once-off and not have a continuing effect)			(25)
Net finance cost			(11)

¹ Finance costs is pushed down to AcquisitionCo through the intra-group loan between AcquisitionCo and AMGL.

* The value of loans to be settled are stated as the balances as at 31 March 2023.

5.2.2 Represents the net tax expense as a result of the adjustments to finance costs calculated in 5.2.1. This will not have a continuing effect.

5.3 Represents the accelerated charge of ZAR101 million (GBP 4.8 million) relating to the settlement of the existing incentive schemes for the AcquisitionCo employees as per the rules of the existing schemes. The impacted employees will be afforded good leaver status in respect of all these schemes. This will not have a continuing effect.

5.4 The once-off loss on the AcquisitionCo disposal is ZAR330 million (GBP 16 million). The loss is based on the GBP cash consideration relative to the GBP carrying value of AcquisitionCo in the Life Healthcare accounts as at 31 March 2023. This will not have a continuing effect.

	£'m	ZAR'm	1GBP:ZAR
Proceeds per note 5 to <i>pro forma</i> Statement of Financial Position	848		
Less: Cash settlement of intra-group loan between AcquisitionCo and AMGL by the Purchaser	(255)		
Cash consideration for acquisition of AcquisitionCo shares	593		
<i>Pro forma</i> net asset value	(609)		
Loss on disposal	(16)	(330)	21.12

5.5 No capital gains tax is expected to be paid in South Africa and in the United Kingdom. A FCTR gain of ZAR2,213 million is realised on the disposal of AcquisitionCo based on the spot rate as at 31 March 2023 of 1GBP: ZAR22.13. This will not have a continuing effect.

6. Presents the *pro forma* Consolidated Statement of Profit or Loss and the *pro forma* Consolidated Statement of Comprehensive Income of the Life Healthcare subsequent to the disposal.

**Pro forma consolidated statement of
financial position as at 31 March 2023**

	Group last published results before the Transaction	Deconsolidation of AcquisitionCo Pro forma entries	2	3	4	Adjustments relating to the Disposal				7
						Group after deconsolidation before disposal entries	Settlement of loan between AcquisitionCo and AMGL	Disposal of shares in AcquisitionCo	Application of consideration Notes	
Notes	1						5.1	5.2	6	
<i>ZAR million</i>										
Assets										
Non-current assets	36,274	(21,127)	-	-	15,147	-	-	-	-	15,147
Property, plant and equipment	15,971	(5,875)	-	-	10,096	-	-	-	-	10,096
Intangible assets	17,816	(14,619)	-	-	3,197	-	-	-	-	3,197
Deferred tax assets	1,785	(437)	-	-	1,348	-	-	-	-	1,348
Other non-current assets	702	(196)	-	-	506	-	-	-	-	506
Current assets	7,998	(3,596)	911	911	5,313	5,714	13,112	(8,579)		15,560
Cash and cash equivalents	1,368	(828)	-	-	540	5,642	13,112	(8,579)		10,715
Loans to group companies	-	(983)	911	3.1	(72)	72	-	-	-	-
Other assets	6,630	(1,785)	-	-	4,845	-	-	-	-	4,845
Total assets	44,272	(24,723)	911	911	20,460	5,714	13,112	(8,579)		30,707
Equity										
Attributable to equity shareholders	20,167	(14,884)	1,289	1,289	6,572	-	13,112	(702)		18,982
Stated capital	13,303	-	-	-	13,303	-	-	-	-	13,303
Reserves	6,864	(14,884)	1,289	1,289	(6,731)	-	13,112	(702)	6.2	5,679
Non-controlling interest	1,035	-	-	-	1,035	-	-	-	-	1,035
Total equity	21,202	(14,884)	1,289	1,289	7,607	-	13,112	(702)		20,017

**Pro forma consolidated statement of
financial position as at 31 March 2023**

	Adjustments relating to the Disposal									
	Group last published results before the Transaction	Deconsolidation of AcquisitionCo <i>Pro forma</i> entries	2	3	4	Group after deconsolidation before disposal entries	Settlement of loan between AcquisitionCo and AMGL	Disposal of shares in AcquisitionCo	Application of consideration	<i>Pro forma</i> After the Transaction
Notes	1									
Liabilities										
Non-current liabilities	15,281	(1,905)		-		13,376	-	-	(7,877)	5,499
Interest bearing borrowings	12,698	(1,099)		-		11,599	-	-	(7,877)	3,722
Deferred tax liabilities	1,751	(436)		-		1,315	-	-	-	1,315
Other non-current liabilities	832	(370)		-		462	-	-	-	462
Total current liabilities	7,789	(7,934)		(378)		(523)	5,714	-	-	5,191
Bank overdraft	858	-		-		858	-	-	-	858
Interest-bearing borrowings	1,139	(308)		-		831	-	-	-	831
Loans from group companies	-	(5,336)		(378)	3.2	(5,714)	5,714	-	-	-
Other liabilities	5,792	(2,290)		-		3,502	-	-	-	3,502
Total liabilities	23,070	(9,839)		(378)		12,853	5,714	-	(7,877)	10,690
Total equity and liabilities	44,272	(24,723)		911		20,460	5,714	13,112	(8,579)	30,707
Number of shares in issue (million)	1,467	-		-		1,467	-	-	-	1,467
Net asset value per share (cents)	1,444.9	-		-		518.4	-	-	-	1,364.1
Net tangible asset value per share (cents)	230.8	-		-		308.5	-	-	-	1,146.3

Notes to the *pro forma* statement of financial position

All Pound Sterling denominated adjustments have been converted to Rand at the spot exchange rate on 31 March 2023 of GBP 1:R22.13 except where stated otherwise.

- Extracted, without adjustment, from the unaudited condensed consolidated interim financial statements of Life Healthcare for the period ended 31 March 2023.
- Extracted, without adjustment in GBP, from the reviewed carve-out historical consolidated financial information of AcquisitionCo for the six-months ended 31 March 2023 as presented in Annexure 1 to the Circular. To give effect to the Transaction, assuming the disposal of AcquisitionCo occurs on 31 March 2023, the information extracted from Annexure 1 is converted from Pounds to Rands using the spot foreign exchange rate of R22.13 (which is the same as used in the Life Healthcare interim results) and rounded to the nearest Rand million. Rounding differences may arise from translating Pounds thousand, as per the historical financial information disclosed in Annexure 1, to the nearest Rand million.
- Pro forma* entries represent:
 - the reassigning of the LMI loan (ZAR911 million) to AMGL as, subsequent to 31 March 2023, AcquisitionCo distributed its receivable due from LMI to AMGL by way of a dividend in specie.
 - equity value adjustments as determined in accordance with the terms of the Sale and Purchase Agreement of an amount in respect of accrued interest on loans from group companies prior to the Completion Date (refer note 5.1).
- Represents the *pro forma* Group after deconsolidation of the Transaction but before the adjustments for the total proceeds and use thereof in columns 5 and 6.
- Total proceeds in terms of the Sale and Purchase Agreement:

	£'m	ZAR'm
5.1 Cash settlement of intra-group loan between AcquisitionCo and AMGL by the Purchaser		
Loans to group companies – asset	(3.3)	(72)
Loans from group companies – liability	258.3	5,714
Loans from group companies before <i>pro forma</i> adjustment	241.2	5,336
Loans from group companies – <i>pro forma</i> adjustment (refer note 3.2)	17.1	378
Cash settlement of intra-group loan between AcquisitionCo and AMGL by the Purchaser	255.0	5,642
5.2 Cash consideration paid for acquisition of AcquisitionCo shares by the Purchaser	592.6	13,112
Total proceeds	847.6	18,754

- The Transaction illustrates the possible financial effects as if the Transaction had taken place on 31 March 2023. The *pro forma* adjustments comprise adjustments based on the following principle assumptions:

The allocation of the proceeds (refer note 5) on the Transaction will be finalised based on the actual position on the Completion Date of the Transaction. For the purpose of the *pro forma* consolidated financial statements, these adjustments have been calculated using the financial position as at 31 March 2023.

The Purchase Consideration will be utilised by Life Healthcare to:

	Notes	£'m	ZAR'm	1GBP:ZAR
Proceeds	5	847.6	18,754	22.13
Outflow relating to application of consideration		(387.7)	(8,579)	
Settle transaction costs		(30.5)	(675)	22.13
Settle interest-bearing borrowings		(357.2)	(7,904)	22.13
Net proceeds*		459.9	10,175	22.13

* The residual cash remaining will be repatriated back to South Africa and is assumed to be held in a short-term liquid investment portfolio at financial institutions.

Subject to Board approval, Life Healthcare intends to distribute a portion of the net proceeds of the Transaction to Shareholders, the majority of which will be distributed by way of a special dividend within approximately three months of Completion Date, with the remainder to be distributed by way of a special dividend and/or buyback of shares within 12 months of Completion Date, depending on market conditions.

Life Healthcare intends to retain a portion of the funds which will be utilised to execute on the Group's strategic objectives to invest into attractive and specific growth initiatives. Refer to section 5 "Application of the purchase consideration".

6.1 Interest-bearing borrowings to be settled:

Syndicated term loans in the UK	Denomination of debt	Value in denominated currency 'm	Exchange rate	Value in ZAR'm converted at
Term loan A2	GBP	90.00	22.13	1,991
Term loan B2	EUR	68.75	19.46	1,338
Term loan C	GBP	20.00	22.13	443
Term loan D	GBP	90.00	22.13	1,991
Term loan E	EUR	110.00	19.46	2,141
Interest-bearing borrowings to be settled				7,904
Expense previously capitalised fees*				(27)
Movement in interest bearing borrowings				7,877

* As a result of the settling of the above loans, fees previously capitalised (ZAR 27 million) need to be expensed.

6.2 The reserve adjustment of ZAR 702 million consists of transaction costs settled of ZAR 675 million (note 6) and previously capitalised fees of ZAR 27 million expensed (note 6.1).

- Presents the *pro forma* Consolidated Statement of Financial Position of the Life Healthcare subsequent to the Transaction.
- There are no material subsequent events that require adjustments to the *pro forma* financial information.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

The Directors
Life Healthcare Group Holdings Limited
Building 2, Oxford Parks
203 Oxford Road
Cnr Eastwood and Oxford Roads
Dunkeld
2196

Dear Sirs/Madams

Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information Included in the Circular

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Life Healthcare Group Holdings Limited by the directors. The *pro forma* financial information, as set out in paragraph 9.3 and Annexure 3 of the circular ("the circular"), to be dated on or about 9 November 2023, consists of the *pro forma* consolidated statement of financial position, *pro forma* consolidated statement of profit or loss, *pro forma* consolidated statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and described in paragraph 9.3 and Annexure 3.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Paragraph 1 of the circular, on Life Healthcare Group Holdings Limited's financial position as at 31 March 2023, and the Company's financial performance for the period then ended, as if the corporate action or event had taken place at 1 October 2022 and for the period then ended. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's unaudited interim consolidated financial statements for the six months period ended 31 March 2023.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and as described in paragraph 9.3 and Annexure 3.

Our Independence and Quality Management

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

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

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

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

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

The purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2023 would have been as presented.

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

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

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

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


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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Paragraph 9.3 and Annexure 3.

Deloitte & Touche
Registered Auditor
Per: JAR Welch
Partner

1 November 2023
5 Magwa Crescent
Waterfall City Waterfall
Gauteng
2090

DocuSigned by:
 Deloitte & Touche
F6185D3EF8A946E...

MATERIAL LOANS OF THE LIFE HEALTHCARE GROUP

Life UK Holdeo Limited

Lenders' names	Full facility amount	Amount outstanding at 10 July 2023	Type of facility	How the borrowing arose	Repayment/renewal terms	Interest rate	Source of funds for repayments within 12 months
Syndicated term loans – multiple lenders	GBP 190m EUR 68.5m	GBP 130m EUR 68.5m	Term loan and revolving credit facility	Funding for general corporate purposes	Bullet payment in March 2025	3-month SONIA + 1.70% and 2.00% 3-month EURIBOR + 1.90%	No repayments due within 12 months
Syndicated term loans – multiple lenders	GBP 90m EUR 110m	GBP 90m EUR 110m	Term loan	Funding for general corporate purposes	Bullet payment in August 2025	3-month SONIA + 1.75% 3-month EURIBOR + 1.65%	No repayments due within 12 months

Life Healthcare Group Proprietary Limited

Lenders' names	Full facility amount	Amount outstanding at 10 July 2023	Type of facility	How the borrowing arose	Repayment/renewal terms	Interest rate	Source of funds for repayments within 12 months
Rand Merchant Bank	ZAR 500m ZAR 500m	ZAR 500m ZAR 375m	Term loan	Funding for general corporate purposes	ZAR 500m bullet payment in May 2024 ZAR 500m amortised over 8 equal payments every six months until May 2026	3-month JIBAR + 1.65% and 1.75% respectively	Bullet loan to be refinanced. Cash resources for amortising loan
Rand Merchant Bank	ZAR 1,500m	ZAR 216m	General Banking Facility	Funding for working capital	Renewable 365-day facility	Varies according to bank overnight borrowing rates	Cash resources
Investec Bank	ZAR 375m ZAR 375m	ZAR 375m ZAR 281m	Term loan	Funding for general corporate purposes	ZAR 375m bullet payment in May 2024. ZAR 375m amortised over 8 equal payments every 6 months until May 2026	3-month JIBAR + 1.65% and 1.75% respectively	Bullet loan to be refinanced. Cash resources for amortising loan

Lenders' names	Full facility amount	Amount outstanding at 10 July 2023	Type of facility	How the borrowing arose	Repayment/renewal terms	Interest rate	Source of funds for repayments within 12 months
Investec Bank	ZAR 250m	NIL	General Banking Facility	Funding for working capital	Renewable 365-day facility	Varies according to bank overnight borrowing rate	N/A
Standard Bank	ZAR 375m ZAR 375m	ZAR 375m ZAR 281m	Term loan	Funding for general corporate purposes	ZAR 375m bullet payment in May 2024. ZAR 375m amortised over 8 equal payments every 6 months until May 2026	3-month JIBAR + 1.65% and 1.75% respectively	Bullet loan to be refinanced. Cash resources for amortising loan
Standard Bank	ZAR 500m	ZAR 100m	Term loan	Funding for general corporate purposes	ZAR 100m amortised over 5 equal payments every 6 months until Sep 2023	3-month JIBAR + 1.59%	Cash resources
ABSA Bank	ZAR 500m	NIL	General Banking Facility	Funding for working capital	Renewable 365-day facility	Varies according to bank overnight borrowing rates	N/A
ABSA Bank	ZAR 650m	NIL	Trade loan	Funding for trade and working capital requirements or refinance supplier payments	180 days from drawdown	Prime rate less 1.65%	N/A

Life Healthcare Funding Limited

Lenders' names	Full facility amount	Amount outstanding at 10 July 2023	Type of facility	How the borrowing arose	Repayment/renewal terms	Interest rate	Source of funds for repayments within 12 months
Fixed Income Investors	ZAR 1,000m	ZAR 1,000m	Domestic Medium Term Note Program	Funding for general corporate purposes	ZAR 500m bullet payment on 19 July 2025 ZAR 500m bullet payment on 19 July 2027	3-month JIBAR	No repayments due within 12 months

None of the above facilities contain any conversion or redemptions rights or are secured.

Guarantees and Security for the Senior Debt

The guarantors of the Senior Facilities are set out below:

Name of Guarantor	Registration number (or equivalent, if any) Original jurisdiction
Life UK Holdco Limited	10478866
*Alliance Medical Limited	2128897
Life Healthcare Group Holdings Limited	2003/002733/06
Life Healthcare Group Proprietary Limited	2003/024367/07
Life Healthcare International Proprietary Limited	2005/037973/07
Wilgers Hospitaal Limited	1989/001866/06
Life Esidimeni Proprietary Limited	1982/000915/07
Vredenburg Hospital Proprietary Limited	1996/000469/07
Lifecare Properties Proprietary Limited	1971/009028/07
Ligitprops 109 Proprietary Limited	1998/002388/07
Life Esidimeni Group Holdings Proprietary Limited	1988/001854/07
Life Vincent Pallottii Orthopaedic Centre Proprietary Limited	2008/006724/07
Life Bayview Hospital Proprietary Limited	2005/033963/07

* Guarantor will be released pursuant to the Transaction.



LIFE HEALTHCARE GROUP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 2003/002733/06)
ISIN: ZAE000145892
JSE and A2X share code: LHC
("Life Healthcare" or "the Company" or the "Group")

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

The definitions and interpretations commencing on page 7 of the Circular to which this notice of General Meeting of Shareholders is attached and forms part apply *mutatis mutandis* to this notice of General Meeting of Shareholders unless a term is separately defined herein.

Notice is hereby given in terms of section 62(1) of the Companies Act No 71 of 2008, as amended (the Companies Act) that the General Meeting of Shareholders will be held at the registered office of the Company, at Building 2, Oxford Parks, 203 Oxford Road, Cnr Eastwood and Oxford Roads, Dunkeld, 2196 and by way of electronic communication on Friday, 8 December 2023, at 10:30 SA time, or any adjournment or postponement thereto, to:

- (i) consider, and if deemed fit, to pass the ordinary resolution set out below, with or without modification/s; and
- (ii) deal with such other business as may be dealt with at the General Meeting.

ORDINARY RESOLUTION

Approval of the Transaction in terms of the Listings Requirements

"RESOLVED AS AN ORDINARY RESOLUTION THAT, the Transaction, being the disposal by AMGL, a wholly owned indirect Subsidiary of Life Healthcare, of 147,537,013 ordinary shares of GBP 0.00001 in the issued share capital of AcquisitionCo (comprising the entire issued share capital of AcquisitionCo) to the Purchaser for the Purchase Consideration pursuant to the terms of the Sale and Purchase Agreement, be and is hereby approved as a Category 1 Transaction in terms of paragraph 9.20 of the Listings Requirements."

Voting in respect of the ordinary resolution

Percentage of voting rights required for this ordinary resolution to be adopted is a simple majority of votes, being more than 50% of the votes of all Shareholders present or represented by proxy at the General Meeting.

Reason and effect

The reason for the ordinary resolution is that the Transaction constitutes a Category 1 Transaction in terms of the Listings Requirements and therefore requires Shareholders to approve Transaction by way of an ordinary resolution in terms of paragraph 9.20(b) of the Listings Requirements.

The effect of the ordinary resolution, if passed, will be to grant the necessary Shareholder approval of the Transaction in terms of the Listings Requirements.

SALIENT RECORD DATES

The record date in terms of section 59 of the Companies Act for Shareholders to be recorded on the securities register of the Company in order to receive notice of General Meeting is Friday, 3 November 2023.

The last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the General Meeting is Tuesday, 28 November 2023.

The record date in terms of section 59 of the Companies Act for Shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the General Meeting is Friday, 1 December 2023.

QUORUM REQUIREMENTS

A quorum for the purposes of considering and passing the Resolution shall comprise 25% of all the voting rights that are entitled to be exercised by Shareholders in respect of each matter to be decided at the General Meeting. In addition, a quorum shall consist of three Shareholders of the Company personally present or represented by proxy (and if the Shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting.

VOTING AND PROXIES

Voting

Each Shareholder whether present in person or represented by proxy, is entitled to electronically attend and vote at the General Meeting.

Certificated Shareholders and Own-Name Dematerialised Shareholders

Shareholders who have certificated shares or have dematerialised their shares through a CSDP/Broker with “own name” registrations are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies to attend, participate in, speak and vote at the General Meeting in their stead. The person so appointed as a proxy need not be a Shareholder. It is requested for administrative purposes only, that forms of proxy be completed and forwarded to The Meeting Specialists Proprietary Limited by Wednesday, 6 December 2023 at 10:30 SA time, via one of the following channels:

- Post: PO Box 62043, Marshalltown, 2017, South Africa
- Email: proxy@tmsmeetings.co.za

Any forms of proxy not received by this date must be handed to the chairman of the General Meeting or the Meeting Specialists Proprietary Limited at the General Meeting, at any time before the appointed proxy exercises any of the relevant Shareholder’s rights at the General Meeting (or any postponement or adjournment of the General Meeting).

Please refer to the paragraph entitled “Certificated Shareholders and Own-Name Dematerialised Shareholders” on page 5 of the Circular in this regard.

Dematerialised Shareholders who are not Own-Name Dematerialised Shareholders

Shareholders who have dematerialised their shares, other than those Shareholders who have dematerialised their shares with ‘own name’ registration, should contact their CSDP or Broker in the manner and time stipulated in their Custody Agreement with their CSDP or Broker:

- to furnish them with their voting instructions; and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

Please refer to the paragraph entitled “Dematerialised Shareholders who are not Own-Name Dematerialised Shareholders” on page 5 of the Circular in this regard.

Identification

All meeting participants (including proxies) are required in terms of section 63(1) of the Companies Act to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. Forms of identification include a green bar-coded identification document issued by the South African Department of Home Affairs, a smart identity card issued by the South African Department of Home Affairs, a valid driver’s licence or a valid passport.

Electronic participation by shareholders

Please refer to the Electronic Participation Meeting Guide set out on page 125 and the Registration Form to participate in the General Meeting by way of electronic communication set out on page 129.

Proxies

This notice of General Meeting includes the attached Form of Proxy (*blue*). The attention of members is directed to the additional notes and instructions relating to the attached Form of Proxy (*blue*), which notes and instructions are set out in the Form of Proxy (*blue*). In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a Shareholder to be represented by proxy, as set out in section 58 of the Act, is set out at the end of the Form of Proxy (*blue*).

Shareholders connecting to the General Meeting will be able to participate in the General Meeting. Voting will be conducted by way of poll and Shareholders will be able to cast their vote electronically at the General Meeting.

Equity securities held by a share trust or scheme will not have their votes taken into account for the purposes of any resolution proposed in terms of the Listings Requirements.

By order of the Board

Joshila Ranchhod
Group Company Secretary

Dunkeld

9 November 2023

ELECTRONIC PARTICIPATION GENERAL MEETING GUIDE

How to access the virtual meeting

1. In order to participate and vote in the meeting, each electronic participant must have an internet-enabled device (phone, laptop, desktop) capable of browsing to a regular website (in order to vote and participate).
2. As articulated in the Registration form on page 129 of this Circular, Shareholders or their proxies who wish to participate in the General Meeting via the virtual platform MUST register with the Company's meeting scrutineers. Please do so by emailing the signed application form to The Meeting Specialists Proprietary Limited at proxy@tmsmeetings.co.za by latest Wednesday, 6 December 2023 at 10:30.
3. Closer to the meeting date or on the day of the virtual meeting, you will receive a registration link to allow you to register for the virtual meeting.
4. Once you have completed the registration form and our moderators have approved your registration, you will receive an email invitation to the meeting, which contains the meeting ID and password.
5. Click on the Link and you will be directed to the meeting platform.
6. An additional unique link will be sent, individually, to each shareholder who has made contact with The Meeting Specialists Proprietary Limited on proxy@tmsmeetings.co.za and who has successfully been validated to vote at the meeting.

Navigating the meeting platform

1. Shareholders who would like to pose questions, please click on the Q & A icon on the bottom of your screen, to ask your question.
2. If you have a question on the resolution, please type up your question and press enter or send.
3. Alternatively, if you would like to address the meeting directly, please click on the raise your hand icon. Once the Chairman has identified you, your microphone will be un-muted, and you will be able to address the meeting.

How to exercise your votes

1. All Shareholders or their representatives, who have requested and are entitled to vote, would have received a link from Digital Cabinet to either their phone number or email address.
2. The voting will be available on the resolution when the Chairman opens the meeting.
3. Please click on the vote now link and it will direct you to the voting platform.
4. You will notice that the voting platform contains the resolution which has been published in the notice of General Meeting, with your vote automatically defaulted to Abstain.
5. Please note – Once you click submit, your vote can not be retracted and re-voted.
6. You may vote on the resolution by defaulting your vote as either “For” or “Against” or keeping it as an “Abstained” vote and then clicking on the submit button on the bottom of the electronic ballot form.
7. You will receive a message on your screen confirming that your vote has been received.
8. Once again, please ensure that you have selected the correct option on the resolution. Either, For or Against or Abstain before clicking the submit button.

You will only be able to access both the meeting platform and the voting platform, 10 minutes prior to commencement of the virtual meeting.



LIFE HEALTHCARE GROUP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2003/002733/06)

ISIN: ZAE000145892

JSE and A2X share code: LHC

("Life Healthcare" or "the Company" or the "Group")

FORM OF PROXY – GENERAL MEETING OF SHAREHOLDERS

For use only by Certificated Shareholders, nominee companies of CSDPs, Brokers' nominee companies and Own-Name Dematerialised Shareholders at the General Meeting to be held on Friday, 8 December 2023, at 10:30 SA time at the registered office of the Company, Building 2, Oxford Parks, 203 Oxford Road, Cnr Eastwood and Oxford Roads, Dunkeld, 2196 and via electronic communication.

Dematerialised Shareholders who are not Own-Name Dematerialised Shareholders must not complete this Form of Proxy (*blue*) and must provide their CSDP or Broker with their voting instructions. Own-Name Dematerialised Shareholders must complete this Form of Proxy (*blue*) and lodge it with their CSDP or Broker in terms of the Custody Agreement entered into between them and their CSDP or Broker.

Dematerialised Shareholders who are not Own-Name Dematerialised Shareholders wishing to attend the General Meeting must inform their CSDP or Broker of such intention and request their CSDP or Broker to issue them with the necessary letter of representation to attend.

Life Healthcare does not accept responsibility, and will not be held liable, under applicable law or regulation, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Shares to notify such beneficial owner of the General Meeting or the details set out in this Circular.

I/We _____ (Full name in print)

of _____ (address)

Telephone: (work) area code () Telephone: (home) area code ()

Cell phone number: E-mail address:

being the holder of Shares, hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairman of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting (or any adjournment thereof) for purposes of considering and, if deemed fit, passing, with or without modification, the Resolution to be proposed thereat and at each postponement or adjournment thereof and to vote for and/or against the Resolution and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (see notes):

Resolution	For*	Against*	Abstain*
Ordinary Resolution Approval of the Transaction in terms of the Listings Requirements			

* One vote per Share held by Shareholders. Shareholders must insert the relevant number of votes they wish to vote in the appropriate box provided or "X" should they wish to vote all Shares held by them. If the Form of Proxy (*blue*) is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.

Signed at: _____ on _____ 2023

Signature: _____

Capacity of signatory (where applicable) _____

Note: Authority of signatory to be attached – see notes 8 and 9 below.

Telephone number: _____ Cellphone number: _____

Assisted by me (where applicable) _____

Full name _____

Capacity _____

Signature _____

Please read the notes on the reverse side hereof.

Notes to the form of proxy

1. Shareholders are advised that the Company has appointed The Meeting Specialists Proprietary Limited as its proxy receiving agent.
2. Proxy appointment must be in writing, dated and signed by the Shareholder.
3. Forms of Proxy must be presented for administrative purposes via email to The Meeting Specialists Proprietary Limited at proxy@tmsmeetings.co.za to be received on or before Wednesday, 6 December 2023 at 10:30 SA time.
4. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the holder's choice in the space provided, with or without deleting "the Chairman of the meeting". Any such deletion must be initialed by the Shareholder.
5. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant percentage of voting rights exercisable by that holder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting, as they deems fit, in respect of all the Shareholder's voting rights exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
6. A Shareholder or their proxy is not obliged to use all the voting rights exercisable by the Shareholder or by their proxy, but the total of the voting rights cast and in respect whereof abstention is recorded may not exceed the total of the voting rights exercisable by the Shareholder or by their proxy.
7. A Shareholder's authorisation to the proxy, including the Chairman of the meeting, to vote on their behalf, shall be deemed to include the authority to vote on procedural matters at the meeting.
8. The completion and lodging of this Form of Proxy (*blue*) will not preclude the relevant Shareholder from attending the meeting and speaking and voting in person thereat and the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy (*blue*) in a representative capacity must be attached to this form. Without limiting the generality hereof, the Company will accept a valid identity document, a valid driver's license or a valid passport as satisfactory identification.
10. Any alteration to this form must be initialed by the signatory(ies).
11. A Shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing with a copy to the Group Company Secretary, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to proxy@tmsmeetings.co.za to be received before the replacement proxy exercises any rights of the Shareholder, or any adjournment(s) thereof.
12. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's/proxies' authority to act on behalf of the Shareholder as of the later of:
 - (i) the date stated in the revocation instrument, if any; or
 - (ii) the date on which the revocation instrument was delivered as required in paragraph 11.
13. The chairperson of the General Meeting may reject or accept any Form of Proxy (*blue*) which is not completed and/or received in accordance with the Circular and the instructions set out herein.

In compliance with the provisions of Section 58(8)(b)(i) of the Act, a summary of the rights of a Shareholder to be represented, as set out in Section 58 of the Act, is set out immediately below:

1. A Shareholder entitled to attend and vote at the General Meeting may appoint any individual (or two or more individuals) as a representative/proxy or as representatives/proxies to attend, participate in and vote at the General Meeting. A representative/proxy need not be a Shareholder of the Company.
2. A letter of representation or proxy appointment must be in writing, dated and signed by the Shareholder appointing a representative/proxy, and, subject to the rights of a Shareholder to revoke such appointment (as set out below), remains valid only until the end of the General Meeting.
3. A representative/proxy may delegate the proxy's authority to act on behalf of a Shareholder to another person, subject to any restrictions set out in the instrument appointing the representative/proxy.
4. The appointment of a representative/proxy is suspended at any time and to the extent that the Shareholder who appointed such representative/proxy chooses to act directly and in person in the exercise of any rights as a Shareholder.
5. The appointment of a representative/proxy is revocable by the Shareholder in question cancelling it in writing or making a later inconsistent appointment of a representative/proxy and delivering a copy of the revocation instrument to the representative/proxy and to the Company. The revocation of a representative/proxy appointment constitutes a complete and final cancellation of the representative/proxy's authority to act on behalf of the Shareholder as of the later of: (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
6. If the instrument appointing the representative/proxy or representatives/proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Act or the Company's MoI to be delivered by the Company to the Shareholder, must be delivered by the Company to (a) the Shareholder, or (b) the representative/s, proxy or proxies, if the Shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

REGISTRATION FORM TO PARTICIPATE IN THE GENERAL MEETING BY WAY OF ELECTRONIC COMMUNICATION

To be held on Friday, 8 December 2023 at 10:30 SA time

Life Healthcare Group Holdings Limited
(Incorporated in the Republic of South Africa)
Registration Number 2003/002733/06 ("Company")

- Shareholders or their proxies who wish to participate in the General meeting via electronic communication ("Participants"), must register with the Company's meeting scrutineers to do so by emailing the signed form below ("the application") to The Meeting Specialists Proprietary Limited at email proxy@tmsmeetings.co.za by no later than Wednesday, 6 December 2023 at 10:30 SA time.
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in their Custody Agreement with their CSDP or Broker:
 - to furnish them with their voting instructions; and
 - in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the General Meeting through an electronic participation platform. Such Participants, should they wish to have their vote counted at the General Meeting, must provide The Meeting Specialists Proprietary Limited with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted by Thursday, 7 December 2023 via email/mobile with a unique link to allow them to participate in the virtual General Meeting.
- The Participant's unique access credentials will be forwarded to the email/cell number provided below.

APPLICATION FORM

Name and surname of shareholder

Name and surname of shareholder representative (If applicable)

ID number of shareholder or representative

Email address

Cell number

Telephone number

Name of CSDP or Broker (If shares are held in dematerialised format)

SCA number/Broker account number or own name account number

Number of shares

Signature

Date

- The cost of dialing in using a telecommunication line/webcast/web-streaming to participate in the General meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third and indemnifies Life Healthcare Group Holdings Limited, and The Meeting Specialists Proprietary Limited (virtual platform service provider) and/or its third party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Life Healthcare Group Holdings Limited, The Meeting Specialists Proprietary Limited and/or its third party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the General Meeting.
- Participants will be able to vote during the General Meeting through an electronic participation platform. Such Participants, should they wish to have their vote counted at the General Meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and emailed to The Meeting Specialists Proprietary Limited at proxy@tmsmeetings.co.za.
- By signing this registration form, I agree and consent to the processing of my personal information above for the purpose of participation in the General Meeting.

Shareholder name

Signature

Date

