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Integrated Annual Report 2023

Contents

Forward-looking statements

This Integrated Annual Report contains forward-looking statements that, unless otherwise indicated, reflect the Group's expectations as at 8 December 2023. The actual results may differ materially from our expectations if known or unknown risks or uncertainties affect the business, or if estimates or assumptions prove inaccurate. The Group cannot guarantee that any forward-looking statement will materialise. Readers are cautioned not to place undue reliance on these forward-looking statements, and the Group disclaims any intention and assumes no obligation to update or revise any forward-looking statement.

Feedback

At Life Healthcare, we value your feedback as we endeavour to provide accurate, transparent and balanced information to our stakeholders. We invite you to contact the Group Company Secretary, **Joshila Ranchhod** on **+27 11 219 9000** or **joshilar@life.co.za** or our Head of Investor Relations, **Mark Wadley** on **investor.relations@lifehealthcare.co.za** should you have any questions.

We detail our ESG and CSI initiatives, as well as the UN SDGs where we think we can deliver the most impact, on pages 128 – 139.

Life Healthcare

Highlights of the year

REVENUE from continuing operations

+10.3%

to R22.6 billion

Normalised EBITDA from continuing operations

+4.4%

to R3.6 billion

TOTAL DIVIDEND for the year

+10.0%

to 44 cents per share

Significant transaction announced

- Alliance Medical Group (AMG) disposal announced, subject to conditions precedent, for a total of GBP910 million with c.R8.4 billion in net proceeds likely to be distributed to shareholders

Operational highlights

- +10.1% revenue growth in southern Africa (SA) driven by +9.5% paid patient day (PPD) growth in SA
- +18.2% growth in Life Molecular Imaging (LMI) revenue

ESG stats

- Maintained **level 3 B-BBEE**
- **Environmental targets set**

Navigation

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

Stakeholders		Material matters
Patients	1	Attract and retain employees and specialists
Doctors and specialists	2	Deliver care which is high-quality, cost-effective and people-centred
Healthcare funders	3	Adapt and grow our diversified business in a sustainable manner
Industry regulatory bodies	4	Be a trusted partner for all of our stakeholders
Shareholders, investors and financiers	5	
Government	6	
Employees	7	
Suppliers	8	
Society	9	

Movements in our key performance indicators (KPIs)

Indicates a decrease or increase that is positive

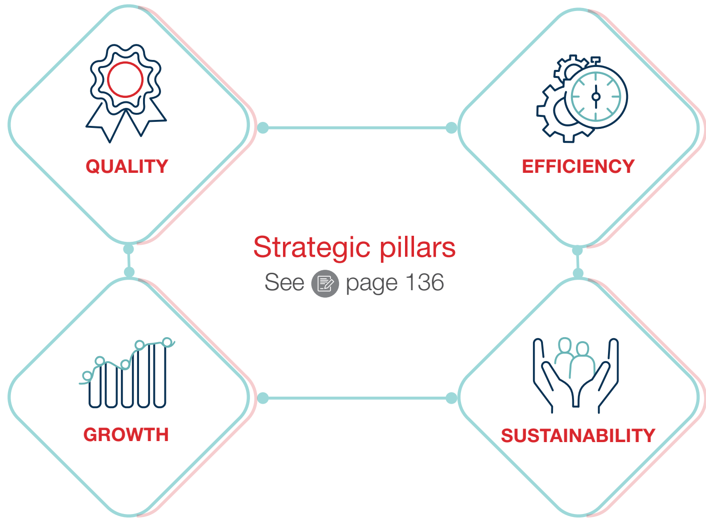
Indicates a decrease or increase that is not positive

Indicates the KPI remained the same

A non-financial indicator for which Deloitte has provided a limited assurance conclusion

This icon indicates that further information is available online.

This icon indicates that further information can be found elsewhere in this report.



Strategic pillars

See page 136

Making life better

About our report

Dear Stakeholders

We are pleased to present our 2023 Integrated Annual Report, which is our primary report prepared for all our stakeholders. We have structured the report in order to comprehensively, but concisely, disclose who we are as a company, why and how we conduct our business, and the value we create for all our shareholders.

We appreciate that the report includes significant detail about our Company. We have tried to make this easier by designing it as an interactive report so that, you can quickly and easily move between sections that interest you by using the various navigation tools within the report.

Integrated thinking is embodied in our core purpose of ***Making life better*** for all stakeholders. Our robust corporate governance framework, processes and controls ensure that our strategic decision making considers stakeholder concerns, our operating environment, risks and opportunities; all of which also inform our business model.

This Integrated Annual Report details how we have used our six capital resources, in a balanced and carefully considered manner, and whether we have created, preserved or eroded stakeholder value during the year.

The performance review section (pages 98 – 152) follows the six capital model format so the reader can see how these capital resources were used, how they performed, and what outcomes and trade-offs resulted from their use.

Reporting scope and boundary

Our report provides a comprehensive view of Life Healthcare Group Holdings Limited (Life Healthcare, the Group or the Company) and covers the period 1 October 2022 to 30 September 2023 as well as all relevant information and material events after our year-end up to 8 December 2023.

We show a summary of the Group's main segments on page 4.

We provide an overview of our business model, governance structures, strategy and progress against our strategic objectives, and how these are influenced by the material matters, risks and opportunities, stakeholder concerns and the external environment that we face and how these could have a direct or indirect impact on our ability to create, preserve or erode value for the Group and our stakeholders over the short (less than one year), medium (between one and two years) and long term (three or more years).

In addition, this report includes financial and non-financial information relating to our two major geographical segments (southern Africa and International) and their underlying business components.

Process disclosures

The Group Executive Management Committee (Group ExCo) is responsible for the compilation and presentation of the report. At the same time Board and its Committees are involved in reviewing and approving the reporting suite.

The following steps were taken leading up to the publication of our Integrated Annual Report and related material:

- An executive management workshop was held in early July 2023 to determine areas for improvement in our disclosure and to set out responsibilities for compiling the report.
- Our material matters (page 18) were determined by analysing various Board and Group ExCo papers related to the Group's strategy, operating environment and key risks business risks. Our material matters were then grouped into key themes, including mapping showing how these relate to the Group's risks and stakeholders. They were then reviewed by Group ExCo and subsequently submitted to the Audit Committee and Risk, Compliance and IT Governance Committee in July 2023 where they were approved.
- Our disclosures related to Environmental, Social and Governance (ESG) matters (see pages 128 – 139) continue to be a prominent topic at both Group ExCo and Board levels. The Sustainable Development Committee (SD Committee) has driven the increased reporting of our ESG metrics. It is responsible for drawing up our Group-wide ESG targets and the roadmap for achieving these targets.
- Our ESG-related Sustainability Report was compiled by this SD Committee, reviewed by Group ExCo and approved by the Social, Ethics and Transformation Committee in November 2023.
- Our long-term environmental targets were approved by the Board in May 2023 and have been published in this report (see pages 134 – 135).

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

Our strategy	Our operating environment	Our material matters
page 30	page 10	page 18
Our business model	**Our performance**	**Our governance**
page 8	page 98	page 46

Our stakeholders

page 16

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

Life Healthcare Group Holdings Limited

Subsidiaries	Joint ventures	Associates

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

Group CFO's review	Seven-year performance review	Annual financial statements
page 100	page 114	website

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

Our 2023 reporting suite and frameworks

Integrated Annual Report

This is our primary report to stakeholders

The Integrated Annual Report provides material information on who we are as a company, why and how we conduct our business, and the value we create for all of our stakeholders.

Reporting frameworks applied:

- International Integrated Reporting Council's (IIRC) International <IR> Framework (updated January 2021)
- Johannesburg Stock Exchange Limited (JSE) Listings Requirements and JSE Debt Listings Requirements
- South African Companies Act, No. 71 of 2008, as amended (Companies Act)
- International Financial Reporting Standards (IFRS)
- King Report on Corporate Governance for South Africa, 2016* (King IV™)

Where to find it:

- In print
- Download via our website

Annual Financial Statements

This standalone report sets out the Group's audited annual financial statements, including the Independent Auditor's Report.

Reporting frameworks applied:

- JSE Listings Requirements and JSE Debt Listings Requirements
- Companies Act
- International Financial Reporting Standards (IFRS)
- King IV™

Where to find it:

- Download via our website

Summarised information contained in:

- Group CFO review page 100
- Seven-year financial summary page 114

References to years such as 2022, 2023 and 2024, refer to our financial year (1 October to 30 September), unless otherwise stated.

Sustainability Report

This standalone report details our environmental and social impacts as well as our governance practices that determine how we run our organisation to create value for all our stakeholders. It provides numerous data points that may be of interest to shareholders, analysts and help ESG ratings agencies with their evaluation of our Group.

Reporting frameworks applied:

- King IV™
- Global Reporting Initiative (GRI) Standards
- Task force on Climate-related Disclosure for health sector (TCFD)
- Sustainable Development Goals (SDG)

Where to find it:

- Download the full report via our website

Summarised information contained in:

- Natural capital section of this report page 126

Remuneration Report

This standalone report provides detail on our remuneration philosophy and how we have implemented this in both the current year and prior years.

Reporting frameworks applied:

- JSE Listings Requirements and JSE Debt Listings Requirements
- Companies Act
- King IV™

Where to find it:

- Download the full report via our website

A summary of our Remuneration and Implementation Report can be found in this report on page 74

Additional Information

- Results presentations
- Notice of our Annual General Meeting and proxy voting form
- King IV™ application register
- Our Broad-Based Black Economic Empowerment (B-BBEE) certification
- Quality metrics for each Life Healthcare hospital

Where to find it:

- Access and download via our website

Board responsibility and approval

Life Healthcare's Board is ultimately responsible for the integrity and completeness of this Integrated Annual Report, and is assisted by its Committees and the Group ExCo throughout the reporting process. Based on the completeness of the information collected and the assurance thereof, the Board concluded that this Integrated Annual Report aligns with the International <IR> Framework (January 2021) and provides a true, complete and material account of the Group's performance and strategic direction.

This Integrated Annual Report was approved by the Board on 11 December 2023 and has been signed on its behalf by:

Dr Victor Litlhakanyane
Chairman

Peter Wharton-Hood
Group Chief Executive

Combined assurance

We followed a combined assurance process during the preparation of this Integrated Annual Report, with the Board, its Committees and management responsible for finalising the disclosures contained herein. The Group's annual financial statements were independently audited by our external auditors, Deloitte. The summarised financial information included in this report was extracted from the Group's audited annual financial statements. However, this report in its entirety has not been independently assured.

A number of non-financial indicators for which Deloitte has provided a limited assurance conclusion. For further information regarding these indicators and the Independent Assurance Report refer to page 156.

Making life better

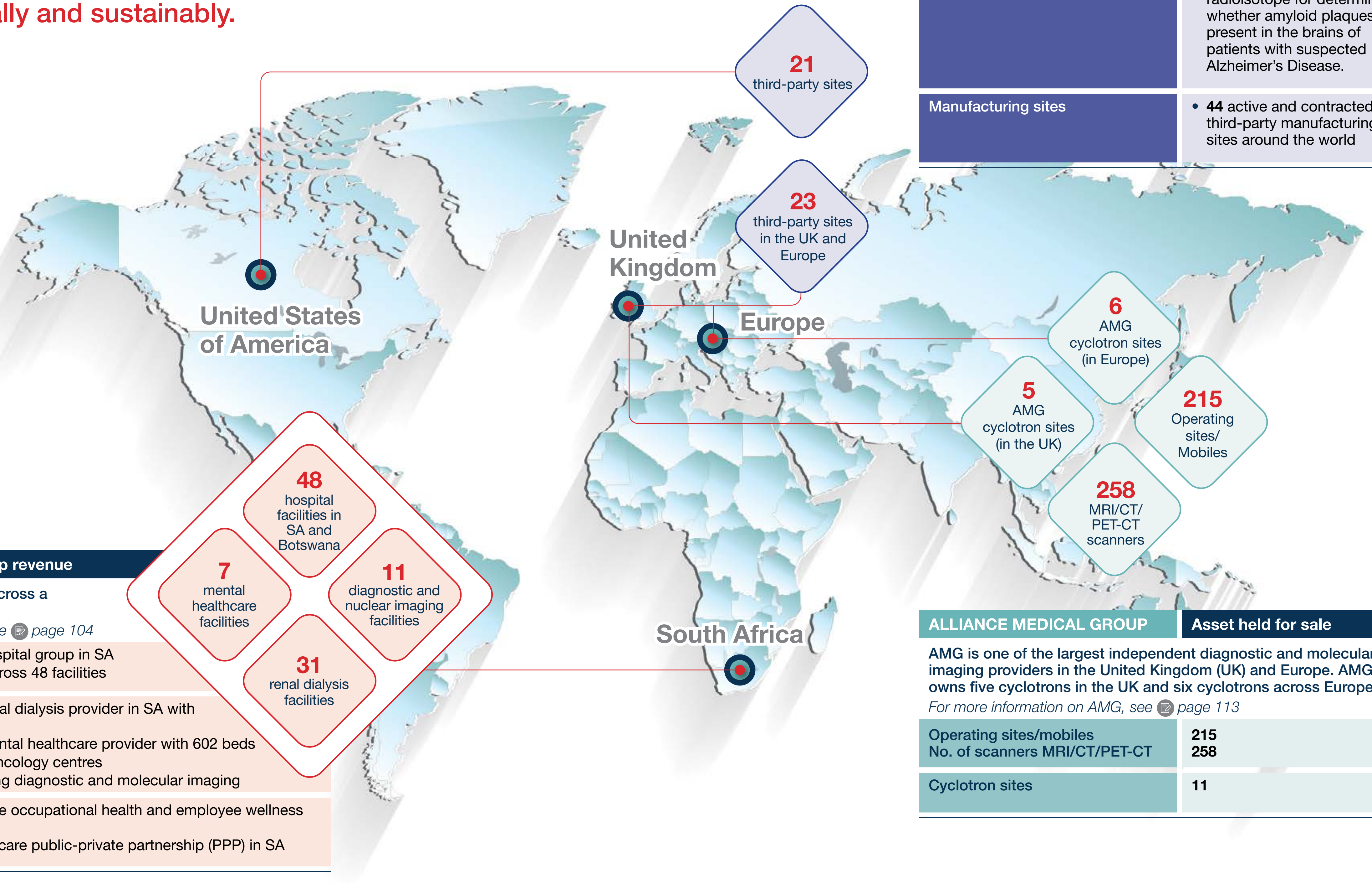
What we do

Geographic footprint

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

During 2023, the Board received indications of interest in our European diagnostic imaging business, AMG. After a detailed due diligence process, the Board accepted an acquisition proposal from iCON Infrastructure (see page 30 for details) **and put this proposal to shareholders via a General Meeting held on 8 December 2023. As more than 80% of shareholders voted in favour of the proposed transaction, we are proceeding with concluding the other conditions precedent. We expect the transaction to conclude during the first quarter of calendar year 2024.**

In light of this disposal, our international operations and their geographic footprint have changed significantly versus 2022. Our operations are now limited to southern Africa and the smaller international footprint represented by LMI. We show this new footprint below, and throughout this report we will reference our Group activities and operations excluding those of AMG. As the transaction has yet to conclude, we show AMG as an asset held for sale and provide a brief review of AMG's results on page 113.



SOUTHERN AFRICA	97.1% Of Group revenue
High-quality provision of private healthcare services across a broad spectrum of healthcare sectors. *For more information on our southern African segment, see page 104*	
Hospitals	• **# 2** private hospital group in SA • **8 297** beds across 48 facilities
Complementary services	• **# 3** private renal dialysis provider in SA with 31 facilities • **# 2** private mental healthcare provider with 602 beds • **5** dedicated oncology centres • **11** sites offering diagnostic and molecular imaging
Healthcare services	• Leading private occupational health and employee wellness services • Largest healthcare public-private partnership (PPP) in SA

LIFE MOLECULAR IMAGING	2.9% of Group revenue
LMI is a fully integrated research and development pharmaceutical company dedicated to developing and commercialising innovative molecular imaging agents for use globally in PET-CT diagnostics. *For more information on our International segment, see page 112*	
NeuraCeq®	• **US** FDA, EMA and UK MHRA approved diagnostic radioisotope for determining whether amyloid plaques are present in the brains of patients with suspected Alzheimer's Disease.
Manufacturing sites	• **44** active and contracted third-party manufacturing sites around the world

ALLIANCE MEDICAL GROUP	Asset held for sale
AMG is one of the largest independent diagnostic and molecular imaging providers in the United Kingdom (UK) and Europe. AMG also owns five cyclotrons in the UK and six cyclotrons across Europe. *For more information on AMG, see page 113*	
Operating sites/mobiles No. of scanners MRI/CT/PET-CT	215 258
Cyclotron sites	11

Making life better

2.2 million

paid patient days

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

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

How we create value

In this section

Making life better

Our business model

Strategic enablers

Our people
Employees, nurses, doctors and other healthcare professionals
(page 119)

Technology, data and analytics

Capabilities

- Clinical excellence
- Value-based care products
- Nationwide footprint
- Efficient care delivery
- Doctor and funder relationships
- Preferred network provider

Capitals

- **Financial Capital** Page 98
- **Human Capital** Page 119
- **Manufactured Capital** Page 124
- **Natural Capital** Page 126
- **Social Capital** Page 140
- **Intellectual Capital** Page 150

Capital Allocations Page 103

Reassess Modify

Business lines

- **Acute Hospitals** Page 106
- **Complementary Services** Page 107
- **Healthcare Services** Page 110
- **Life Molecular Imaging** Page 112

Strategic Plan and Initiatives Page 30

Strategic Pillars and Enablers Page 36

Our Governance Page 46

Board

Management

Performance Review

Our Environment Page 10

Material Matters and Risks Page 18 and 62

External factors

Outputs, Outcomes, Value Created and Trade-offs Page 98 – 152

2026 Strategic Objectives Page 36

Time horizon

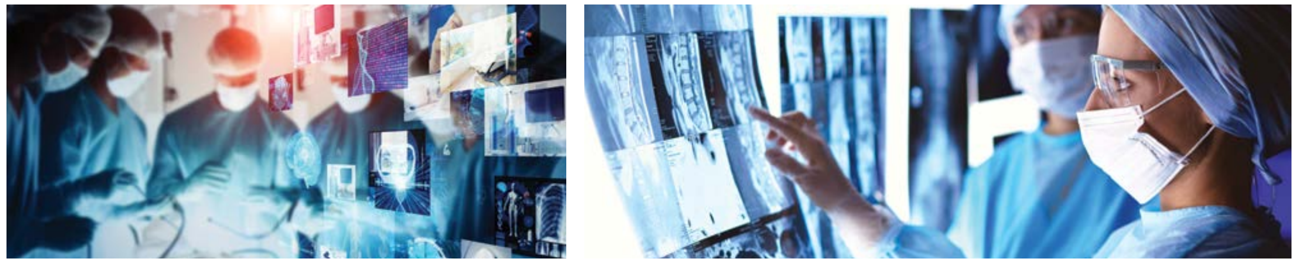
Short term → Medium term → Long term

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

Making life better

Our operating environment

As we progress towards being a diversified, people-centred healthcare organisation we have to traverse a complex and changing healthcare landscape. This landscape is impacted by global macro-economic events and trends which can impact our operations and ability to create value. This external operating context impacts our profitability, business continuity, risk management and also informs the strategic decisions we make.



Global economy

CONTEXT

Economies around the world have faced a difficult year in 2023. After a strong rebound in GDP growth during 2022, many economies have seen a slowdown in growth on the back of rapidly rising interest rates to combat high inflation. While subsiding in many geographies, inflation has remained more persistent than many economists and central bankers had forecast earlier in the year.

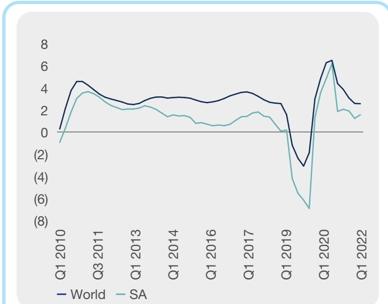
Concerns remain that food inflation may persist given environmental trends related to El Nino including droughts and other extreme weather events seen during the year. Fuel price inflation may also persist given the geopolitical risks from the wars in Ukraine and the Middle East and oil supply cuts in some regions which continue to keep global oil prices high.

Looking forward: GDP forecasts for major global economies remain low for 2024, although the risk of recessions appears to have reduced, according to current forecasts from the majority of economists.

IMPACT	MITIGATION/ TRADE-OFFS	AFFECTED MATERIAL MATTERS AND STRATEGIC PILLARS
High inflation has placed upward pressure on salaries which are our single biggest cost. Higher fuel prices in South Africa have led to higher operating costs for our facilities as we need to run backup generators when there are electricity outages (see page 126).	Employee Value Proposition (EVP) with attractive benefits in addition to competitive salaries (see page 122). Increased usage of solar panels at our facilities provides some offset (see Sustainability Report). Energy efficiency projects to reduce generator usage.	

CHARTS

World and SA GDP growth (rolling four-quarters, % change year-on-year)



Source: RMB Morgan Stanley research.

UK and SA CPI (% change year-on-year)

Source: RMB Morgan Stanley research.

Exchange rates

CONTEXT

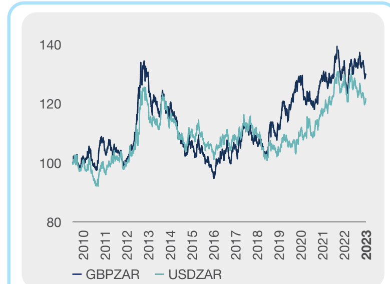
Following the disposal of AMG, the Group will have less geographic diversification and consequently be more exposed to the volatility in the South African Rand (ZAR). Movements in ZAR against our major trading currencies (USD, EUR and GBP) can impact inflation levels within South Africa given our reliance on imported fuel and finished goods. Exchange rate movement can make it more expensive for us to buy capital equipment required for our hospitals and complementary services, and these additional costs can be difficult to pass on to our customers.

Looking forward: The outlook for the Rand in particular, depends on inflation expectations globally and how central banks respond to this. It is possible that we see further Rand weakness given the relatively weaker growth trajectory that South Africa is forecast to have.

IMPACT	MITIGATION/ TRADE-OFFS	AFFECTED MATERIAL MATTERS AND STRATEGIC PILLARS
ZAR weakness creates inflationary pressures on fuel, transport, food and capital goods. If these can not be passed on in the form of higher prices, then our margins can be impacted.	Annual pricing negotiations with our funders, which include clauses to mitigate exceptional Fx movements. Hedging of large capital items if there is a delay between ordering and purchasing. ZAR proceeds from the AMG disposal hedged. Supplier contacts with repricing mechanisms for large Fx movements.	

CHARTS

Rand vs the USD and GBP (100 = March 2019)



Source: RMB Morgan Stanley research.

Making life better

Our operating environment continued

Regulations

CONTEXT

Healthcare is a heavily regulated industry. Regulations govern the quality of care we deliver, the drugs and consumables we use, the standard of buildings we occupy, etc.

Changes to regulatory requirements could impact many parts of Life Healthcare's business, individually or collectively. Changes to building regulations, or quality standards, and the interpretations of these regulations or standards, can impact our expansion plans and deployment of capital.

Looking forward: The National Health Insurance (NHI) Bill was passed by the National Assembly in 2023 and the National Council for Provinces. It will now be presented to the President for his decision and consent.



IMPACT	MITIGATION/ TRADE-OFFS	AFFECTED MATERIAL MATTERS AND STRATEGIC PILLARS
Regulatory changes may impact how and where we deliver care. In its current form, NHI may alter the landscape in South Africa dramatically by making it possible for all South Africans to access private healthcare services while being covered by NHI. While we support the implementation of some form of universal healthcare, we are concerned about some provisions in the NHI Bill which may curtail private healthcare coverage as well as the uncertainty around how NHI will be funded.	We continue to protect our reputation and licence to operate by complying with all applicable regulations and we adapt our business as regulations are updated or changed. **Trade-offs** NHI may lead to higher utilisation of private facilities. NHI may lead to some form of increased taxation on individuals and corporations in order to finance the model. Some facility expansion projects require additional capex to comply with building regulations of quality standard changes, and these may reduce the economic benefits of the projects.	

Innovation

CONTEXT

Digital innovation has been accelerated by the COVID-19 pandemic, subsequent work-from-home demands and the increased use of digital consultations and more recently the advancements of artificial intelligence (AI) capabilities. In addition the explosion of remote monitoring devices and wearables, coupled with data storage and analytical capabilities, is enhancing digital healthcare offerings and abilities.

Our LMI business has a portfolio of novel radiopharmaceutical products in various stages of development. These products are an opportunity for us to provide new diagnostic capabilities across a range of healthcare diseases.

Looking forward: We will continue to bolster our IT environment so that we can add digital services and platforms that enhance our healthcare offerings and quality. We will use technology and data to enhance patients' and employees' experiences in their interactions with us, while also helping to drive efficiencies and improve clinical outcomes. Within LMI we will continue to invest in research and development to further the development and later approval of our product pipeline.


IMPACT	MITIGATION/ TRADE-OFFS	AFFECTED MATERIAL MATTERS AND STRATEGIC PILLARS
Increased consumer demand for real-time healthcare monitoring and access to data and other healthcare services (prescriptions for example). Changing behaviour and service offerings at bricks-and-mortar healthcare facilities.	We have enhanced our data security, storage, and analytical capabilities to enable future digitisation of processes of the data we capture. The introduction of value-based care products and digital patient monitoring (in hospital and remotely) are possible because of our investments in IT and data analytics. **Trade-offs** These investments come at an additional cost but are essential to attracting employees and patients.	

Making life better

Our operating environment continued

Climate change

CONTEXT

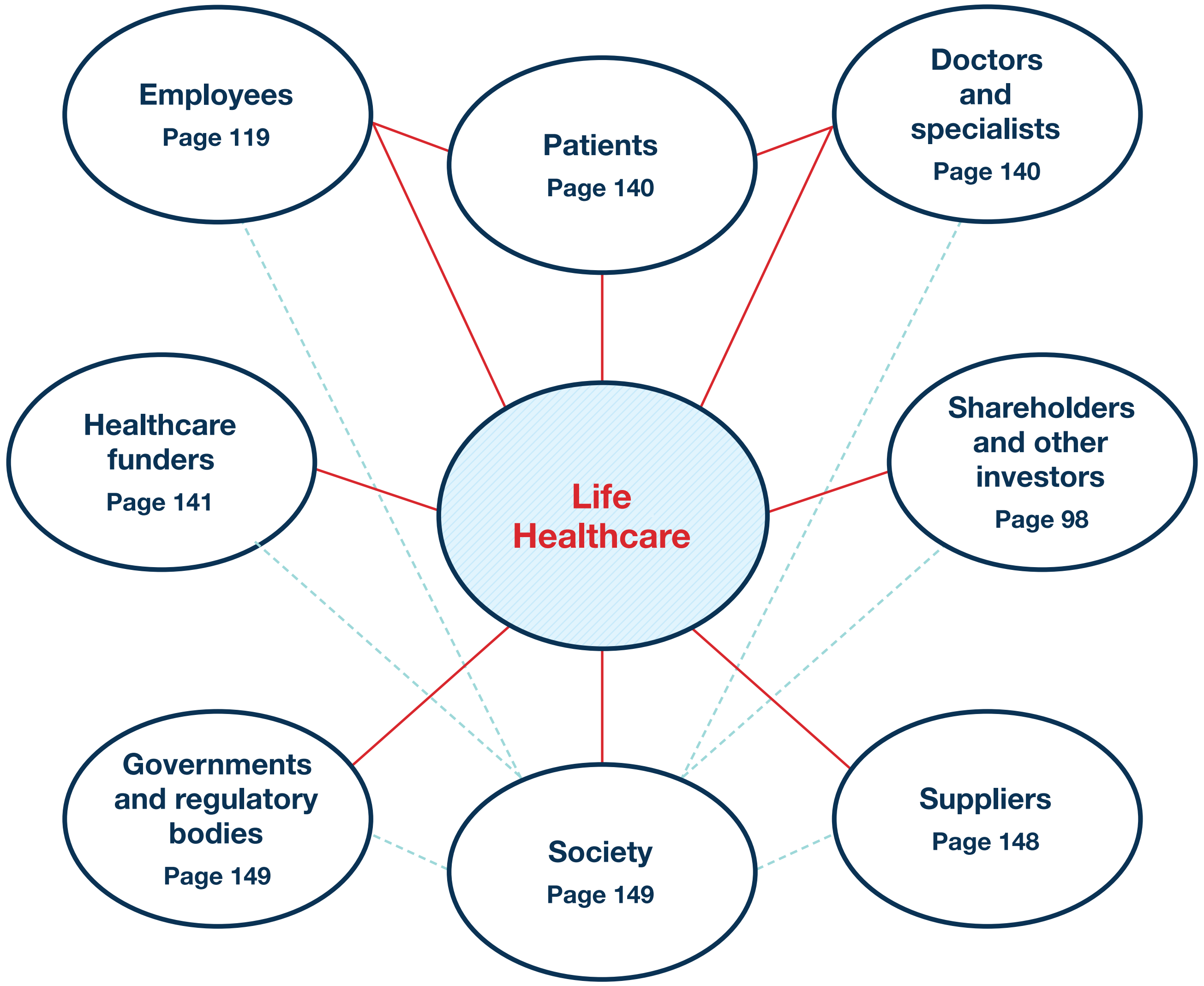
Climate change is an increasingly important topic for many of our stakeholders, and disclosure on this topic, whether through ESG or sustainability impact reporting is widely expected. In addition, evidence of how companies plan to reach their targets needs to be articulated, as opposed to generic statements promising to meet various climate-related proposals and targets.

Looking forward: We continue to explore efficiency projects to reduce energy and water usage, and waste generation. We are also looking at ways of reducing grid-ties services such as using battery storage for some of our services and enhancing our solar power generation. Our environmental targets will kick in from 2024 onwards and become part of our remuneration scorecard (refer to our standalone Sustainability Report and Remuneration Report for additional information.

IMPACT	MITIGATION/ TRADE-OFFS	AFFECTED MATERIAL MATTERS AND STRATEGIC PILLARS
Adverse weather has already led to floods at two of our facilities, while extreme heat (and cold) will impact our ability to maintain pleasant and safe work and treatment environments. Adverse weather can also impact Eskom's ability to generate electricity and impact water availability in South Africa.	We have continued to invest in solar panels to reduce our reliance on Eskom. We continue to look at ways to reduce water consumption and enhance off-grid water solutions. These solutions come at a cost but improve our ability to run our facilities 24/7.	

Our stakeholders

When assessing our business model, we must be cognisant of the operating environment we choose to be part of and the risks and opportunities inherent in the market, while also weighing up our relative strengths and capabilities to compete in the target market. Several key stakeholders (depicted below) shape our operating environment and contribute to our ability to deliver services across our business.



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

See page 119

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

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

See page 140

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

See page 140

Healthcare funders are important stakeholders as we receive much of our remuneration directly from them. In southern Africa our services are mostly funded through private medical insurance coverage and occasionally through direct out-of-pocket payments or publicly funded schemes. For LMI, the uptake of PET-CT scanning as part of the diagnostic pathway for dementia patients, will largely depend on public sector funders agreeing to cover the costs of dementia treatment and the diagnostic tests required.

See page 141

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

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

Life Healthcare

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

See page 98

Healthcare is a heavily regulated sector worldwide. These regulations, from national **governments or professional or other regulatory bodies**, define what we can and can not do from a healthcare provision perspective.

See page 149

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

See page 149

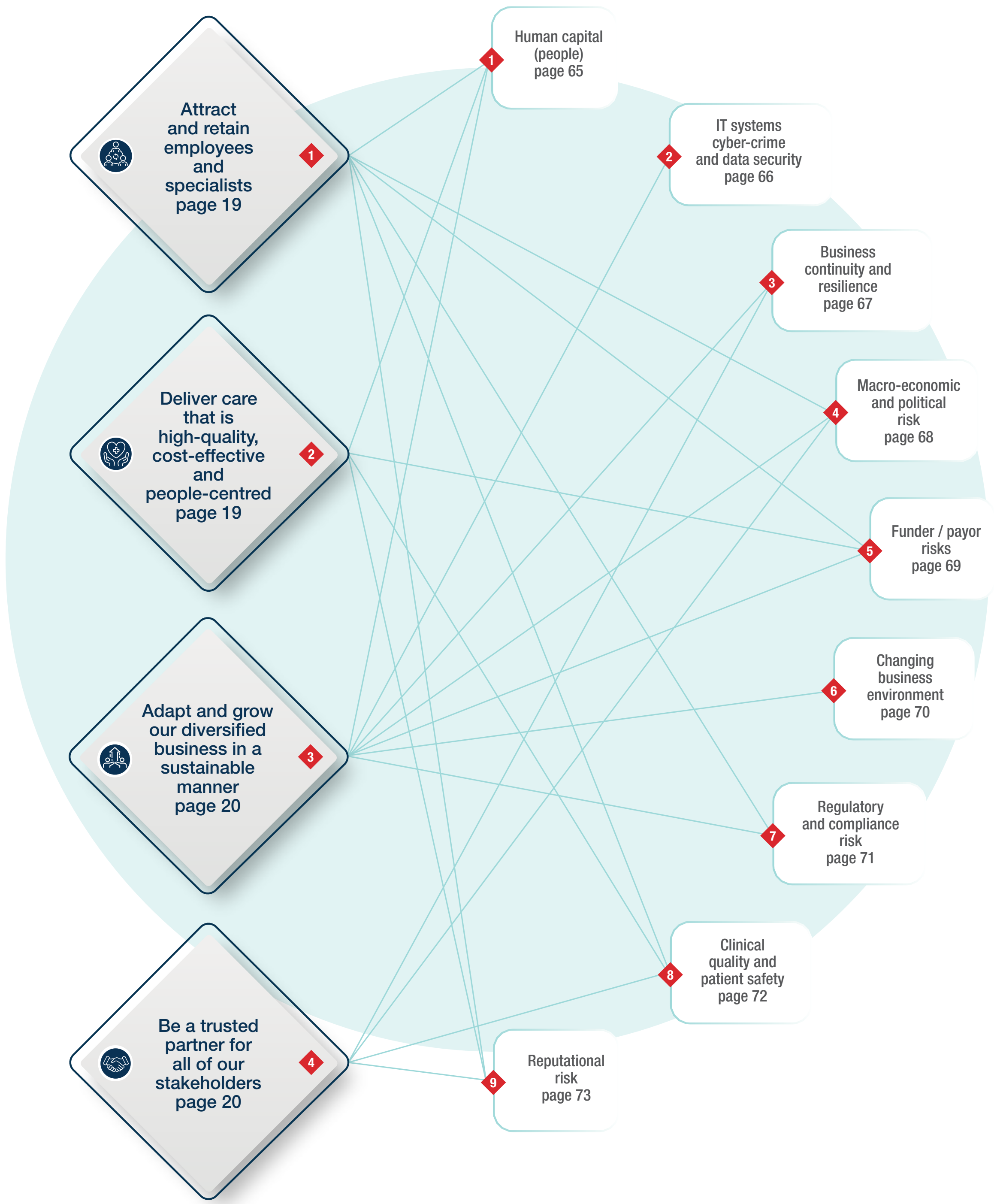
Our **suppliers** deliver the consumables, drugs, equipment and food we utilise during the provision of our services. We also rely on utilities to supply us with water, electricity and other municipal services. Reliability of our supply chain and utilities is crucial to the sustainability of our services.

See page 148

Our material matters

The material matters we have identified are presented as groupings of risks and other factors that could affect our ability to deliver care. Our material matters may also impact the economic, environmental and social value we create for our stakeholders.

The key risks across the Group (see page 64) have been categorised into four material matters, or themes, which make these risks easier to understand, prioritise and manage across the business. These material matters were then presented to the Group ExCo and then submitted to the Audit Committee and Risk, Compliance and IT Governance Committee for approval (a process that happens annually). The mapping of how the material matters are derived from, and linked to the Group's key risks are shown below:



Material matters

Attract and retain employees and specialists

How we address this material matter
- Remain an attractive and supportive environment for our employees to work in with competitive remuneration
- Maintain good relationships with specialists and provide an environment in which they want to work
- Provide training for employees, including nurse training and professional development training across all spheres of employees
- Help with professional registration of healthcare workers and medical liability insurance coverage
- Maintain Group-wide regulatory compliance with all relevant legislation and the requirements of health authorities and professional healthcare bodies across public and private sectors

Looking forward
- Continue to work with healthcare authorities to increase the number of nurses trained in South Africa and to increase the scope of this training
- Improve communication of our enhanced EVP to employees

Further information
- Our strategy page 30
- Our People report including our EVP page 119
- Safety and quality performance page 143
- Infrastructure expenditure page 124

Stakeholders impacted

Link to Group risks

Risk 1, Risk 4, Risk 5, Risk 7, Risk 8, Risk 9

Link to strategic pillars

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

How we address this material matter
- Ensure the highest quality standards across all facilities within the Group
- Make available our measurable clinical outcomes and patient survey results
- Deliver modern and safe workspaces for all staff and patients
- Apply standardised operational pathways and use data and technology to drive efficiencies while reducing wasted and duplicated services to continue offering our patients and funders cost-efficient services without compromising on patient safety or clinical quality outcomes

Looking forward
- Develop new integrated patient pathways that deliver quantifiable valued-based care (VBC) outcomes benefiting patients, healthcare providers and funders
- Continue to develop alternative care models which are attractive to funders while ensuring patient safety and satisfaction

Further information
- Our strategy page 30
- Safety and quality performance page 143
- Infrastructure expenditure page 124
- IT and technology page 28

Stakeholders impacted

Link to Group risks

Risk 1, Risk 5, Risk 8, Risk 9

Link to strategic pillars

Making life better

Our material matters continued

Adapt and grow our diversified business in a sustainable manner

How we address this material matter
- Business continuity and resilience delivered by a responsive decentralised management team who have a proven ability to adapt and respond to challenges including:
- Manage electricity and water outages in SA, which continue to present operational issues due to the intermittent nature of the outages. We have responded by increasing our off-grid electricity generation and storage of both water and electricity
- Protect against cyber-security threats
- Drive growth across existing and new business lines to increase diversification of revenue and earnings

Looking forward
- Continue to increase off-grid electricity and water solutions, which will reduce reliance on state utility companies and deliver on our environmental sustainability targets
- Develop value-based care clinical products
- Enhance data analytics capability to drive improved clinical quality, further cost-efficiencies, and more integrated healthcare delivery

Further information
- Our strategy page 30
- Our People report including our EVP page 119
- Our Natural Capital review and approach to sustainability is included on page 126 and in our stand alone Sustainability Report

Stakeholders impacted

Link to Group risks
Risk 1, Risk 2, Risk 3, Risk 4, Risk 5, Risk 6, Risk 7

Link to strategic pillars

Be a trusted partner for all of our stakeholders

How we address this material matter
- Maintain good relations with key stakeholders and mitigate reputational issues effectively
- Deliver an exceptional patient experience
- Governments and public health authorities – deliver on contractual terms and quality metrics along with constructive engagements on how to offer/tender for new projects
- Build on private payer relationships through the delivery of high-quality, cost-effective care
- Providers of capital – provide attractive return on investment metrics and capital allocation strategies so as to repay lenders and reward equity partners

Looking forward
- Remain a preferred provider for funders and their patient networks
- Look for growth opportunities that provide acceptable returns in southern Africa

Further information
- Our strategy page 30
- Safety and quality performance page 143
- Chairman's review page 22
- Social Capital review page 140

Stakeholders impacted

Link to Group risks
Risk 3, Risk 4, Risk 8, Risk 9

Link to strategic pillars

Making life better

Chairman's review

It gives me great pleasure to present Life Healthcare's Integrated Annual Report for 2023. The financial year has seen strong activity growth being delivered from our southern African operations through a combination of both organic and acquisitive growth and in AMG through solid scan volume growth across our regions, driven by supportive diagnostic imaging industry macro-trends.

The AMG transaction marks a significant step-change for the Company with the disposal of a significant proportion of our international non-acute revenue and assets. The conclusion of the transaction will materially improve our balance sheet and return significant capital to shareholders.

AMG DISPOSAL unlocks value for shareholders:

c.R21.3 BILLION transaction value

c.R8.4 BILLION to be returned to shareholders in 2024

LMI, has had an exciting year (see page 112 for a more detailed performance overview). With the approval (in the US) of an Alzheimer's disease-modifying drug (DMD), and reimbursement thereof, we are poised to be able to help dementia sufferers undergo diagnostic PET-CT testing using LMI's tracer NeuraCeq® as part of their work-up for receiving treatment. During 2024 we anticipate that additional Alzheimer's DMDs will come to market and for them to be approved across more geographies. We are well positioned to be a part of this large new treatment pathway that could alleviate significant suffering for dementia patients and their families, while also markedly reducing the overall cost of treating and caring for Alzheimer sufferers.

Resilience and adaptability

In the current year, we faced several challenges and unforeseen circumstances impacting our operations including floods in certain parts of the country, water disruptions, an unpredictable national loadshedding schedule and the effects of a high-interest rate environment. I am proud to say that our teams adapted quickly to weather these challenges.

A resilient and dedicated management team, the sale of AMG, the strong balance sheet, the non-acute growth drivers and the growth optionality of LMI's Neuraceq®, position us well for continued and sustained success in our overall strategy.

Unlocking value for shareholders through the disposal of AMG

Since the acquisition of AMG in 2016, Life Healthcare has focused on strategically developing and growing AMG's service offering and footprint, resulting in AMG's revenue increasing by 79% in the past seven years, from GBP233 million in 2016 to GBP418 million in the current year.

In early 2023 the Company received several unsolicited expressions of interest in AMG. Following extensive engagement and the evaluation of offers for AMG, we decided to proceed with iCON Infrastructure.

The Board strongly believes that the offer received from iCON Infrastructure was in the best interests of shareholders, given significant value unlock for shareholders, and recommended the disposal to shareholders through the announcement of the transaction on 5 October 2023.

iCON Infrastructure will acquire AMG for a post-IFRS 16 enterprise value of GBP910 million (approximately R21.3 billion). With the proceeds from the disposal, we plan to settle all of our international debt and then return c.R8.4 billion of net proceeds to shareholders in 2024. We expect the transaction to be completed in the first quarter of calendar year 2024.

Purpose-driven strategy

The AMG transaction marks a significant step-change for the Company with the disposal of a significant proportion of our international non-acute revenue and assets. The conclusion of the transaction will materially improve our balance sheet and return significant capital to shareholders. It will also reduce the Group's exposure to markets outside southern Africa. This will allow the Company to focus on its core southern African market and to drive the growth optionality of LMI.

The Group achieved the following successes in delivering on our strategy during the current year:

- Concluding agreements to acquire Fresenius Medical Care's southern Africa renal dialysis clinics in May 2023. This acquisition, which is subject to Competition Commission approval in South Africa, will increase the size of our existing renal dialysis footprint by adding a total of 51 renal dialysis facilities across South Africa, Namibia and eSwatini and provide a bigger footprint for our renal VBC product.
- Acquiring the non-clinical operations of TheraMed Nuclear (TheraMed) and PET Vision's imaging operations. We now have 11 diagnostic and molecular imaging facilities operating under the Life Healthcare brand.
- Our SA radiopharmacy expansion, through our joint venture with the AXIM group, is moving ahead with the building of two cyclotron-based radiopharmacy sites and supports the expansion of the Group's molecular imaging and oncology services.
- Concluding and extending NeuraCeq® manufacturing agreements across the US and Europe. LMI currently has 44 active and contracted sites where NeuraCeq® can be manufactured.

Macro-economic challenges demand a shift to affordable care models

In my 2022 review, I expressed concern about the rapidly rising interest rates around the world, the possibility of recessions in some markets, and ongoing geopolitical instability. While inflation in many parts of the world has started to subside, macro-economic headwinds remain, costs of doing business have risen and the financial burden of rising interest rates has left consumers, companies and economies in a fragile state.

Life Healthcare is now the preferred private hospital network provider in SA

We are the first mover in value-based care contracting in SA with the introduction of our renal VBC product in 2023

In South Africa, we continue to see stagnant economic growth and continued high unemployment as the worsening electricity outages disrupt operations and water supplies. These crises have resulted in a number of initiatives centred around collaboration between Government and the private sector. Some of these are starting to bear fruit, with over 6 GW of renewable energy applications being made during the year. The opening up of some rail corridors to private logistics players may alleviate several bottlenecks holding back the export of minerals.

These developments once again demonstrate the effectiveness of public-private partnerships. We will continue pursuing public-private partnerships in the healthcare sector as we think these could be deployed quickly and materially improve healthcare delivery in the country.

The macro-economic headwinds in South Africa make it ever more pressing for us to deliver affordable healthcare through efficient high-quality healthcare services. We continue to focus on this imperative for a sustainable private healthcare industry and during the current financial year the following outcomes were achieved:

- The winning of two sizeable funder network deals in January 2023 underscores our efforts to partner with medical scheme administrators to help reduce healthcare costs and

Making life better

Chairman's review continued

to help us drive additional volumes through our facilities. This strategy has helped to raise our occupancy levels above 70% during the second half of our year. (For a full review of our southern Africa operations, please see pages 104 – 111.)
- The introduction of our first value-based care product for renal dialysis in January 2023 aims to achieve the triple goal of improving patients' healthcare outcomes, lowering their treatment costs, and driving additional volumes to our facilities. We are the first mover in these types of products and this positions us well with both funders and patients.

Clinical staffing shortages can only be addressed with increased training

Our drive to train more nurses in South Africa continues, albeit slowly. Our unsuccessful lobbying of relevant stakeholders to address the nursing shortages in key areas, as well as lack of progress in partnering with government, has been extremely disappointing. Limited progress has also been made with our proposals to be allowed to train doctors in our facilities, despite the benefits we believe young doctors would derive from this, which would be delivered at no additional cost to the government.

This issue is critical to our ability to deliver effective healthcare in South Africa. With the government cutting the healthcare budget in real terms, the money available for training will likely be diminished further, making it ever more sensible for the private sector to be utilised to assist where it can. We will continue to pursue positive engagement in this crucial area.

National health insurance

Providing accessible, affordable healthcare for the people of South Africa is core to what we do. We reaffirm our support for the principles and objectives of NHI in South Africa, which aims to provide access to affordable, comprehensive, quality healthcare services for all South Africans. However, we do not support the proposed implementation plan.

This undertaking will be the largest single undertaking by the South African Government and we strongly believe that this undertaking cannot be solely Government's responsibility. We believe it should be a collaborative effort between the private and public sectors. The learned experience from our international operations, where government-led healthcare systems are the norm, clearly demonstrates how public-private collaboration can successfully deliver world-class services funded by the public purse. Working together to get things done cannot be emphasised more.

For NHI to achieve its objectives, we need sufficient healthcare workers and facilities, sound governance, management skills, capital and appropriate reimbursement models. The pandemic evidenced effective public and private sector collaboration and how much can be accomplished when working towards the same goal. Our work to develop new models of care that increase access to healthcare and improve clinical outcomes, while reducing the cost of care, are broadly applicable across both the private and public healthcare landscape. We continue to stand ready to co-operate with, and assist in, delivering a successful NHI in South Africa.

Progressing our ESG strategy

Sustainability has long been integrated into our Board and Executive management decision-making processes. In recent years, we have been on a journey to collate, analyse and report on our environmental impact as a business. I am pleased to confirm that this work has culminated in us setting targets to reduce our environmental impact, with a reduction of waste to landfill to zero and a reduction of our carbon emissions by 20% – both by 2030. Our longer-term goal is to be a net zero emissions company by 2050. These targets, as well as our current

Other notable developments within our southern African business include the investments we are making in oncology and diagnostic imaging services

progress on reporting our emissions and other comprehensive environmental data points, can be found in our separate Sustainability Report.

We have robust governance structures (see page 46) in place and already have a well-developed and uplifting set of social impact initiatives (refer to our Sustainability Report.

People are our most important asset and a prerequisite for a truly sustainable business. They differentiate our business and are a core enabler for everything we do. We aim to create an inclusive, diverse and supportive working environment, and continue to make progress with diversity and inclusion across the Group (refer to Our people section on page 119).

Board succession

Succession planning continues to be high on the Board's agenda. During the year under review Royden Vice and Dr Malefetsane Ngatane retired from the Board. Royden and Malefetsane have both been on the Board for many years and we thank them for their invaluable contribution to the Company over the years.

As part of our Board succession plan, we welcomed two new independent directors, Paul Moeketsi and Fulvio Tonelli. These changes resulted in the reconstitution some of the Board subcommittees (refer to our Corporate Governance overview on pages 46 – 59). Our Board will see further changes with Peter Golesworthy and Garth Solomon stepping off the Board following the Annual General Meeting (AGM) in 2024.

Key Board outcomes in 2023

- Driving realisation of value for shareholders with the disposal of AMG,
- Progressive execution of our 2026 strategy,
- Focus on sustainable operational delivery,
- Monitoring roll-out and progress of our integrated value-based care products,
- Continued improvement in clinical quality and patient experience measures, and
- Progressing diversity and inclusion, and embedding our EVP across the Group.

Key Board focus areas for 2024

- Evaluation and possible adaptation of the operating model post the AMG sale,
- Focus on setting up LMI for success and monitoring growth in sales,
- Continued focus on clinical quality and patient experience, and
- Continued focus on our people and progressing our ESG targets.

Appreciation

To our leadership, thank you for the substantial effort in delivering on our strategic and operational efforts. The Company's ability to effectively respond to operational challenges, while continuing to provide quality care to its patients is primarily due to the resilience, dedication and unwavering support of its entire employee base, doctors and other healthcare professionals. I want to thank them for their tireless work and for the care they deliver.

I specifically want to thank the management and employees of AMG for their contribution to the Group.

To our Board, thank you for leveraging your skills, providing valuable insights and your ongoing commitment. Your input ensured the Group's continued alignment with our strategy to meet our ultimate objectives and, where necessary, the revision of our strategic focus.

To our shareholders, your continued support and trust in Life Healthcare is invaluable and we deeply appreciate your unwavering commitment. Rest assured, we are fully committed to aligning on key issues, while maximising shareholder value and delivering sustainable long-term growth.

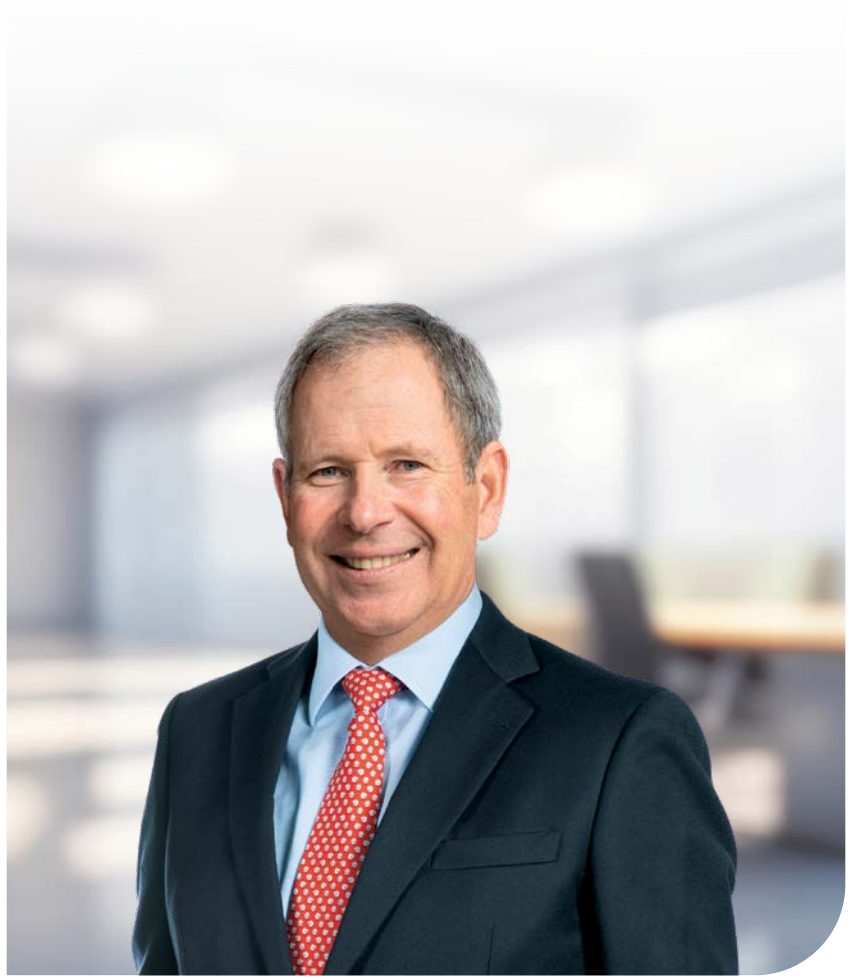
To each and every one of our stakeholders, thank you for your continued trust and support.

Dr Victor Litlhakanyane
Chairman

Making life better

Group Chief Executive's review

The year under review has seen pivotal advancement in our strategic positioning. The disposal of AMG for c.R21.3 billion will unlock significant value for shareholders. In 2024, after the conclusion of the transaction, we will strengthen our balance sheet with the repayment of debt of c.R8.7 billion, distribute c.R8.4 billion to shareholders and retain c.R2.4 billion for key growth projects.



REVENUE from continuing operations of
R22.6 BILLION
(2022: R20.5 billion)

Normalised **EBITDA** from continuing operations of
R3.6 BILLION
(2022: R3.4 billion)

Overview

Our southern African business has seen substantial successes during 2023 and we are now the largest private healthcare designated network provider in South Africa.

Our growth into non-acute complementary services has taken a significant step forward through diagnostic and molecular imaging acquisitions and the establishment of a cyclotron-based radiopharmacy business that strengthens the diagnostic capability of the Group's oncology services. Our renal dialysis VBC product was launched in 2023 across our national network. We have also seen a substantial number of doctors recruited over the past two years. These factors are all significant building blocks that secure continued long-term growth, but more importantly enable earlier diagnosis and treatment of our patients, while also driving more accessible and affordable healthcare.

Unconditional reimbursement for NeuraCeq® in the US is a significant milestone, further highlighting the growth optionality contained within LMI.

Life Healthcare is a highly cash-generative business with a fortress balance sheet and clear capital allocation priorities. These factors position us well for sustained success and superior returns.

Our operating performance

The performance in the year was impacted by a deteriorating economic environment and public infrastructure failures in South Africa resulting in electricity provisioning challenges, water shortages and floods. The continued challenge to train more healthcare professionals is also resulting in shortage of sufficiently skilled healthcare workers.

The disposal of AMG resulted in it not being included in the Group's operating performance and being disclosed as a discontinued operation. AMG delivered a solid operational performance with overall scan volume growth of 7.3%. UK volumes increased by 9.5%, with strong growth across the UK Diagnostic Imaging and PET-CT centres. Volumes in Ireland were up 13.6% and Italy reflected higher private volumes partly offset by lower public sector volumes. If AMG had been included in the Group's 2023 results, Group revenue would have exceeded R31 billion for the first time.

I am proud of the resilience of our teams across our operations and of my executive team's ability to manage in this challenging environment, which has allowed us to achieve the operating results we have.

The SA operations experienced strong demand for their services driven by being the preferred network provider for medical aid funders. PPDs reflected growth of 9.5%, with a normalisation in case mix, which drove the occupancy levels of our hospitals and complementary services to 70.2% and 74.1% respectively, in the second half of 2023. This resulted in SA revenue growing by 10.1% to R22.0 billion in the current year. Refer to the SA performance review on page 104.

The execution of our strategy to drive volume growth within the business has resulted in network deals with the Government Employee Medical Scheme (GEMS) and Medscheme. Patient volumes from the additional network deals, and the normalisation trend in activities and case mix, drove the strong hospital and complementary services PPD growth of 9.5%. This PPD growth came with a shift in case mix at lower revenue per PPD, and consequently leading to flat year-on-year revenue per PPD growth. The case mix change, along with the continued investment in data analytics, product development (including the renal VBC), information technology (IT) infrastructure improvement, as well as inflationary costs in excess of tariff increases, have all impacted our margins. Normalised EBITDA grew 6.6% to R3.7 billion and the resultant normalised EBITDA margin was 16.9% compared to 17.4% for 2022. While the change in mix and the impact of network discounts have resulted in a lower margin in the current year, we believe that continued growth in occupancies due to our preferred network provider position is likely and will result in margins improving over time.

LMI grew revenue by 18.2% from improved commercial sales of NeuraCeq®, which increased by 29.2% in the current year, and increased clinical trial revenue which grew by 7.7%. We have invested in preparing the business for the expected growth in commercial sales by increasing our sales team and support functions in the US. This resulted in increased costs for the year, with normalisation expected in the new financial year as sales grow. Refer to the international performance review on page 112.

Our teams have done a good job minimising working capital investments and exceeded our cash generation target of 95%, achieving a level of 101.6%. This outstanding debtor management contributed to a strong balance sheet in 2023, reflected in a net debt to normalised EBITDA ratio of 2.0x. This strong financial position is further supported by sustained cash flow generation and prudent capital management. (Please refer to the Group CFO section on page 100 for more information.)

The AMG transaction will result in an overall reduction in gearing, as a portion of the purchase consideration will be used to repay remaining international debt, and result in Group gearing reducing to approximately 1.0x net debt to normalised EBITDA, providing headroom to invest in growth and supporting the Group's ability to distribute excess cash to Shareholders.

Executing our strategy

Core to our strategy is ensuring an efficient and resilient acute hospital business in southern Africa, delivering high-quality healthcare through our extraordinary complement of committed nurses, partnering doctors and other healthcare professionals. A strategic priority for us is the effective use of our core acute hospital business by maximising the utilisation of the assets. We aim to achieve this by being the preferred hospital group for patients and medical aid funders and by delivering efficient, affordable, high-quality healthcare services.

Life Healthcare is at the forefront of an expanding complementary services landscape in southern Africa. Through organic growth and various investments in high-quality, attractive, complementary businesses in recent years, Life Healthcare has accelerated its growth into non-acute services, further propelling our acute businesses. The Group's growth in these services is central to our continued development as an integrated healthcare provider and is aligned with our focus on developing VBC products in southern Africa. Several initiatives are currently underway to enhance the service offering and capabilities of the complementary services business, including:

Renal dialysis

- Life Healthcare concluded an agreement to acquire the renal dialysis assets of Fresenius Medical Care in southern Africa in May 2023. This transaction, which remains subject to Competition Commission approval in South Africa, will see Life Healthcare acquire 51 renal dialysis facilities in South Africa, Namibia and eSwatini.
- Our renal dialysis VBC product was launched in South Africa during 2023, with excellent results achieved for our patients. Most of our renal patients on the VBC programme had improved compliance and clinical outcomes.

Group Chief Executive's review continued

Molecular imaging and the provision of radiotracers within South Africa

- Our acquisitions of diagnostic, molecular imaging and nuclear medicine operations results in us having 11 facilities operating under the Life Healthcare brand, with a healthy pipeline of other transactions being progressed.
- The building of two cyclotrons in our Gauteng joint venture with AXIM will enhance the Group's molecular imaging (PET-CT and SPECT) capability while also reinforcing the diagnostic capability of the Group's oncology services. This represents a significant advancement for patients in southern Africa, as the use of PET-CT imaging in diagnostics enables clinicians to diagnose diseases earlier and more accurately.

We have made meaningful progress and completed some key IT projects during the year

- Modernising our IT network at all of our facilities to create the foundation and flexibility to exploit new technologies at unit level as well as to improve our customers' experience
- Migrating our applications to the Microsoft Azure Cloud to enable uninterrupted access, improved security and disaster recovery. This project will be completed in the second half of 2024.
- Modernisation of our patient accounting system (iMeds) to a more user-friendly and secure way to manage patient information. The new system will also make it easier for clinicians to share information with each other and with other healthcare providers, which should improve the quality of care that patients receive.
- Implementing a clinical management system through the Salesforce Healthcloud. The first product (our renal VBC product) went live during the year and is being rolled out to all of our renal units. The use of this clinical management system marks a significant milestone in our business disruption strategy, with the implementation of additional products in due course.

Our EVP continues to deliver exceptional results with significant improvement seen in key metrics, including noteworthy reductions in turnover of specialist nurses, case managers and pharmacists in our southern Africa operations.

We have unfortunately made limited tangible progress with the Nursing Council to allow the Company to train more nurses. We will continue to lobby relevant stakeholders to address the nursing shortages in key areas. A continued key deliverable and continued focus is to drive senior doctor recruitment. The total net doctors recruited amounted to 184 for both 2023 and 2022.

Our diversity and inclusion strategy has become a way of life and continues to yield solid results. Our diversity and inclusion strategy strengthens our ability to diversify our employee base and deliver on our succession planning over the medium to longer term.

Our long-term target to reduce our carbon emissions by 20% by 2023 (off our 2023 baseline data) was approved by the Board in May 2023. Our strategy roadmap has been developed through an iterative process resulting in realistic targets in terms of value and resource capabilities.

Significant developments within LMI

The 2023 year saw continued progress in preparing LMI for sales of NeuraCeq® through the strengthening of governance, processes and structures. LMI's NeuraCeq® remains a future revenue driver with strong revenue growth of 18.2% to R656 million achieved in 2023.

Radioisotope tracers are particularly important in the field of molecular imaging. Using PET-CT scans provides early detection and characterisation of chronic and life-threatening diseases, including cancer, cardiovascular and neurodegenerative diseases (such as Alzheimer's), leading to earlier and more precise diagnosis and better therapeutic outcomes. In respect of the diagnostic pathway, PET-CT with radiopharmaceuticals targeting beta-amyloid such as NeuraCeq®, is the current benchmark in diagnosing patients with Alzheimer's disease.

Unconditional reimbursement for NeuraCeq® in the US is a significant milestone, further highlighting the growth optionality contained within LMI.

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 are estimated to suffer from possible Alzheimer's dementia.

A significant milestone occurred in October 2023, with the Centres for Medicare and Medical Services (CMS) allowing unrestricted reimbursement of PET-CT scans using amyloid tracers in the US. This follows the FDA approval of the Alzheimer's DMD Leqembi™. This decision clears the way for LMI's NeuraCeq® to play a meaningful part in the diagnostic pathway dementia sufferers take prior to potentially starting treatment.

In October 2023, NeuraCeq® received regulatory approval for use in China, in addition to the approvals it already has in the UK and Europe. As we look forward to 2024 and beyond, we believe that Alzheimer's drugs (such as Leqembi™) will gain regulatory approvals from the European Medicines Agency (EMA) as well as Chinese and Japanese drug agencies. These approvals will significantly increase the potential opportunity for LMI.

Purpose driven and pioneering value-based care

Our core purpose of ***Making life better*** is achieved by our delivery of exceptional quality cost-effective care for all our patients and stakeholders. This is done through clinical excellence, continuous focus on driving improved efficiencies, caring for our employees, attracting the best clinicians and using analytics and technology to impact the care delivered positively. We continue to further our reporting and have seen improvements in key measures of patient satisfaction, patient safety and employee safety.

Positioning Life Healthcare as a leading cancer care provider has taken a considerable step forward. Life Oncology at Life Vincent Pallotti Hospital delivers world-class screening, diagnostics and novel treatment technologies. It is supported by a national network of units ensuring access to the best cancer care. This centre includes the installation of a Varian Ethos™ machine, the first adaptive radiotherapy unit in South Africa.

Linking complementary services with the Group's acute hospital network forms the basis of our integrated care strategy. Our investments in VBC models aim to actively drive a shift towards alternative reimbursement models to incentivise improved patient care and clinical efficiency, as well as reducing the overall cost of care.

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.

Performance objectives for 2024

- Conclude the disposal of AMG and distribute c.R8.4 billion to shareholders,
- Achieve activity growth targets to substantiate the commitment to preferred networks,
- Continue to grow non-acute revenue through select acquisitions and organic opportunities including:
  - Additional imaging transactions,
  - Completion of the Fresenius Medical Care acquisition
- Grow sales in LMI, and
- Evaluate and adapt the operating model to support our strategy, cost reduction, and normalised EBITDA margin maintenance, and
- Review our dividend policy.

Appreciation

I want to thank our Board and Executive management teams for their substantial contribution to our strategic and operational efforts during this year. To our employees and the healthcare professionals with whom we work, thank you for your passion and dedication every day. Your ongoing commitment to providing quality care to our patients is key to the success of our business.

A special thank you to the AMG management teams and employees. AMG is a great business with an outstanding team. It remains well-placed to continue supporting the UK and Europe's evolving healthcare needs under the new ownership structure and we wish the team all of the best.

We are well positioned to continue creating sustainable value for our stakeholders. I look forward to seeing Life Healthcare deliver on our ambitions in the year ahead.

Peter Wharton-Hood
Group Chief Executive

Our 2026 strategy

Strategic overview

Our purpose is *Making life better*

In order to realise this purpose, we have developed a coherent strategy that is embraced and implemented across the whole Group.

Our **2026 strategy** is driven by our ambition to be:

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

This strategy has been broken down into a number of deliverables to be achieved by 2026 and more recently our environmental sustainability targets, which look further out to 2030 and beyond.

Our strategic deliverables are grouped according to our four strategic pillars of **Quality, Growth, Efficiency** and **Sustainability** and supported by our strategic enablers: our **people** and Technology, **data and analytics**. With the introduction of our long-term environmental sustainability targets during 2023, we have added ESG metrics to our strategic objectives and linked these to remuneration within our 2024 single incentive plan (refer to page 77). This highlights the growing importance of ESG thinking across our business.

If we successfully deliver our strategic objectives through these four pillars we believe we will be delivering on/achieving our purpose.

Our strategic objectives and deliverables are influenced by the operating environment we deploy our inputs into, the expectations of our many stakeholders and the risks that arise due to the interactions of these factors. By measuring and monitoring these expectations and risks along with the outputs and outcomes of our endeavours, we reinforce and adapt our strategy through our robust governance processes.

Disposal of AMG: an example of our strategy in action

When AMG was acquired in 2016 the rationale for the transaction was very much in line with our strategic objectives of growing our international footprint while also diversifying away from acute services. The acquisition provided 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 LMI in 2018, a fully integrated research and development radiopharmaceutical company dedicated to developing and globally commercialising innovative molecular imaging agents for use in PET-CT diagnostics.

Based on 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 continued to have strong conviction in AMG's prospects. AMG, with the full support of the Board, continued to execute its long-term strategy through the development and expansion of its community diagnostic centres footprint in the UK and Ireland, consolidation 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 early 2023, the Company received a number of unsolicited expressions of interest in AMG. Following extensive engagement the interested parties submitted offers for AMG. The Board evaluated these offers and after careful and extensive consideration, the Board believed the disposal of AMG to iCON Infrastructure was 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 realise 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 and 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 continue 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 generation, for the Group. The transaction will also result in an overall reduction in gearing and an improved financial position. As a portion of the proceeds will be used to repay the remaining international debt, the transaction will result in Group gearing reducing to below one times net debt to normalised EBITDA, 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:** The transaction will allow management to streamline its capital allocation priorities and increase its focus on accelerating its integrated care in southern Africa and supporting the growth optionality 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 strong cash generation ability. Life Healthcare will have strong southern Africa growth potential through its integrated care model and international revenue growth potential through LMI's radiopharmaceutical portfolio.

Shareholders were asked to vote on the proposed transaction and the proposed use of the proceeds, and on 8 December 2023, they voted in favour of the transaction. The Group is now in the process of concluding the various workstreams needed to complete the conditions precedent. It is anticipated that the transaction will conclude during the first quarter of the 2024 calendar year. As a result of the transaction, AMG was classified as an asset held for sale within the 2023 financial results.

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

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

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.

Making life better

Our 2026 strategy continued

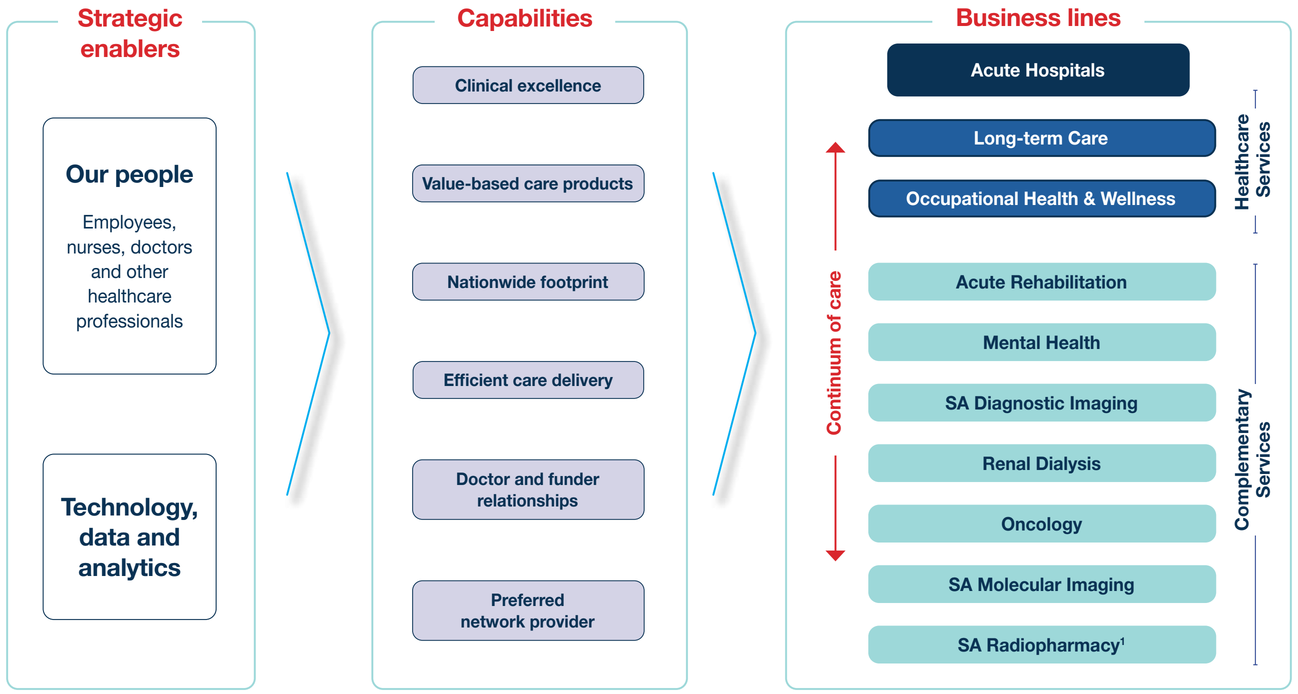
Southern Africa

Linking complementary services with the Group's acute hospital network forms the basis of the Group's integrated care strategy in southern Africa.

The Group's investments in value-based care models in South Africa, actively driving a shift with healthcare funders 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. In addition, we will continue our endeavours to be the preferred network provider, offering funders high-quality patient care at affordable prices.

Our SA operations consist of a core acute hospital business, alongside which are eight distinct complementary service verticals which, when put together span the continuum of care. These are supported by our people and our technology, data and analytics functions and the capabilities incorporated across the Group.

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 is expected during 2024.

As part of our focused 2026 strategy, some of our key SA priorities in the short to medium term include:

Growing the core acute hospital business
through a combination of:
- retaining and/or adding preferred provider networks;
- doctor and specialist recruitment; and
- expansion and/or upgrades of our emergency units.

Expanding our complementary services
through:
- growing our renal dialysis business by expanding or integrated care product, while also expanding our footprint through organic and acquisitive growth;
- expanding our diagnostic imaging and nuclear imaging services through additional acquisitions and the building of two cyclotrons in Gauteng (through the ALISA JV with AXIM);
- developing Life Vincent Pallotti Hospital as a leading oncology centre and replicating this in other areas across the country; and
- developing a PET-CT facility network in the country to complement the oncology services.

Asset portfolio optimisation including:
- expansion of beds;
- expansion of theatre capacity;
- additional consulting rooms;
- upgrades to hospital facilities including buildings, car parks and other assets; and
- disposals or closures of select facilities.

New product development
- We aim to continue using data and analytics alongside our integrated care platform to develop additional value-based care products, integrated care products or other alternative reimbursement models. These products will enhance our ability to offer funders high-quality patient care at affordable prices.

International

Life Molecular Imaging

Our strategy for LMI is straightforward:

1. Grow sales of NeuraCeq® in the markets where NeuraCeq® and Alzheimer's drugs are approved and where they are reimbursed by public and private healthcare funders. This will require investment in sales and marketing teams to ensure that dementia specialists and diagnostics centres with PET-CT capabilities are aware of the benefits of using NeuraCeq® as part of the diagnostic testing of patients with dementia. In addition, we need to secure third-party manufacturing capacity to produce NeuraCeq® in areas close to the PET-CT centres we have targeted. We currently have 44 active and contracted third-party manufacturing sites across the world. In some geographies we will also need to secure distribution of NeuraCeq® to the PET-CT centres.
2. Over time we will continue to invest in the development of LMI's additional pipeline products. Our initial focus will be on progressing our tau tracer through phase 3 clinical trials. The accumulation of tau tangles is also associated with the development of Alzheimer's Disease, and drugs targeting tau are currently being developed, so that we can participate in this treatment pathway if we develop a diagnostic PET-CT tau tracer.

Our 2026 strategy continued

LMI's footprint and positioning in the patient pathway prior to receiving treatment for Alzheimer's Disease

Patients with Mild Cognitive Impairment (MCI) or other symptoms of dementia, are likely to present to a neurologist or memory clinic where cognitive testing is done.

Blood-based biomarkers are currently being developed and tested in clinical trials. Some of these biomarker tests have shown an ability to detect amyloid, but with less accuracy than cerebrospinal fluid (CSF) or PET-CT, and so are likely to be used in the screening of patients in the near future and not for confirmatory testing.

Patients with evidence of cognitive impairment may then be sent for amyloid testing either with a PET-CT or by testing CSF. A PET-CT scan is considered the best diagnostic tool. While CSF testing is cheaper, it is more invasive and can not be used for some patients.

If patients have both cognitive impairment and a positive amyloid test, then they may be eligible for treatment with a DMD, such as Leqembi™. Once patients begin treatment with a DMD, their amyloid levels are likely to be monitored using PET-CT scans, or CSF testing, during their treatment.

Clinical evaluation
- MCI and mild Alzheimer's patients → Memory clinic and neurologist

Screening tests
- *Blood-based biomarkers* (in the future)

Confirmatory diagnostic tests at a PET-CT centre
- *CSF test*
- Amyloid PET-CT imaging

Treatment
- Treatment with disease-modifying therapy

Monitoring

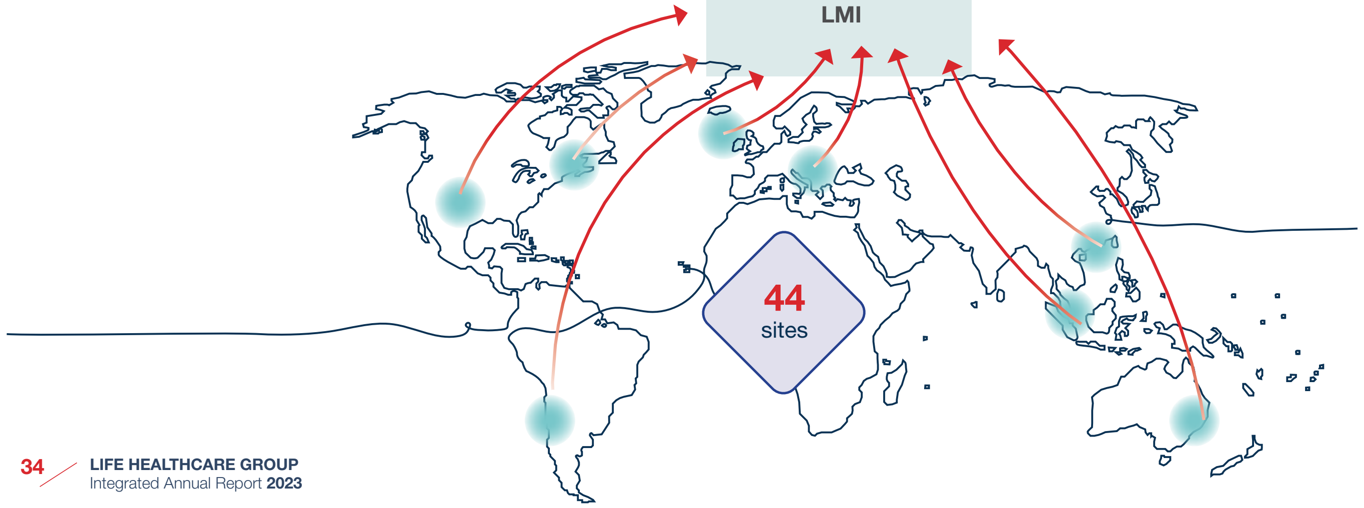
Blood-based biomarkers are currently not commercially available

LMI's sales force

NeuraCeq® florbetaben F18 injection

LMI has third-party manufacturing agreements with cyclotron operators to manufacture NeuraCeq®

LMI



Making life better

Our 2026 strategy continued

Strategic pillars, priorities and objectives

Strategic pillar	Strategic priority	Strategic objectives	Short term (within 1 year) Deliverables short term	Medium term (1 – 3 years) Deliverables medium term	Long term (3 – 5 years) Deliverables long term
Quality	**Deliver clinical excellence and a leading patient experience** – Linked to remuneration (page 74) – Refer to safety and quality review (page 143)	• Deliver patient-centric care aligned with clinical best practice • Reduce variation in clinical care • Drive quality through centres of excellence	• Enhance quality of renal care and improve patient experience through the national roll-out of the renal integrated care product • Embed statistical process control methodology • Digital transformation to improve patient care and engagement	• Expand the portfolio of integrated care products using evidence-based, standardised care pathways • Oncology hub and spoke model • Roll-out of patient advisory boards in SA • Digital transformation to improve patient care and engagement	• Increase access to molecular imaging in SA • Expand the portfolio of integrated care products using evidence-based standardise care pathways
Growth	**Grow and optimise the core acute hospital business** – Linked to remuneration (page 74) – Refer to Our Strategy (page 30)	• Deliver growth in existing lines of business • Become the preferred hospital provider through efficient, affordable, high-quality services	• Develop affordable pricing models for existing lines of business to win/retain network deals	• Increase portfolio of integrated value-based care products across hospital and complementary service lines • Continue to explore business models for PPP in SA	• Increase portfolio of integrated value-based care products across hospital and complementary service lines • Continue to explore NHI opportunities across hospital and complementary service lines
	Enhance and accelerate diversified non-acute services – Linked to remuneration (page 74) – Refer to Our Strategy (page 33)	• Leverage existing assets and capabilities to grow new lines of business and diversify revenue	• Expand renal dialysis footprint in SA • Deliver imaging services pipeline opportunities in SA	• Increase portfolio of integrated value-based care products across hospital and complementary service lines • Develop radiopharmacy and molecular imaging capability in SA	• Increase portfolio of integrated value-based care products across hospital and complementary service lines • Continue to explore NHI opportunities across hospital and complementary service lines
	Strategic investment in LMI to drive growth – Refer to Our Strategy (page 33)	• Ensure LMI has the capabilities and third-party manufacturing capacity to respond to increased demand for amyloid diagnostics • Stage-gated investments into LMI's other portfolio products dependent on clinical trial progress and market opportunity	• Secure NeuraCeq® global production capacity • Bolster sales and marketing team to drive NeuraCeq® sales	• Develop additional NeuraCeq® production capacity dependent on demand factors • Where commercially viable, progress LMI's other pipeline products into Phase 3 clinical trials	• Develop additional production capacity for NeuraCeq® and other products • Bolster sales and marketing team to drive NeuraCeq® and other product sales
Efficiency	**Deliver operational excellence** – Linked to remuneration (page 74)	• Stabilise or improve operating margins in SA through improved utilisation of our facilities and good cost management. • Carefully manage investments into LMI's pipeline based on the stage-gate approach	• Improve bed and theatre occupancy levels in SA • Implement stock optimisation algorithm in SA • Digital transformation underway to drive operational efficiencies	• Leverage scale to improve procurement and contracting • Reduce clinical staff administrative burden	• Use technology, data and advanced analytics to optimise operational performance
	Develop efficient, affordable integrated care products	• Use technology, data and advanced analytics to develop new integrated value-based care products	• Continue to roll out renal dialysis product to additional funders	• Introduce new value-based care products across SA	• Introduce new value-based care products across SA
Sustainability	**Ensure the long-term viability and sustainability of our business** – Linked to remuneration from 2024 onwards (page 78) – Refer to our sustainability highlights (on page 128) and our stand alone Sustainability Report	• Responsible ESG practices • Link material ESG imperatives directly to our strategic priorities	• Agree on ESG strategy and targets and link to executive performance • Continue measurement, monitoring and management of water, waste and electricity	• Improve security of supply of clinical skills (nursing and radiography, hospital managers, pharmacists and IT, data and analytics employees)	• Zero waste to landfill by 2030 • Net zero carbon emissions by 2050

Our 2026 strategy continued

Strategic pillars, priorities and objectives continued

Strategic enablers	Strategic priority	Strategic objectives	Short term (within 1 year) Deliverables short term	Medium term (1 – 3 years) Deliverables medium term	Long term (3 – 5 years) Deliverables long term
People	**Become an employer of choice** – Refer to Our People Report (page 119)	• Embed a culture of diversity and inclusion • Attract, motivate, reward and retain our talented people	• Implement a Group-wide EVP plan • Deliver on diversity, equity and inclusion targets	• Deliver on diversity, equity and inclusion targets • Implement core Human Resources (HR) system enhancements in SA	• Continue to drive and deliver processes that enhance the retention of critical and scarce skills • Deliver on diversity, equity and inclusion targets
Technology, data and analytics	**Modernise our IT environment and create value through the use of data and analytics**	• Deliver and maintain a secure, modern IT environment • Deliver network modernisation and cloud migration projects • Embed data-driven decision making within the organisation	• Decommission legacy systems • Migrate IT systems and data to the cloud • Define and implement an international shared services operating model • Digital transformation to improve patient care, engagement and operational efficiencies	• Implement one IT domain for the Group across both SA and international geographies • Implement an analytics platform to facilitate the development and operationalisation of advanced analytical models • Digital transformation to improve patient care, engagement and operational efficiencies	• Drive digitisation and automation

Making life better

Our 2026 strategy continued

Good progress | Limited progress | No progress
Value created | Value preserved | Value eroded

Strategic deliverables for 2023

Strategic pillar	Key measures	Objective in 2023	Outcome in 2023	Value created, preserved or eroded	Link to executive remuneration outcomes (see Remuneration Report)	More info
Quality	**Clinical governance**	Ensure consistency of clinical governance and management across the Group	The roll-out of new quality management system	Good progress; Value preserved	Strategic innovations Personal Scorecard	Safety and quality review page 143
	Patient experience	National roll-out of patient advisory boards Maintain or improve patient experience scores	Patient experience score improved to 8.5 (out of 10) and the % of patients who would recommend our services also increased partial roll-out of patient advisory boards	Good progress; Value created	Strategic innovations Clinical outcomes	Safety and quality review page 143
	Quality measurement	Provide accurate and consistent analysis of quality data Maintain or improve high-quality scores	Overall quality scores have declined slightly, which is attributed to the increased reporting of incidents through the new quality management system that has been implemented Our incident rates remain good versus international benchmarking and our targets	Limited progress; Value preserved	Strategic innovations Clinical outcomes	Safety and quality review page 143
	Clinical skills shortage	Continue to lobby the South African Nursing Council to increase the number of nurses allowed to be trained in SA (by the public and private sector)	No material progress made. We will continue to lobby for additional training	No progress; Value preserved	Strategic innovations Personal scorecard	GCE Report page 26
Growth	**Increase activity levels**	Increase preferred provider network participation with funders in SA For LMI we will continue to look for opportunities to partner with public and private health services in the US, Europe and elsewhere to grow awareness of NeuraCeq® and to secure reimbursement for its use. Continue to look for opportunities to partner with public health services in SA	Two new network deals won, effective from January 2023 – these helped to drive SA PPD growth for 2023 of 9.5% Increased commercial sales of NeuraCeq® following DMD drug approval in the US	Good progress; Value created Good progress; Value created	Strategic innovations Personal scorecard	How we performed – SA operations page 104 and – International operations page 112
	SA imaging services	Acquire additional imaging practices and begin construction of the two cyclotrons in SA	Acquisition of TheraMed and PET Vision during 2023 Cyclotrons ordered, building work has commenced	Good progress; Value created	Strategic innovations Personal scorecard	How we performed – SA operations page 104
	Expand complementary services	Roll out renal value-based product to funders and enhance renal geographic footprint	Renal value-based care product launched in January 2023 Acquisition of Fresenius Medical Care's renal business in southern Africa, subject to Competition Commission approval	Good progress; Value created	Strategic innovations Personal scorecard	How we performed – SA operations page 104 – Our Strategy page 30
	Oncology expansion	Build out hub and spoke oncology model	New chemotherapy ward completed at Life Vincent Pallotti Hospital	Good progress; Value created	Strategic innovations Personal scorecard	How we performed – SA operations page 104 – Our Strategy page 30

Making life better

Our 2026 strategy continued

Good progress	Limited progress	No progress
Value created	Value preserved	Value eroded

Strategic deliverables for 2023 continued

Strategic pillar	Key measures	Objective in 2023	Outcome in 2023	Value created, preserved or eroded	Link to executive remuneration outcomes (see Remuneration Report)	More info
Efficiency	Stabilise SA operating margins	Drive further efficiencies through combination of volume growth, cost control and new business lines enabled by technology and data analytics	Normalised EBITDA in SA grew by 6.6% to R3.7 billion (2022: R3.4 billion), but our margin declined to 16.9%	Limited progress / No progress	Financial metrics related to Group performance	How we performed – SA operations page 104
	Develop efficient, affordable integrated care products	Use technology, data and advanced analytics to develop new integrated value-based care products	Roll out renal dialysis product to additional funders and enhance the product through the use of data and analytics	Good progress / Value created	Strategic innovations Personal scorecard	How we performed – SA operations page 104
Sustainability	ESG strategy	Set ESG baseline and define short, medium and long-term ESG targets	ESG targets agreed using 2023 as baseline. Targets to be incorporated into 2024 remuneration scorecards	Good progress / Value preserved	Strategic innovations Personal scorecard (from 2024 onwards)	Sustainability Report Sustainability highlights page 128
	EVP	Group-wide communication of the EVP	Achieved	Good progress / Value created	Strategic innovations Personal scorecard	Our people section page 119
	Diversity and inclusion	Meet or exceed diversity and inclusion targets	Achieved	Good progress / Value created	Strategic innovations Personal scorecard	Our people section page 119
	B-BBEE level	Maintain a level 3 B-BBEE rating	Level 3 rating maintained	Limited progress / Value preserved	Strategic innovations Personal scorecard	Sustainability Report

Making life better

16 960
employees

- Our people remain at the heart of Life Healthcare and are key to its success.
- Our good financial performance during the current financial year is thanks to their exceptional contributions and unwavering dedication.

How we run our business

In this section

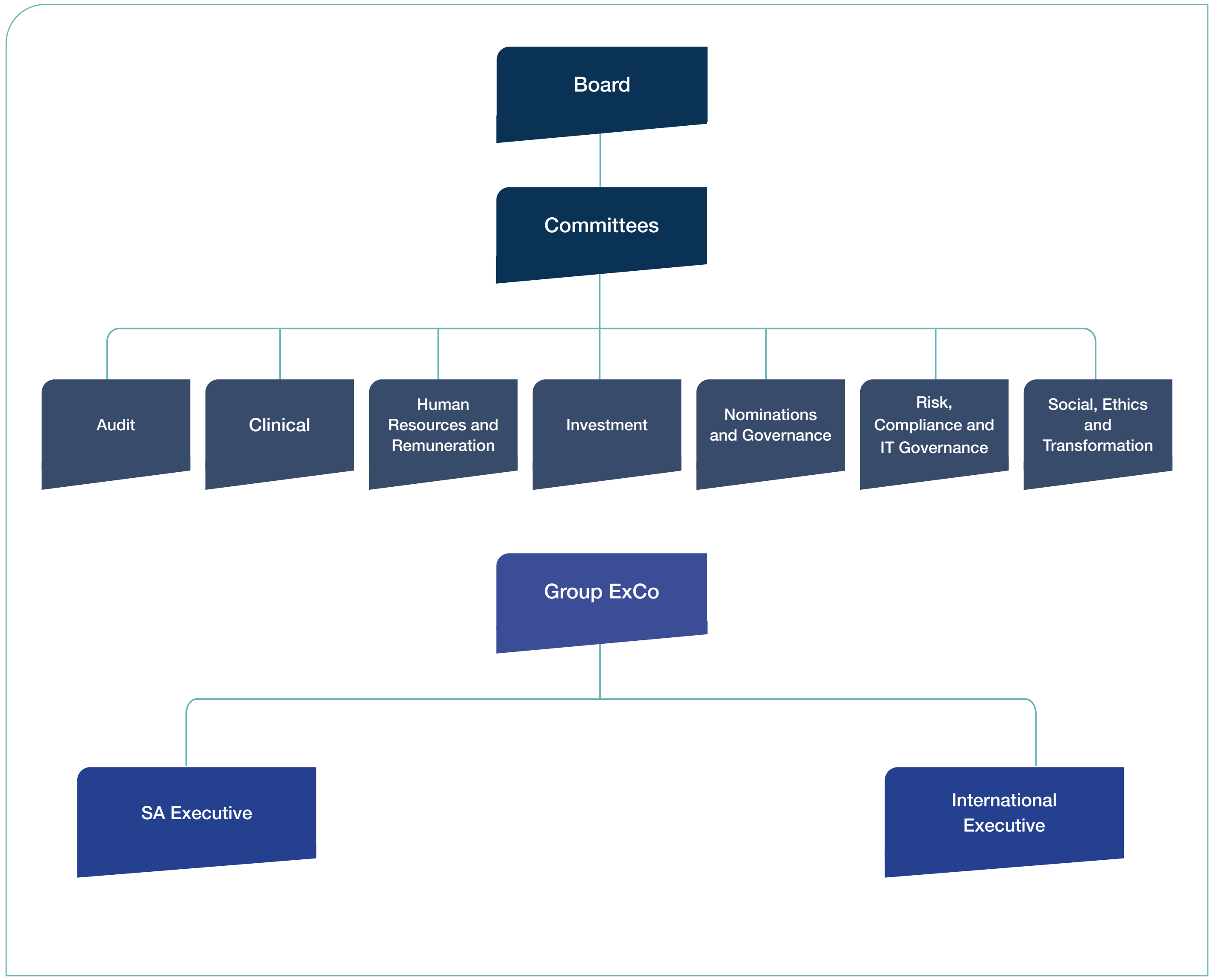
Making life better

Corporate governance overview

Good governance forms the cornerstone of business and this is evident at Life Healthcare. Through the various levels of the organisation, we have ensured that the governance structures facilitate both discipline and informed action throughout the business. Operating across several offshore jurisdictions has allowed for a cross-pollination of ideas in relation to governance and the approach to governance as exercised in South Africa is being replicated and adopted across jurisdictions.

The Governance Framework

Governance remains a central focus in relation to oversight of how the organisation is run, starting from the Board and flowing through to the Committees and business. The Governance Framework, as set out below, allows for an easy understanding of how the Board and Committees are structured to allow for the effective operation of the Company.



The Board has oversight of the Company and specific areas of the business are overseen via the Board's Committees. The seven Committees are carefully composed to ensure they have the right mix of skills and expertise to interrogate the information tabled by management. In carrying out its functions, the Board adheres to the provisions of the Companies Act, the JSE Listings Requirements and the Company's Memorandum of Incorporation (MOI) and is guided by the principles of King IV™. A copy of the King IV™ Supplementary Report can be accessed here.

The Board delegates its authority to the GCE who in turn delegates certain authority and is supported by his executive team and various management committees. This authority is then delegated through the SA and International businesses. Both the SA and the International operations are, in turn, supported by their own management committees and in this way, governance and reporting are cascaded through the corporate stack.

This simple but effective structure ensures that governance is woven through all business units and material matters are floated to the top through a series of reports and meetings. This ensures that the matters most pertinent to the Company are ultimately brought to the attention of the Board irrespective of where they arise.

The addition of management committees to the governance structure has allowed for more deliberate reporting in certain areas. It builds on the premise of making governance simpler and more visible throughout the business.

The Delegation of Authority

The Delegation of Authority (DoA) ensures an effective delegation of powers and responsibilities from the Board through to the business units within the Group. In this way, the parameters for decision making are clearly understood and there is oversight in relation to all decisions taken within the organisation.

The Board delegates authority to the GCE who, in turn, delegates authority to management to ensure that material matters are appropriately identified and approved at the appropriate levels.

Included in the DoA are the:

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

Board

The Board has oversight of the business. Its composition has been constituted to ensure that there are the necessary skills and expertise to support the business in all areas of operation, both locally and internationally. The Board Charter guides members on their roles and responsibilities. Director declarations are completed annually and/or updated when required to ensure that the Board members declare any conflicts and continue to have the capacity to serve on the Board.

Board meetings are held every quarter, and when otherwise required. In the case of considering the material disposal of AMG, ad hoc meetings were held as and when required, often after hours, to ensure participation from a majority of members given the materiality of the decisions being taken.

The strategy for the Company is set by the Board with due regard to its operating environment and stakeholders. The progress in relation to various strategic initiatives such as value-based care, acquisitions in the imaging space (see page 109), or the roll-out of the EVP (see page 119) are regularly brought to the Board for the purposes of information or input.

In addition, through the various Board Committees, there is a specific focus on post-investment reviews (as conducted by the Investment Committee); clinical excellence (as overseen by the Clinical Committee); awareness around incidents within information technology and the cyber-environment (as communicated to the Risk, Compliance and IT Governance Committee); variations to the remuneration philosophy (as explained to the Human Resources and Remuneration Committee); and numerous other matters which are ultimately brought to the Board's attention. To this end, the Committees focus on the detailed work of interrogating information and proposals that are put to the Board for approval and through this mechanism, the Board obtains an overall picture of the entire Group.

As mentioned in the last report, the Group now has a secondary listing on A2X, and its primary listing remains on the JSE.

Board composition

In terms of the Company's MOI, there can be no more than 15 persons on the Board. The Board currently comprises 12 non-executive independent directors and two executive directors. A statement was issued after the 2023 AGM that two of our longer-standing Board members Peter Golesworthy and Garth Solomon, would retire from the Board at the AGM given their tenure. Their extended tenure has been deliberate to ensure an adequate transition in relation to the incoming members.

Making life better

Corporate governance overview continued

Independence

An assessment of members' independence is conducted annually in relation to all non-executive Board members. Two non-executive directors hold an interest in the Company but on assessment, neither directors' holdings were found to be material to them individually. As such, all members of the Board have been assessed by the Nominations and Governance Committee and found to be independent. The assessment is conducted with due regard to the Companies Act, the JSE Listings Requirements and King IV™.

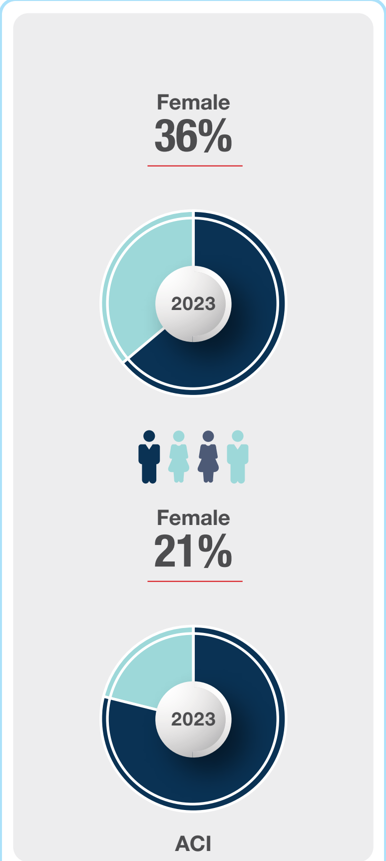
The two Board members that remain non-independent are the executive directors: Peter Wharton-Hood, the GCE, and Pieter van der Westhuizen, the Group CFO.

New appointments, Board changes and succession

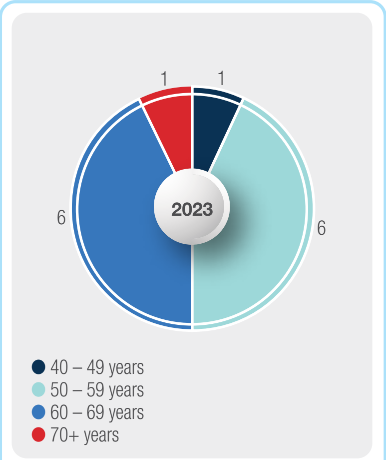
Following their appointment last year, the new international directors have settled in well, and given their experience and expertise in the international healthcare sector, they have provided valuable contributions particularly in relation to AMG and LMI.

Royden Vice stepped down following the January 2023 AGM and Dr Malefetsane Ngatane stepped down in January 2023. The Board thanks them for their invaluable contribution. Dr Ngatane, a seasoned clinician, with expertise in running healthcare facilities, brought great value to Board discussions with his practical wisdom and insights. Royden's incisive and astute business acumen will be missed. We wish them all the best in their retirement.

Board gender and diversity



Board age profile



Two new Board members were appointed to the Board, namely Fulvio Tonelli and Paul Moeketsi and this is in line with the Board succession plans as Peter Golesworthy and Garth Solomon will step down after the 2024 AGM. Fulvio Tonelli has taken a seat on the Audit Committee.

The phased approach in relation to Board succession has ensured a smooth transition period as directors with significant institutional knowledge hand over the reins to our new directors.

Board diversity

As stated in last year's report, the Board remains focused on having a diverse Board in terms of gender, ethnicity, age, skill and experience. Gender remains a focus area and we proudly state that our Lead Independent Director and several Committee chairs are women. Our Investment, Human Resources and Remuneration, Clinical and Social, Ethics and Transformation Committees are all chaired by women. The Diversity Policy guides the Nominations and Governance Committee when considering new appointments for recommendation to the Board.

The Board's Diversity Policy can be found at website.

Rotation of directors

In accordance with the Company's MOI one-third of the Board will retire and be up for re-election. At the upcoming AGM, the directors who will stand for re-election are Marian Jacobs, Dr Victor Litlhakanyane and Caroline Henry. The appointments of the two new directors, Paul Moeketsi and Fulvio Tonelli will be confirmed.

As mentioned above, Peter Golesworthy and Garth Solomon will be stepping down after the 2024 AGM and the Company's profile in terms of director tenure will change.

Induction

Life Healthcare operates in several jurisdictions and its product offering is diverse. As mentioned in the review of our southern African operations on page 104 of this report, a number of new lines of business have been introduced such as value-based care and the development of a radiopharmacy business in the South African market in the form of nuclear medicine and the operation of cyclotrons.

To orientate directors and to allow them to get a better understanding of the business and the various areas of clinical expertise, a detailed induction programme has been designed ranging from interviews with executives, training on the JSE Listings Requirements and the Companies Act, as well as visits to the Company's hospitals and the Life Nkanyisa facilities.

The Nominations and Governance Committee reviews the programme annually to ensure that it remains relevant and ultimately allows directors to gain a good understanding of the business.

Board evaluation and skills

After two years of internal evaluation, the Board appoints a service provider to conduct an independent external evaluation of the Board, its functioning, skills and expertise. This year, an external evaluation of the Board was conducted. It was found that the Board operates effectively with collegial relationships among members, allowing for open and honest discussions.

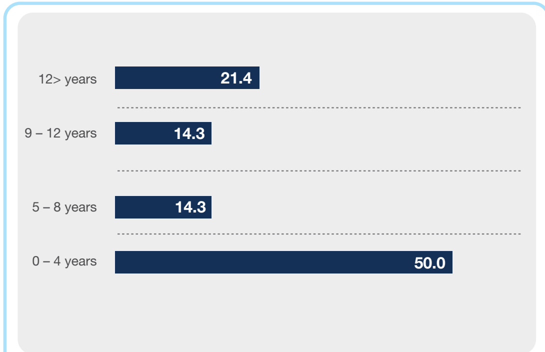
The Board will continue developing its skills and expertise as subject matter experts are invited to explain new trends and/or legislation in the corporate environment and the impact on the healthcare industry more specifically.

Board and Committee attendance during 2023

2023 was an exceptional year. The Company deliberated on ESG targets, embedded a new EVP (see Our people section, page 119) and considered and consummated the AMG transaction.

For this reason, the schedule of meetings is divided into two parts: the meetings that were scheduled to take place in accordance with the corporate calendar and the additional meetings that were held to consider the disposal of the AMG business and other important matters such as the ESG targets and budget approvals.

Board tenure (% of Directors)
(tenure shown here is as at 30 September 2023)



The Board currently comprises 12 non-executive independent directors and two executive directors.

Corporate governance overview continued

Board Committee attendance during 2023

Meeting	Audit	Board	Investment	Nominations and Governance	Human Resources and Remuneration	Risk, Compliance and IT Governance	Social, Ethics and Transformation	Clinical	% attendance
Members									
JE Bolger		4/4	6/6					4/4	100%
PJ Golesworthy#	6/6*	4/4	5/6	3/3		4/4			96%
CM Henry∆	6/6	4/4	6/6*				4/4		100%
LE Holmqvist	5/6	4/4	5/6						88%
ME Jacobs		3/4				4/4	4/4	4/4*	94%
VL Litlhakanyane		4/4*	6/6	3/3*				4/4	100%
TP Moeketsi+		2/2	3/3		2/2	2/2			100%
AM Mothupi●		4/4			6/6*	4/4	4/4		100%
JK Netshitenzhe		4/4				4/4*	4/4		100%
MP Ngatane0		2/2		2/2			2/2	2/2	100%
M Sello∞		3/4		2/3	5/6	3/4	3/4*		76%
GC Solomon@		4/4	6/6		6/6			4/4	100%
F Tonelli**	3/3	2/2		1/1	2/2				100%
PP van der Westhuizen		4/4	6/6			4/4			100%
RT Vice##	2/2	1/1	2/2		2/3				88%
PG Wharton-Hood		4/4	5/6			4/4	4/4	4/4	95%
% Overall attendance	96%		94%	92%	92%	97%	83%	100%	

* Chairman
\# Stepped down as Lead Independent Director 22 February 2023
∆ Appointed as Chairman of the Investment Committee on 26 January 2023
\+ Appointed to the Board, Human Resources and Remuneration, Investment and Risk, Compliance and IT Governance Committees on 23 February 2023
● Resigned as Chairman of the Social, Ethics and Transformation Committee on 26 January 2023
0 Resigned as Board member on 22 February 2023
∞ Appointed as Chairman of the Social, Ethics and Transformation Committee on 26 January 2023
@ Resigned as Chairman of the Investment Committee on 26 January 2023
** Appointed to the Board, Human Resources and Remuneration, Nominations and Governance and Audit Committees on 1 April 2023
\## Retired as Board member on 25 January 2023

Attendance record for AMG transaction-related meetings (3 Feb 2023 – 30 Sept 2023)

Meeting	Audit	Board	Investment	Human Resources and Remuneration
Members				
JE Bolger		9/9	7/7	
PJ Golesworthy	2/2*	9/9	7/7	
CM Henry	2/2	9/9	7/7*	
LE Holmqvist	2/2	8/9	5/7	
ME Jacobs		7/9		
VL Litlhakanyane		9/9*	5/7	
AM Mothupi		4/9		3/3*
P Moeketsi		7/8	5/6	3/3
JK Netshitenzhe		8/9		
MP Ngatane		1/1		
M Sello		9/9		1/3
GC Solomon		6/9	7/7	3/3
F Tonelli	2/2	6/7		3/3
PP van der Westhuizen		9/9	5/5	
PG Wharton-Hood		9/9	5/5	

* Chairman

Several additional Board and Committee meetings were held to evaluate the unsolicited offers that the Company received for the acquisition of AMG. In particular, Human Resources and Remuneration meetings were held to discuss the treatment of the pay awards to AMG employees, Investment Committee meetings were held to interrogate the proposed transaction and make recommendations to the Board, and the Audit Committee met to review the financial information that was to be included in the documentation related to the transaction such as the Terms Announcement and the Circular. The process undertaken by the Board was thorough and deliberate as can be seen by the number of meetings that were held.

Making life better

Board Committees

AUDIT COMMITTEE — Peter Golesworthy (Chairman)

The Committee is constituted as a statutory Committee and has an independent role with accountability to both the Board and shareholders. The Committee supports the Board in discharging its Group governance oversight duties, which include, but are not limited to the safeguarding of assets and the operation of adequate and effective systems and control processes.

The Committee oversees the effectiveness of the Company's external and internal audit assurance functions. In addition, the Committee has oversight for the preparation of the Integrated Annual Report as well as the annual financial statements, to ensure that it complies with legal, regulatory requirements and accounting standards.

Key outcomes for 2023

- Accounting for the disposal of AMG in terms of IFRS 5 and review of the shareholder circular
- Approval of the Integrated Annual Report, financial statements, trading updates and trading statement
- Consideration of the key areas of judgement and assumptions
- Consideration of the JSE's 2023 Proactive Monitoring Report
- Approval of the internal audit plans and consideration of the internal audit opinion on the internal control environment
- Regular updates on the IT environment relating to internal controls and financial reporting
- Review of the recovery from the IT infrastructure hardware failure in March/April 2023
- Oversight of the key finance initiatives across the Group

Additional information including the 2023 Annual Financial Statements, Audit Committee Report, and Circular to shareholders regarding the AMG transaction, can be found on our website.

Caroline Henry
Lars Holmqvist
Fulvio Tonelli*
Royden Vice**

* Appointed 1 April 2023
** Retired 25 January 2023

Independence
100%

Attendance
96%

CLINICAL COMMITTEE — Prof Marian Jacobs (Chairman)

The primary role of the Committee is to assist the Board in promoting a culture of clinical excellence and continued improvement in patient safety, clinical quality and patient experience, by providing oversight and strategic guidance to the organisation. The Committee ensures that the clinical initiatives are aligned with the Group's overall strategy and is compliant with its ethical standards and obligations.

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

Key outcomes for 2023

- Review of programmes established for nursing wellness and training
- Received reports on patient experience and safety within the hospitals and the steps taken to continually improve clinical excellence in our acute and complementary services
- Review of governance structures within the hospitals and regions to ensure adequate oversight of clinical processes and patient outcomes
- Oversight of the patient metrics in the international business including externally reportable incidents and scan turnaround times
- Receipt of the Medico-Legal Report
- Regular updates on the management of concerns relating to doctors working in our facilities
- Review of the Clinical Governance Framework

Our quality and safety information can be found on page 143 of this report. Employee training information can be found in our Sustainability Report.

Dr Jeanne Bolger
Dr Victor Litlhakanyane
Garth Solomon
Peter Wharton-Hood
Dr Malefetsane Ngatane*

* Resigned 22 February 2023

Independence
80%

Attendance
100%

HUMAN RESOURCES AND REMUNERATION COMMITTEE — Audrey Mothupi (Chairman)

The Committee assists the Board in ensuring that the Company remunerates fairly, responsibly and transparently in order to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term, while adopting a stakeholder-inclusive approach.

The Committee ensures the Company has a clear remuneration philosophy and human resource strategy.

Key outcomes for 2023

- Shareholder engagement on the Company's Remuneration and Implementation Report
- Review and redesign of the Company's Remuneration Policy
- Implementation and embedding of the Company's EVP
- Review of diversity and inclusion across the Group

Additional information regarding our remuneration policy can be found on page 74 of this report and in our standalone Remuneration Report. Information regarding diversity and inclusion can be found in the Our people section, page 119 of this report.

Adv Mahlape Sello
Garth Solomon
Paul Moeketsi*
Fulvio Tonelli**
Royden Vice***

* Appointed 23 February 2023
** Appointed 1 April 2023
*** Retired 25 January 2023

Independence
100%

Attendance
92%

INVESTMENT COMMITTEE — Caroline Henry (Chairman)

The Committee evaluates the Group's investment and funding initiatives, to ensure that they are aligned with the overall Group strategy in light of a changing market environment. The Committee assesses risk exposure in relation to key investments, acquisition and disposal of assets as well as funding matters.

Key outcomes for 2022

- Approval of the Company's budget
- Extensive engagement, evaluation and interrogation of the proposed transaction principles and metrics in relation to the disposal of AMG
- Monitoring of debt facilities
- Conducting post-investment reviews
- Evaluating proposals for new acquisitions and new lines of business
- Evaluation and input in relation to hedging proposals
- Review of the Domestic Medium-term Note Programme

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

* Appointed 23 February 2023
** Retired 25 January 2023

Independence
78%

Attendance
94%

Making life better

Corporate governance overview continued

NOMINATIONS AND GOVERNANCE COMMITTEE — Dr Victor Litlhakanyane (Chairman)

The Committee's principal role is to assist the Board in discharging its responsibilities in respect of governance across the Group, Board succession and effectiveness. The Committee ensures that all new directors receive a comprehensive induction programme, and that suitable director development training is provided.

It continuously monitors the adequacy and effectiveness of the Company's corporate governance structures and processes and oversees the annual review of the Group's DoA and the Governance Framework.

Key outcomes for 2023

- Appointment of two new directors to the Board in line with succession planning
- Oversight in relation to the governance aspects of the AMG disposal
- Evaluation of the Board which was conducted externally
- Review of the Induction programme for new directors
- Review of the Board Charter, Governance Framework and the DoA
- Ensuring that the Company met its obligations in relation to the Companies Act and the JSE Listings Requirements
- Reviewed the independence of the Board as well as considering the declarations made by directors in respect of conflicts
- Evaluated the performance of the GCE and the Group Company Secretary

Additional information related to Board composition and changes can be found within our Governance overview, see page 46 of this report.

Peter Golesworthy
Adv Mahlape Sello
Fulvio Tonelli*
Dr Malefetsane Ngatane**

* Appointed 1 April 2023
** Resigned 22 February 2023

Independence
100%

Attendance
92%

RISK, COMPLIANCE AND IT GOVERNANCE COMMITTEE — Joel Netshitenzhe (Chairman)

The Committee oversees and ensures that the Company has implemented an effective policy and plan for risk management and compliance which encompasses the inclusion of opportunities and associated risks to be considered when developing the Company's strategy. In addition, the Committee oversees IT strategy and risks.

The Committee assists the Board in positioning the approach for managing and addressing risk, compliance and IT governance, while adopting a stakeholder-inclusive stance.

Key outcomes for 2023

- Considered crisis management plans and business continuity plans in light of loadshedding, potential grid failure and the water crisis
- Oversight of the cell captive which replaced insurance in certain areas of the business
- Office of Health Standards Compliance toolkit launched at some Hospital Association of South Africa member hospitals
- Implementation of the Botswana Data Protection Act
- Approval of the Combined Assurance Plan
- Oversight of the IT network modernisation and cloud migration projects
- Review of cyber-security and encryption, controls and cyber-architecture
- Monitored training awareness on cyber-security
- Approval of the Risk Appetite Framework and the Compliance Framework

Additional information related to Group risks and how we manage them can be found on page 62 of this report. Information regarding the Group's material matters can be found on page 18 of this report.

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

* Appointed 1 April 2023

Independence
75%

Attendance
97%

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE — Adv Mahlape Sello (Chairman)

The role of the Committee is to ensure that the Group's activities support its intent to be a responsible corporate citizen and to assist the Board in setting the tone for an ethical organisational culture. This is done by overseeing the Group's conduct, approach and manner in which business is conducted, with due regard to value creation in society.

The Committee is constituted as a statutory Committee and monitors and reviews the reports on ethics and business integrity, transformation, sustainable development, corporate social investment and stakeholder inclusivity, as required by King IV™.

Key outcomes for 2023

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

Additional information regarding our ESG targets and CSI projects can be found in our standalone Sustainability Report. Information related to diversity and inclusion can be found in our Governance section (page 46 of this report), Our people section page 119 of this report) and also in our Sustainability Report.

Audrey Mothupi
Prof Marian Jacobs
Caroline Henry
Joel Netshitenzhe
Peter Wharton-Hood
Dr Malefetsane Ngatane*

* Resigned 22 February 2023

Independence
83%

Attendance
96%

The ethics imperative and whistle blowing

A tip-off line is operated across all jurisdictions in which the Company operates and, in addition, employees may also report matters to the ethics office. Confidentiality is sacrosanct, and whistle blowers are given the protection as required in terms of the Protected Disclosures Act.

For the year under review, there was an increase in the number of matters reported and we see this as a positive in that an environment is created where employees are not afraid to voice their concerns. While all matters reported to the tip-off line and ethics office are considered, substantiated allegations are investigated and regular reports are provided to the Audit Committee with more detailed reports being provided to the Social, Ethics and Transformation Committee.

The Code of Conduct has had some minor changes, but the planned revision for 2023 did not take place given the focus on the disposal of AMG. This will be a focus area over the next year.

A Global Position Statement has been adopted by the Board in respect of modern slavery and human rights. A copy of that statement can be found on our website.

Group Company Secretary

The Group Company Secretary, Joshila Ranchhod, holds a law degree and is an admitted attorney with over 15 years' experience in the corporate environment. She joined the Group in 2019 and was appointed Group Company Secretary in 2021. An external evaluation of her performance was conducted for the year under review and it was found that Joshila supported the Board with the necessary advice and expertise and executed her responsibilities with professionalism.

Making life better

Corporate governance overview continued

Governance embedded in our business

Conflicts of interest

Last year an initiative was launched to ensure that directors were educated on what was contained in a declaration document and why they were required to be filed. This has continued in 2023, as directors are annually reminded to file their declaration documents and list any potential conflicts they may have.

Codes, regulation and compliance

The Group Compliance Manager has created a compliance framework that ensures that all business units are familiar with the legislation applicable to their area and that they comply.

Reports are regularly provided to the Risk, Compliance and IT Governance Committee as well as the Social, Ethics and Transformation Committee.

For the period under review, there were no material or repeated regulatory penalties, sanctions or fines for contraventions of or non-compliance with statutory obligations or environmental laws.

It is noted that there was a settlement with the South African Revenue Service arising over the interpretation of certain contracts (see the Group CFO Report on page 100).

Insider trading

The Company has operated under a cautionary announcement for over six months of the year due to the transaction involving the disposal of AMG, and when the terms announcement was released, the Company was in a closed period. As such, for a majority of the year employees were unable to trade in the Company's shares.

The Company applies strict rules ensuring that individuals may not trade while they are in possession of price-sensitive information and permission is required from the GCE and the Group Company Secretary before a prescribed officer or senior manager wishes to trade. The GCE and non-executive directors obtain permission from the Chairman should they wish to trade.

Material litigation

For the year under review the Group was not involved in any material litigation.

The Risk, Compliance and IT Governance and the Audit Committees receive reports on material matters.

Political party contributions

The Company's Code of Conduct does not permit donations to political parties and no such donations were made for the period under review.

Making life better

Board of Directors

Non-Executive Directors

Dr Victor Litlhakanyane[4]
Chairman – Independent non-executive
Qualifications
MBChB, Masters in Medicine (Radiotherapy), Masters in Business Administration
Age 58
Appointed
15 April 2020 (appointed to Board)
27 January 2021 (appointed as Chairman)
Committee membership
NG IC CC

Peter Golesworthy[1]
Independent non-executive
Qualifications
BA (Hons), Accountancy Studies, CA
Age 65
Appointed
10 June 2010
Committee membership
AC NG RCIT IC

Garth Solomon[4]
Independent non-executive
Qualifications
CA(SA)
Age 56
Appointed
10 June 2010
Committee membership
IC CC REMCO

Prof Marian Jacobs[4]
Independent non-executive
Qualifications
MBChB, Diploma in Community Medicine, Fellow of the College of South Africa (Paediatrics)
Age 75
Appointed
1 January 2014
Committee membership
RCIT CC SETCO

Joel Netshitenzhe[4]
Independent non-executive
Qualifications
Dip PolSci, PGDip (Economic Principles), MSc
Age 66
Appointed
30 November 2010
Committee membership
RCIT SETCO

Audrey Mothupi[4]
Independent non-executive
Qualifications
BA (Hons) PolSci
Age 53
Appointed
3 July 2017
Committee membership
RCIT REMCO SETCO

Adv Mahlape Sello[4]
Lead Independent non-executive
Qualifications
LLB (Wits), Master of Arts and Law
Age 61
Appointed
3 July 2017
Committee membership
NG RCIT SETCO REMCO

Lars Holmqvist[2]
Independent non-executive
Qualifications
BA Economics, Exec MBA
Age 64
Appointed
1 August 2022
Committee membership
AC IC

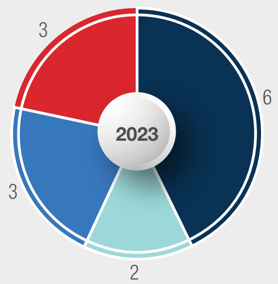
Dr Jeanne Bolger[3]
Independent non-executive
Qualifications
MB BCh BAU, DCH Dip in Child Health, Cdip Fin Acc (AACA)
Age 63
Appointed
1 August 2022
Committee membership
IC CC

Caroline Henry[4]
Independent non-executive
Qualifications
CA(SA)
Age 56
Appointed
1 September 2021
Committee membership
A IC SETCO

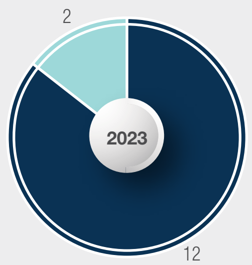
Paul Moeketsi[4]
Independent non-executive
Qualifications
CA(SA)
Age 40
Appointed
23 February 2023
Committee membership
RCIT IC REMCO

Fulvio Tonelli[4]
Independent non-executive
Qualifications
CA(SA)
Age 63
Appointed
01 April 2023
Committee membership
AC REMCO NG

Board composition – diversity



Board composition – independence



Executive Directors

Peter Wharton-Hood[4]
Executive – GCE
Qualifications
CA(SA)
Age 58
Appointed
1 September 2020
Committee membership
RCIT IC CC SETCO

Pieter van der Westhuizen[4]
Executive – CFO
Qualifications
CA(SA)
Age 52
Appointed
1 June 2013
Committee membership
RCIT IC

Board Committees

Audit Committee **(AC)**

Nominations and Governance Committee **(NG)**

Clinical Committee **(CC)**

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

Risk, Compliance and IT Governance Committee **(RCIT)**

Investment Committee **(IC)**

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

○ Chairman

[1] British
[2] Swedish
[3] Irish
[4] South African

Group Executive leadership team

Peter Wharton-Hood

Group Chief Executive (GCE)

Qualifications
CA(SA)

Pieter van der Westhuizen

Group Chief Financial Officer (CFO)

Qualifications
CA(SA)

Adam Pyle

CEO – southern Africa

Qualifications
BCom, LLB

Mark Chapman

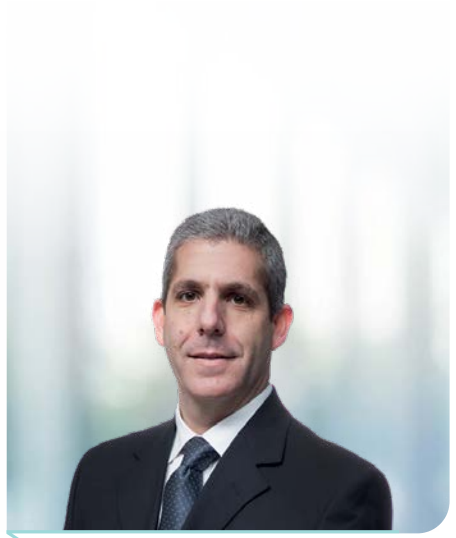
CEO – International

Qualifications
BSc (Hons) Applied Statistics and Econometrics

Dr Mark Ferreira

Group Chief Medical Officer (International Medical Director)

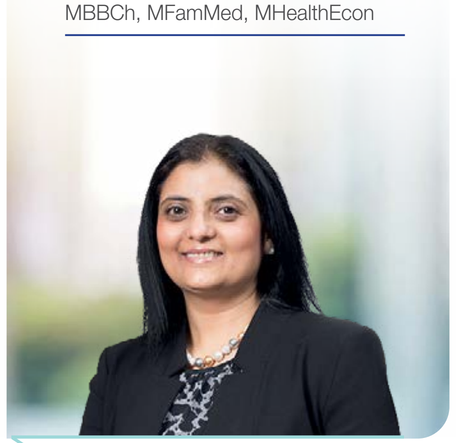
Qualifications
MBBCh, MFamMed, MHealthEcon



Brett Mill

Chief Data and Risk Officer

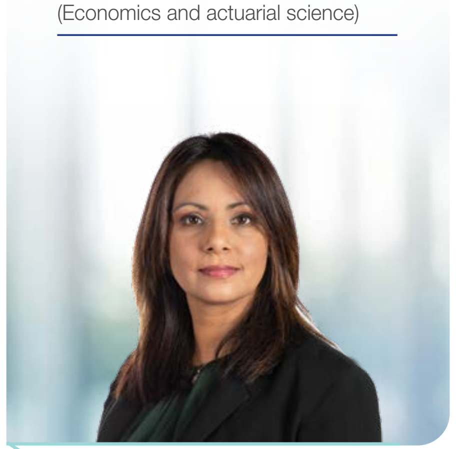
Qualifications
BEconSC, FFA, FASSA
(Economics and actuarial science)



Avanthi Parboosing

Chief People Officer

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

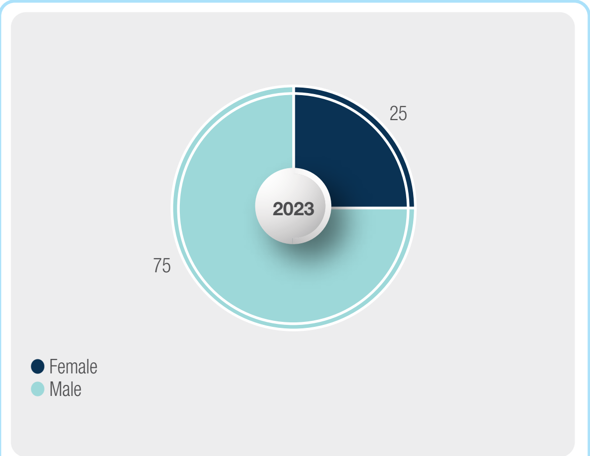


Joshila Ranchhod

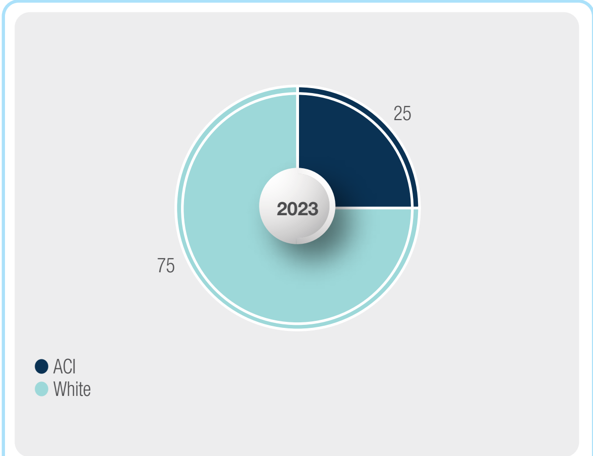
Group Company Secretary

Qualifications
BA, LLB
Admitted attorney

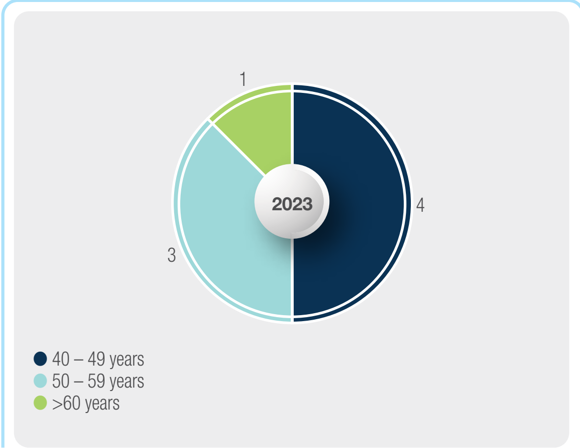
Group ExCo composition – gender (%)

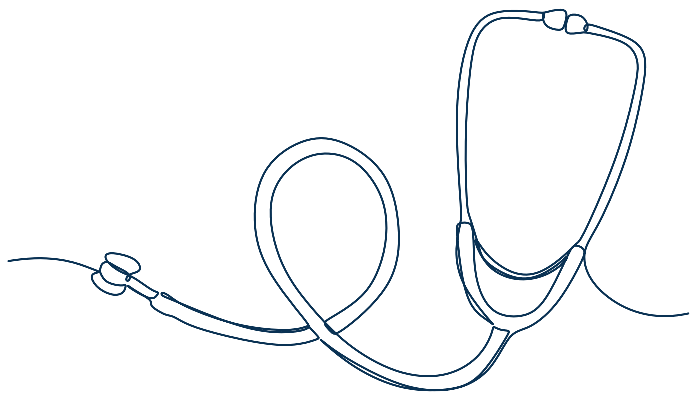


Group ExCo composition – diversity (%)



Group ExCo composition – age distribution





How we manage risk

Risk management

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

Our risk-management processes are fundamental to our business and align with our core values and strategic focus areas. The Board is ultimately responsible for governing enterprise risk management and ensuring that effective and robust enterprise risk-management frameworks and processes are in place. The Board Risk, Compliance and IT Governance Committee (RCIT) and the Group risk-management function support and assist the Board with the Group's risk management. See page 54 for more information on the RCIT Committee.

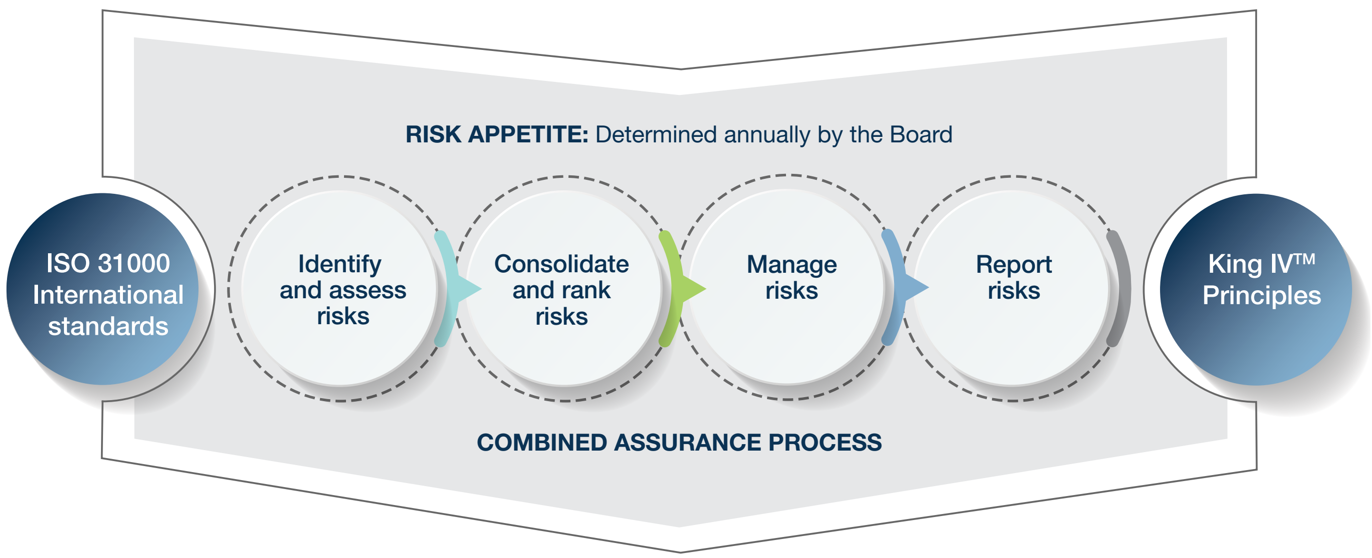
Our risk-management function is centralised and provides oversight under the leadership of the Group Chief Data and Risk Officer. Our risk governance and combined assurance models are based on three lines of defence to ensure accountability and to distinguish between owning, managing or overseeing risks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

Risk-management process

Our enterprise risk-management process is fit-for-purpose and fully embedded into our approach in doing business. We understand that risks may be multi-faceted, and thus seek to manage risks in an integrated manner. The process used for risk classes is consistent to ensure that all risks are captured and measured.

Bottom-up risks are identified, through the utilisation of various risk tools. These are compared with the top-down risks to establish a view of the key risks that the business faces, which are factored when setting risk appetite and tolerance levels. This robust assessment assists in ensuring that the Board's risk concerns are addressed by management. This process aids effective reporting and compliance with laws and regulations and helps avoid damage to our reputation.

The enterprise risk-management process is reviewed periodically and takes current and emerging best practice risk-management techniques into account, along with risk research findings, trends, and new or changing regulations impacting risk management.



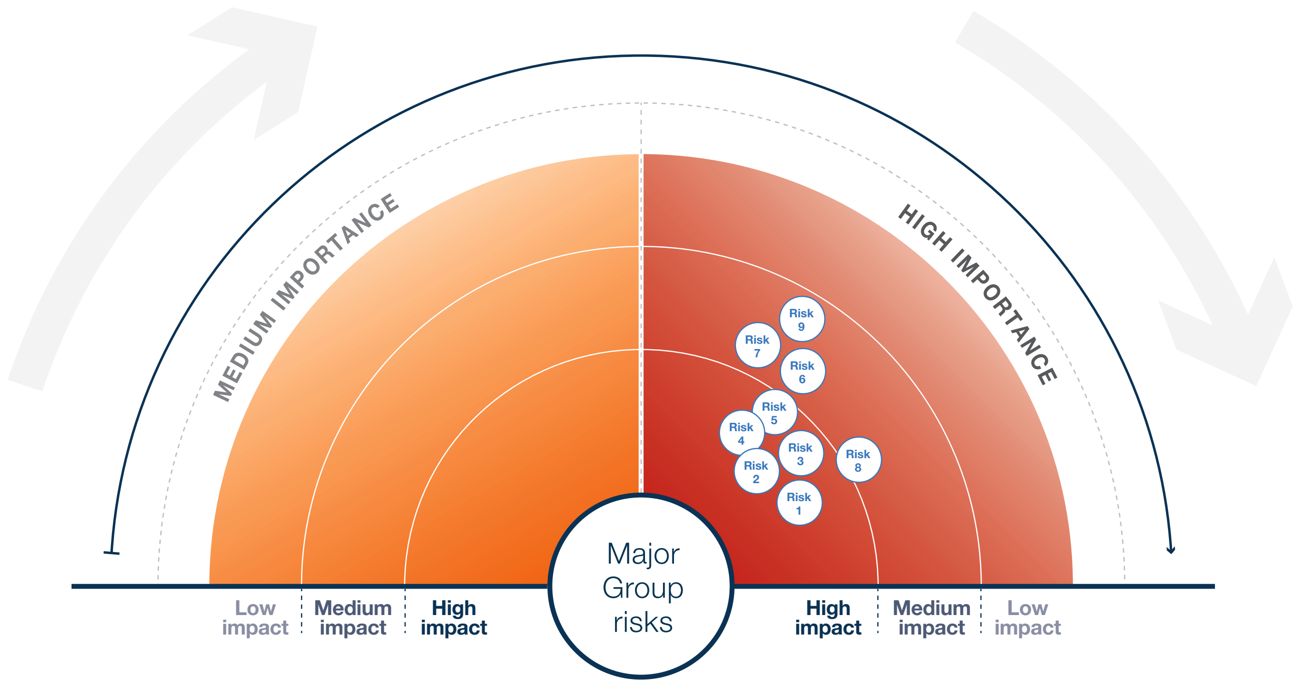
Risk appetite

Effective risk management requires clear articulation of risk appetite and tolerance. Risk appetite qualitative statements and quantitative metrics are based on the Group's business activities and are subsequently broken down into measurable tolerance levels.

Quantitative indicators are determined after consultation and advice from senior management in the Group. The approved risk appetite is regularly monitored by the Group risk function and reported to RCIT and the Board at least quarterly. A breach of risk appetite requires immediate escalation to the Board.

Risk appetite and tolerance levels are reviewed at least on an annual basis.

Key Group risk matrix showing the potential impact of identified risks and their relative importance for the Group's operations.



How we manage risk continued

Top risks

The table below ranks the Group's top nine residual risks (2022: nine risks) as at 30 September 2023.

2023 Risk ranking	2022 Risk ranking	Risk description	Probable short-term trend	Link to strategic pillar	Link to material matters	Line of defence	Impact	Importance
Risk 1	Risk 1	Human capital (People)	↑			1, 2	High	High
Risk 2 ↑	Risk 3	IT systems, cyber-crime and data security	↑			1, 2, 3	High	High
Risk 3 ↑	Risk 5	Business continuity and resilience	↑			1, 2, 3	High	High
Risk 4	Risk 4	Macro-economic and political	↑			1, 2	High	High
Risk 5 ↓	Risk 2	Funder / payor	↑			1, 2, 3	High	High
Risk 6	Risk 6	Changing business environment	↑			1, 2, 3	Medium	High
Risk 7	Risk 7	Regulatory and compliance	↔			1, 2, 3	Medium	High
Risk 8	Risk 8	Clinical and patient safety	↔			1, 2, 3	Medium	High
Risk 9	Risk 9	Reputation	↔			1, 2, 3	Medium	High

Change in short-term trends

↑ Increasing ↓ Decreasing ↔ Unchanged

Risk 1 Human capital (people) risk ↔ (2022: 1)

Risk

People are our most important asset. There is a global shortage of clinical staff. South Africa has a general shortage of nurses, particularly in specialist registered nursing personnel.

In addition, there are shortages of some medical specialists and radiologists in certain regions.

Shortages in these critical skillsets can affect the Group's:
- growth prospects;,
- quality of care;
- services offered; and
- the sustainability of our operations.

How we manage the risk

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

More information

Chairman's review page 22
Human capital page 119

Remuneration-related KPIs

Strategic innovation measures
(see Remuneration Report)

Level of control

Medium

Board oversight

REMCO, CC and RCIT

Non-independent assurance
- Group ExCo
- Country Executive Committees
- Quality teams
- HR teams
- Risk and Compliance teams

Independent assurance
- Internal Audit
- British Standards Institution (BSI)

Key stakeholders impacted

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

Outlook

This risk could **increase** in the medium term due to:
- competition for nurses from private and public sector competitors;
- the constraints on nurse training allocations; and
- retirement and emigration.

Making life better

How we manage risk continued

Risk 2 IT systems, cyber-crime and data security risk (2022: 3)

Risk

The availability and exchange of information are crucial to the delivery of quality care.

Continued trend towards digitisation as healthcare becomes more patient centric. Our IT infrastructure and systems must be appropriate and fit-for-purpose to respond to this technological shift.

Cyber-security risks remains high for our business globally. Healthcare data is valuable and cyber-criminal elements 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 data accessibility.

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.

How we manage the risk

- Conduct regular assessments of our IT infrastructure with action plans to implement enhancements
- Ensure software and/or hardware are upgraded/replaced before their end-of-life term
- Chief Information Security Officer with a dedicated IT security team in place
- Monitoring security events through our 24/7 security operations centre
- Continued information security management system implementation
- Perform regular risk assessments, including internal and external security assessments
- Ongoing logical and physical IT security controls implementation, including advanced email protection, firewalls, encryption, end-point protection, cyber-security enhancements and personal information protection
- Implemented proactive tools to detect and respond to cyber-threats
- Provide regular information security and cyber-awareness training for employees
- Ensure adherence with the requirements of the General Data Protection Regulation (GDPR)

More information

Sustainability Report

Remuneration-related KPIs

Strategic innovation measures (see Remuneration Report)

Level of control

Medium

Board oversight

RCIT

Non-independent assurance

- Group ExCo
- SA IT Steering Committee
- International IT Steering Committee
- IT Security team
- Risk and Compliance teams
- IT Manco and Governance teams

Independent assurance

- Internal Audit
- British Standards Institution (BSI)

Key stakeholders impacted

Opportunities

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

Outlook

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

Risk 3 Business resilience and continuity risk (2022: 5)

Risk

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

We must ensure that our business remains resilient and continues to deliver high-quality care and excellent patient experience.

It is, therefore, critical that we embed effective processes and structures that enable us to anticipate disruptive events, respond quickly and precisely to challenges and that allow us to adapt to remain sustainable.

How we manage the risk

- Emergency and disaster planning in place with contingency and business continuity plans
- Regular maintenance and upkeep of equipment, carried out in line with Original Equipment Manufacturer specifications
- On-site facility and engineering teams
- Internal and external fire assessments, compliance assessments and risk assessments are carried out at all facilities
- Emergency backup generators at facilities for electricity
- Backup borehole water supply at facilities
- Insurance is in place for the replacement of plant and equipment
- Investment in IT infrastructure, data storage migration to the cloud and enhanced cyber-security capability, along with contingency and business continuity plans in place for IT-related disruptions including disaster recovery capabilities and cyber-security threats

More information

Natural capital page 126
Sustainability Report

Remuneration-related KPIs

Strategic innovation measures
Personal measures
ESG measures (for 2024 awards)
(see Remuneration Report)

Level of control

Medium

Board oversight

RCIT

Non-independent assurance

- Group ExCo
- Country Executive Committees
- Operational Management teams
- Property and Engineering teams
- Quality teams
- Risk and Compliance teams

Independent assurance

- Internal Audit
- BSI
- Asset Insurance Risk Assessors
- Fire Department Inspections
- Independent Electrical and Fire
- Assessors

Key stakeholders impacted

Opportunities

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

Outlook

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

We see the risk **increasing** in the medium term due to the worsening state of public utility providers, but we may be able to mitigate this as we complete investments in our information technology infrastructure and enhance the backup capabilities and renewable energy usage at our facilities and equipment.

How we manage risk continued

Risk 4 Macro-economic and political risk (2022: 4)

Risk

We operate in the global healthcare market, and our operations are spread across different countries. As such, country-specific factors, such as economic and political factors, or government policies, could adversely affect the Group.

The global economic outlook remains clouded and continued geopolitical tensions remain a threat.

High inflation, interest rates and energy prices have increased cost pressures for individuals, companies and countries.

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

How we manage the risk

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

More information

Our operating environment
page 10

Remuneration-related KPIs

Financial measures
Personal measures
(see Remuneration Report)

Level of control

Low

Board oversight

RCIT, IC, AC

Non-independent assurance

- Group ExCo
- Country Executive Committees
- Finance and Treasury teams
- Risk and Compliance teams

Independent assurance

- Independent assurance
- External Audit

Key stakeholders impacted

Opportunities

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

Outlook

While global inflation has decreased, it is likely that inflation and interest rates remain higher for longer.

Downside risks to economies remain and this may curtail global growth expectations and exacerbate living standards and affordability levels.

We expect the risk to **increase** in the short term as South Africa approaches elections in 2024, but thereafter feel that inflation will subside and subsequently looser monetary policy will lead to a turnaround in growth.

Risk 5 Funder / payor risk (2022: 2)

Risk

Life Healthcare remains under continuous pressure from healthcare funders to reduce the overall cost of healthcare.

In South Africa, funder-managed care initiatives aim to reduce hospital admission rates. Introducing more affordable plans, often leads to reduced healthcare coverage and a restricted choice of healthcare providers' facilities (through preferred hospital networks). Our admission rates could be impacted by our ability to secure preferred network agreements with healthcare funders.

LMI's growth opportunity depends on the government's reimbursement of Alzheimer's treatments and diagnostic tests.

How we manage the risk

- Delivering excellent quality and cost-effective care
- Implementing appropriate pricing strategies while generating efficiencies and reducing input costs
- Focusing on safeguarding good relationships with healthcare funders
- Focusing on interventions to increase clinical outcomes, including developing value-based clinical products
- Placing case managers at facilities in South Africa to manage claims submitted to funders

More information

Our operating environment
page 10
Southern African performance
page 104
International performance
page 112

Remuneration-related KPIs

Strategic innovation measures
(see Remuneration Report)

Level of control

Medium

Board oversight

RCIT

Non-independent assurance

- Group ExCo
- Country Executive Committees
- Country Management
- Risk and Compliance teams
- Funder Relations and Contracting team

Independent assurance

- External and Internal Audit

Key stakeholders impacted

Opportunities

- Increased engagement, targeted interventions and a differentiated service offering, can position us as a preferred funder provider
- Developing clinical products that improve patient outcomes and drive down costs could help us to grow market share

Outlook

We expect the risk to **increase** in the short to medium term.

Weak economic conditions and rising inflation will continue to place pressure on the affordability of healthcare.

Healthcare funders will face continued pressure to reduce healthcare costs and provide innovative and cost-effective services to balance their budgets or appropriately manage their insurance claims ratios.

Making life better

How we manage risk continued

Risk 6 Changing business environment risk (2022: 6)

Risk

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

This changing landscape requires us to deliver patient care that is patient centric.

An increasing competitor landscape and the growing vertical of health technology require us to adjust our strategy accordingly to remain relevant and ensure sustainable growth.

How we manage the risk

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

More information

Our operating environment page 10
Our strategy page 30
Corporate governance page 46

Remuneration-related KPIs

Strategic innovation measures (see Remuneration Report)

Level of control

High

Board oversight

RCIT, IC, CC

Non-independent assurance

- Group ExCo
- Country Executive Committees
- New Product Development Steering Committees
- Clinical teams
- Medical Advisory Committees
- Quality teams
- Risk and Compliance teams

Independent assurance

- Internal Audit
- BSI

Key stakeholders impacted

Opportunities

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

Outlook

The global healthcare marketplace and healthcare delivery are marked by unprecedented transformation, catalysed by the recent pandemic. Digital transformation and innovative-care offerings have become a priority. This risk will likely **increase** as new competitors and market entrants race to meet the changing demand.

Risk 7 Regulatory and compliance risk (2022: 7)

Risk

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

In South Africa, the National Assembly passed the NHI Bill, which aims to pave the way for universal healthcare, in June 2023. The bill has been passed by the National Council for Provinces and will be presented to the president for his consideration and asset.

We continue to monitor and ensure compliance with the requirements of The Protection of Personal Information Act, 4 of 2013 (POPIA) which came into effect on 1 July 2021.

The Botswana Data Protection Act (the DPA) became effective on 16 September 2023. The Group has taken the necessary steps to ensure compliance with the requirements of the Act.

How we manage the risk

- Proactively monitoring and, where possible, actively providing input for proposed legislation (like NHI)
- Ensuring compliance with our quality standards
- Privacy policy and standard operating procedures in place to guide our business
- Compliance risk management plans in place for all material legislation
- Instituted a bi-annual compliance attestation process across the Group
- Compliance champions operating model in place
- Processes are in place to ensure adherence to POPIA, DPA and GDPR requirements
- Regular and ongoing training on GDPR and POPIA

More information

Our operating environment page 10
Corporate governance page 46

Remuneration-related KPIs

Strategic innovation measures
Personal measures
(see Remuneration Report)

Level of control

Medium

Board oversight

RCIT

Non-independent assurance

- Group Executive Committee
- Country Executive Committees
- International (UK) Governance and Risk Board
- Health Policy teams
- Risk and Compliance teams
- Quality teams

Independent assurance

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

Key stakeholders impacted

Opportunities

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

Outlook

We believe that the Group is well-placed to address changing legislative and regulatory requirements and to ensure compliance with these requirements. We expect the risk to remain **stable** in the short term.

Making life better

How we manage risk continued

Risk 8 Clinical and patient safety risk

(2022: 8)

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 patient care our reputation and sustainability.

How we manage the risk

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

More information

Safety and quality report
page 143

Remuneration-related KPIs

Strategic innovation measures
(see Remuneration Report)

Level of control

High

Board oversight

CC, RCIT

Non-independent assurance

- Group Executive Committee
- Country Executive Committees
- Clinical Forums
- Clinical teams
- Medical Advisory Committees
- Quality teams
- Risk and Compliance teams

Independent assurance

- Internal Audit
- BSI
- DOH
- OHSC
- DSD
- HPCSA

Key stakeholders impacted

Opportunities

- Enhancing the patient experience and protecting our reputation through an ongoing focus on quality and safety
- Improving patient care and safety according to industry best practice through continuous, robust engagements with health authorities and specialists
- Delivering clinical excellence through a trained and skilled nurse workforce
- Developing clinical products that improve patient outcomes and deliver patient-centric care

Outlook

We expect the risk to remain **stable**.

Risk 9 Reputational risk

(2022: 9)

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 our control can adversely affect our brand.

How we manage the risk

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

More information

Safety and quality report
page 143

Remuneration-related KPIs

Strategic innovation measures
Personal measures
(see Remuneration Report)

Level of control

High

Board oversight

SETCO, CC, RCIT

Non-independent assurance

- Group Executive Committee
- Country Executive Committees
- Marketing and Communication teams
- Quality teams
- Risk and Compliance teams

Independent assurance

- Internal Audit
- External communication and media company

Key stakeholders impacted

Opportunities

- Enhancing and protecting our reputation through an ongoing focus on quality and a clear communication strategy
- Enhance our reputation by being a good corporate citizen

Outlook

We expect the risk to remain **stable**.

Making life better

Remuneration Report overview

Our people remain at the heart of Life Healthcare and are key to its success. Our good financial performance during the current financial year is thanks to their exceptional contributions and unwavering dedication.

In this section we provide a brief overview of our remuneration philosophy as well as the remuneration decisions made in the current year. This overview outlines key aspects of our remuneration policy, the implementation thereof and how remuneration supports our strategic objectives in the year under review.

The full Remuneration Report is a separate report on our website.

Purpose

To attract motivate, reward and retain high-calibre talent

Objectives

- Internally equitable
- Aligned to efforts and business objectives
- Externally competitive
- Affordable
- Understandable and efficient to administer
- Flexible to adapt to future changes

Remuneration philosophy

Life Healthcare's remuneration philosophy aims to provide our employees with more than a job. It also aligns with our core purpose of ***Making life better*** because, by improving the lives of our employees, we can provide better care for our patients and achieve the Group's strategic objectives.

Our remuneration and reward policies and practices include the following purpose, objectives and principles, with one desired outcome.

Principles

- Motivate and reinforce superior performance
- Encourage the development of organisational, team and individual performance
- Develop competencies for future business needs
- Promote the share of the success of the Group
- Balance remuneration mix so that we achieve our strategic objectives
- Be fair and non-discriminatory

Outcome

Fair and appropriate rewards that are sustainable because they promote the achievement of our strategic objectives

Shareholder engagement

In designing and implementing our remuneration policy and rewards, RemCo tries to balance the often conflicting needs of various stakeholder groups. We understand the importance of engaging with our shareholders regarding remuneration matters. With this in mind, we actively seek feedback, maintain open channels of communication and engage with shareholders to understand the concerns raised by them through meetings and informative disclosure.

At the AGM in January 2023, however, less than 75% of our shareholders supported the Remuneration Report and the Implementation Report, as shown below:

Vote on	Votes in favour
Life Healthcare Remuneration Report	26%
Life Healthcare Implementation Report	25%

As a consequence of the voting in 2023, dissenting shareholders were invited to submit their reasons for voting against the Remuneration and Implementation Reports to the RemCo. A series of one-on-one consultations followed to address the concerns raised. A summary of the feedback received from these consultations and RemCo's responses, is included in our Remuneration Report.

Following these engagements, we have performed an in-depth review of our shareholder engagement and a comprehensive strategy has been established for future engagement, including an enhancement of our disclosures in the Implementation Report.

We also commissioned the services of Bowman's Employee Benefit Services to review our incentive schemes in respect of structure, performance measures and targets for 2024. The key outcome of this review has been the introduction of a single incentive plan (SIP) for 2024 and beyond, a summary of which we outline in this review.

Key activities and achievements in 2023

Salary adjustments for 2023	• Overall increase for all staff in January 2023 was 6.9% • Higher salary increases to key clinical staff in non-managerial roles, specifically nurses, pharmacists, case managers and rehabilitation therapists • Increase in allowances to nurses working in specialised units, for example, in ICU and theatre
Wage gap	• Our minimum wage for an employee (for an employee who makes full use of the company medical aid subsidy) is **2.26 times** the South African minimum wage • Employees in the top 5% are remunerated **14.2 times more** than those employees in the bottom 5% in terms of actual remuneration
Employee share plan	• The Company purchased 3 147 400 Life Healthcare shares to the value of R65 million in July 2023 for the benefit of permanent employees (below senior management level) as part of the employee share plan (see Remuneration Report for more details)
Review of incentives	• RemCo reviewed and approved the audited performance outcomes against targets in respect of the short-term incentive plan (VCP) for 2023 and the long-term incentive scheme (LTIP) vesting of the 2020 allocation • Based on these outcomes, the awards were approved for the Group Executive (see pages 80 – 89) • Introduction of an single incentive plan for 2024, with the inclusion of a return metric (CFROI) and ESG-linked metrics
Non-Executive Directors' remuneration	• An independent benchmarking exercise of non-executive directors' fees was commissioned; this survey informed the adjustments made to fees which were approved at the January 2023 AGM (see page 90) • In terms of tax law in the UK, the services performed by SA directors to a UK entity give rise to a fee which is subject to tax. RemCo accordingly approved the payment of directors' fees based on a fee per meeting attended, for the Group Chief Executive and Chief Financial Officer in respect of Board meetings of our UK subsidiary
Co-investment plan (CIP)	• RemCo approved an additional nine participants (from South Africa and the UK) onto the CIP scheme due to the need to retain their services in view of their valuable and significant contribution • These managers were required to defer a significant portion of the short-term VCP payment for 2022 and have a lock-in period until 1 December 2025, with an additional one-year notice period post this date
Independent advisers	• Bowmans, PwC, Remchannel and Deloitte have provided advice to the Committee in the year, and RemCo is satisfied that their advice is independent and objective.

Making life better

Remuneration Report

Elements of reward

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

Remuneration element	Overview	Additional detail
Basic salary	A basic salary is part of the guaranteed package for all eligible employees in the Group. The packages are benchmarked typically against the market median which is determined through external market research.	See separate Remuneration Report page 12
Benefits	Employee benefits for permanent employees (in SA) below senior management include: • subsidisation for compulsory medical aid membership; • company contributions to retirement funds, which also includes cover for death and disability; • guaranteed 13th cheque; • travel and phone allowances (where applicable); and • specialist and market retention allowances for specific core skills. The Group also offers a range of additional benefits such as leave benefits, professional registration fees and support and funding for career progression and training.	See separate Remuneration Report page 13
Short-term incentives	Short-term incentives, via our VCP, focus on rewarding the achievement of annually determined strategic, financial and non-financial objectives including individual performance targets.	See page 82 See separate Remuneration Report page 24
Long-term incentives (executives and senior managers)	**Historical LTIPs** • Our LTIPs, aimed at executives and senior managers, are designed to motivate long-term sustainable performance, retain business-critical and talented employees, while also aligning management and shareholder interests. • The 2022 LTIP, which was allocated in January 2023, will be our last LTIP and will vest in December 2025.	See page 83 See separate Remuneration Report page 29
	SIP • For 2024 and onwards, we have introduced an SIP. • The SIP provides a simplified reward structure combining both short-term and long-term incentives, and will be determined on the performance outcomes for each financial year using Group and/or divisional scorecards and personal performance targets	See page 78 See separate Remuneration Report page 15
Other share schemes	• Unvested Company matched shares • CIP	See page 88 See separate Remuneration Report page 40
Total reward	Providing competitive and attractive total compensation with a portion paid over the medium to long term.	

More than a job.

It's making life better.

- Base pay
- 13th cheque
- Allowances
- Pay process
- Transparency

- Career progression
- Personal growth
- Training and development

- Death and disability cover
- Employee wellness support

- Mutual respect
- Quality and professionalism
- Variety and challenge
- Policies to align practices
- Performance feedback
- Collaboration
- Strong leadership

- Reputable company
- Community citizenship
- Recognising and promoting diversity and inclusion for improved Company performance

- Medical aid subsidy up to principal members, spouse and two children
- Company-subsidised medical insurance for low earners
- Retirement fund
- Leave benefits
- Time off in lieu of overtime
- Flexible work arrangements

- Long service awards
- Incentivisation for top performance (financial/non-financial)
- ESP

Changes to the reward elements for 2024

As a consequence of the review of our reward policy, the following significant changes will be applicable to the reward elements for the 2024 financial year.

- All variable remuneration awards from 2024 onwards will be included in the new SIP
- No further retention awards will be granted to the current Group Executive
- No further co-investment awards will be considered for the participants of the CIP until this scheme vests and shareholders will be engaged prior to any additional co-investment awards thereafter

Due to these significant changes, and for the purposes of clarity, we have detailed the reward policy for 2024 on a forward-looking basis in this section of the report. The terms and conditions of existing in-flight awards will remain unchanged, and a description of these LTIPs and the VCP for 2023 are included in this report, and in the implementation section of the Remuneration Report.

Making life better

Remuneration Report continued

Introducing the SIP

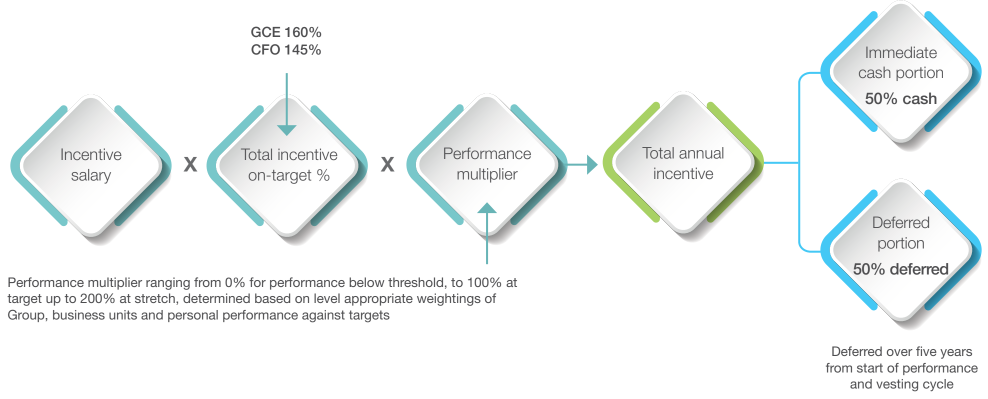
- The SIP will be a combination of short-term and long-term incentives
- Performance measures are aligned with the role and the responsibility of the participants. For Group executives' performance metrics have a weighting of 65% on financial performance (as determined by the Group scorecard detailed below) and 35% based on non-financial performance metrics
- The SIP envisages paying a portion of the total incentive in cash and a deferred portion in the form of Life Healthcare shares which will vest over a five-year period
- As the SIP will begin at the end of 2024, there will be no LTIP allocation in January 2024, and with the extension of the vesting cycle to five years versus the current in-flight LTIP schemes that vest over three years, there will be a transitional period with a modest enhancement to the SIP allocations (further details on page 74)

Key features of the SIP are shown below.

Element	Single incentive plan (SIP)
Context	The SIP provides a simplified combined incentive, which is determined based on the performance outcomes for the year, measured using the Group scorecard, divisional scorecards where appropriate and personal performance. Senior executives' performance measurement is more heavily weighted to Group performance, with more weighting to divisional and personal performance for other executives and management.
Type	Variable
Participants	This incentive is aimed at executive and senior managers who have a more strategic focus.
Composition of pay	The targeted percentage for the Group Chief Executive and Group CFO is as follows:

Allocation	Targeted % of GP	Targeted % of GP during transition period
Group Chief Executive	160	180
Group CFO	145	161

Allocation methodology



Element	Single incentive plan (SIP)
Performance measures	2024 performance measures, respective weightings and vesting criteria for the Group Executive are summarised as follows:

	Performance measures			Vesting outcomes		
	Measure	Description	Weightings	Threshold (50%)	Target (100%)	Stretch (200%)
	Vesting outcome award/percentage			50%	100%	200%
Financial measures (65%)	EBITA	EBITA achievement against budget	30%	90%	100%	110%
	Capital efficiency (CFROI)	Cash flow return on investment (CFROI)	20%	Prior year's outcome	WACC + 1%	WACC + 2%
	Normalised HEPS	Normalised HEPS against budget	15%	90%	100%	110%
Non-financial measures (35%)	Life Core Purpose	Care bundle compliance and patient experience scores	10%	90% achievement of targets results in capped 100% payment		
	ESG	ESG targets	5%	80%	100%	110%
	Individual	Individual performance targets	20%	3 JPM rating	4 JPM rating	7 JPM rating

Desired outcome	The objectives are to motivate long-term sustainable performance and retain business-critical and top talented employees.
Consequences	Malus and clawback clauses are included.

Transition period for the SIP

There will be no allocation in January 2024 in respect of the historical LTIPs. As a result, an enhanced award will be implemented during a transition period of five years to ensure the Group Executives are not prejudiced by the conversion from the legacy long-term incentive to the new SIP. This will mitigate the impact of the decreased amounts vesting over comparable periods for the Group executives whose vesting period is extended from three to five years provided that they serve the Group for a further eight-year period.

The temporary adjustment for the five years will be as follows:

Group Executive	Enhancement to a portion of the SIP[1]	Total single incentive as a % of guaranteed package
Group Chief Executive	1.25 x	180%
Group CFO	1.20 x	161%
Other Group Executive	1.20 x/1.25 x	141.5%/132.5%

[1] The single incentive is a combination of the short and long-term incentives, where the enhancement is made to the long-term incentive portion during the transition period.

The on-target SIP percentage is:

- increased for an initial period based on grade; and
- each single incentive cycle commences from the first day of the applicable financial year with cash payment occurring at the end of the financial year and deferred shares vesting in equal tranches at the end of years three, four and five measured from the inception date of the award cycle; and
- The deferral percentage is adjusted accordingly to 55% for the Group Executive for the initial five year's allocation; thereafter, it will revert to a 50% deferral.

For example, for the Group Chief Executive, where an on-target SIP percentage of 160% of GP and a deferral percentage of 50% would provide a similar value to the current short and long-term incentive awards if the vesting period remained at three years. To compensate for the lack of 2024 LTIP allocation, an award of 180% of GP will be made for the first five years with a deferral percentage of 55%, which will vest in equal tranches in the third, fourth and fifth years, measured from the inception of the measurement cycle. This will ensure that the Group Executives are cash neutral after eight years.

Implementation Report

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

Total single figure of remuneration for Executive Directors and Prescribed Officers

Payment to directors for the year ended 30 September 2023 for services rendered are set out in the table below. It should be noted that these payments reflect cash payments made/earned to directors during the financial year and therefore all variable-pay components are reflective of performance measurements relating to previous periods.

	P Wharton-Hood		P van der Westhuizen		A Pyle		M Chapman[7]		
	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	Refer to for details
Salaries	8 256	**8 782**	5 825	**6 199**	4 662	**5 037**	6 253	**7 316**	
Benefits	705	**551**	312	**328**	211	**226**	647	**1 011**	
Guaranteed package	8 961	**9 334**	6 137	**6 527**	4 873	**5 264**	6 900	**8 326**	Part 1
Long service award[1]				**–**		**1**			
Director fees[2]		**56**		**56**		**–**		**–**	See page 75
VCP cash earned in FY[3]	8 563	**9 892**	4 952	**5 720**	3 476	**4 098**	4 266	**5 450**	Part 2
LTIP cash earned in FY[4]	–	**–**	1 231	**1 722**	641	**1 009**	703	**1 275**	Part 3
Dividends received[5]		**1 152**		**559**		**358**		**566**	Part 4
Retention shares	–	**–**	–	**–**	1 922	**–**	2 238	**–**	
Performance retention shares[6]						**153**			
Other	8 563	**11 099**	6 183	**8 057**	6 039	**5 620**	7 207	**7 291**	
Single figure remuneration	17 524	**20 433**	12 320	**14 585**	10 911	**10 884**	14 107	**15 618**	

1 The Chief Executive Officer SA received a cash bonus for long service award of R1 175.
2 Director fees paid to the Group Chief Executive and Group Chief Financial Officer for attendance at international board meetings.
3 Actual VCP paid in November 2023, related to FY2023.
4 LTI 2020 allocation that vested in FY2022 and LTIP 2021 allocation that vested in FY2023.
5 Gross dividends that accrued and paid to Directors in respect of Matching shares and Co-investment shares. In addition, dividends were paid to Mark Chapman relating to his Performance Retention Shares that vested (92 892 Life Healthcare shares) in FY2022.
6 The performance criteria for the CEO SA were met, i.e., continued service and a strategy implemented to appoint or source ACI successors for two executive positions. The vesting of these shares (R152 887) was however deferred until the end of the closed period.
7 M Chapman's remuneration is reflected in SA Rands applying the average exchange rate of £1 = R20.24 as of 30 September 2022 and £1 = R22.31 as of 30 September 2023.

Part 1: Guaranteed remuneration

Annual increases

The salary increases granted per geography were as follows:

Geography	**% increase**
South Africa	**6.9**
International	
UK	**5.0**
Italy	**1.5**
Ireland	**5.0**
Northern Europe	**5.0**
Life Molecular Imaging	**5.0**

Total directors' remuneration

The increase in the guaranteed packages and total year-on-year remuneration paid to the directors are tabled below:

	Salary increases in 2023	Exceptions
Executive directors	**6.8%**	Except for the CEO SA who received a **9%** increase due to low compa-ratio to market and direct market peers
Non-executive directors		
– SA	**6.8%**	Except for the Chairman of the main Board
– International	**0.0%**	Two-year arrangement

Total directors' shareholding

The total number of Life Healthcare shares held by each director, as at the end of the financial year was:

	Total direct shareholding	**Shareholding as a % of guaranteed remuneration**
P Wharton-Hood	**500 000**	**109%**
P van der Westhuizen	**386 733**	**118%**
A Pyle	**266 743**	**100%**
M Chapman	**210 564**	**57%**

Making life better

Implementation Report continued

Part 2: Short-term incentivisation

VCP outcomes for 2023

Performance measures, weightings and targets

The details shown here are the outcomes achieved for 2023 for our Group Chief Executive, Group CFO and CEO SA.

Area		Measures	Weightings	Target	Outcome			Reward
					% achievement against stretched target	Rating	Reward %	Weighted reward %
Financial metrics (50%)	Group performance	EBITDA	40%	Budget	101.2%	6	125%	62.5%
		Gross cash % of EBITDA	5%	100%	105.6%			
		Capex as % of EBITDA	5%	95%	95%			
Non-financial metrics (50%)	Strategic Innovation measures	Strategic Innovation measures	25%	4	See GCE scorecard in the Remuneration Report	6	140%	35%
		Personal scorecard rating	25%	4		6	140%	35%
Total reward %								132.5%

The total cost to company for the Group Executive and the payments made in respect of each period are set out below:

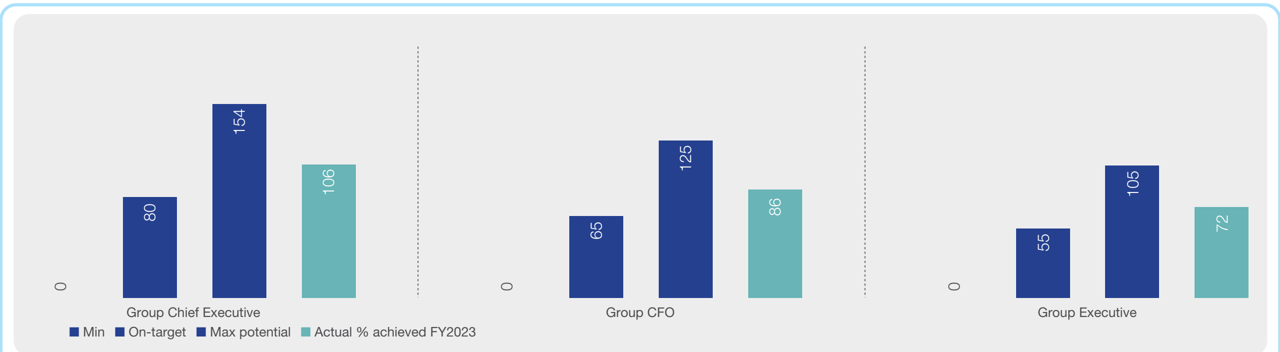
2023 VCP awards

Director	GP R'000	X	Targeted reward %	X	Reward % achieved	=	VCP awarded R'000	VCP as % of GP
P Wharton-Hood	9 332	X	80%	X	132.5%	=	9 892	106%
P van der Westhuizen	6 642	X	65%	X	132.5%	=	5 720	86%
A Pyle	5 379	X	57.5%	X	132.5%	=	4 098	76%
M Chapman[1]	7 434	X	57.5%	X	127.5%	=	5 450	73%

[1] Exchange rate at R20.26 and R22.31 to the pound for 2022 and 2023 respectively.

The on-target, actual payment earned in 2023 and maximum award for the Group Executive as a percentage of the GP is graphically displayed below:

STI – % of GP



Part 3: Long-term incentivisation

Overview of the current in-flight LTIPs

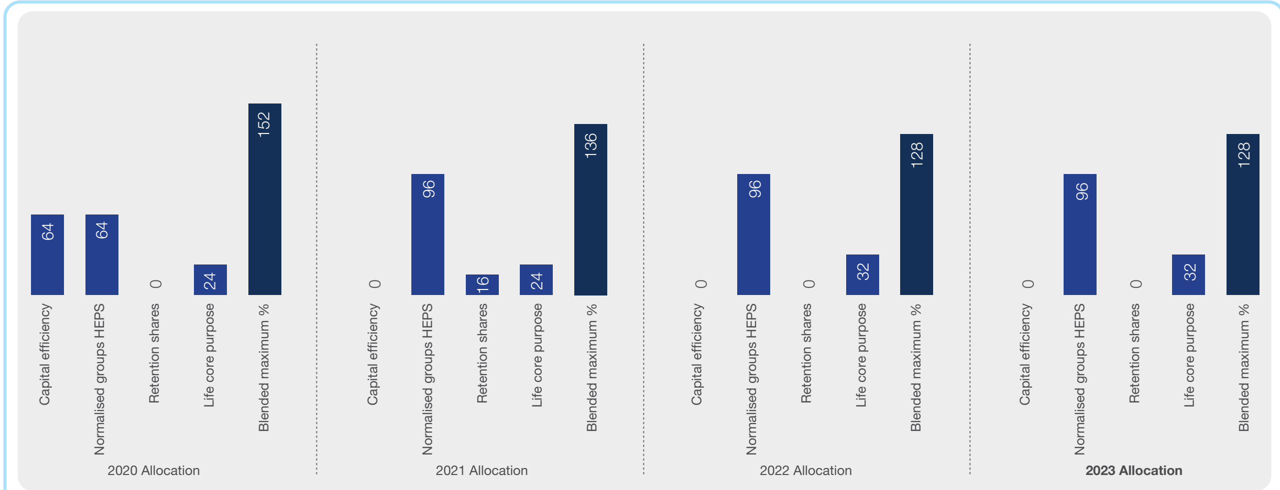
The information that is shown below is a summary of the allocation outcomes of current in-flight schemes. For the full details of the schemes, including the vesting criteria, measurement targets and weightings, please refer to our standalone Remuneration Report.

The maximum award for the Group Executive based on on-target allocation as a percentage of GP for the current in-flight LTIP schemes is as follows:

Group Chief Executive and Group CFO	128%
Other Group Executive	98%

The performance measures and blended maximum award year-on-year from the 2020 allocation to the 2023 allocation are as follows:

Group Chief Executive and Group CFO



Making life better

Implementation Report continued

Vesting of the 2020 LTIP allocation

The 2020 LTIP allocation vested on 31 December 2022 and participants were rewarded in either shares (SA) or cash (International). The value allocated in January 2020 to eligible participants amounted to R162.1 million (5.5 million units at R29.16/share). Of the 5.5 million units only 2.5 million units vested due to onerous performance conditions following the impact of the COVID-19 pandemic (although the UK, Northern Europe and Ireland exceeded targets).

The vested units were worth R42.8 million. Participants have therefore forfeited R121.4 million in value, of which R90.2 million is because of some performance metrics not being met, as well as a decline in the value of the Life Healthcare share price (which reduced the value of vested units by R31.1 million). A total of 760 573 Life Healthcare shares were purchased to settle liabilities for participants. Shares were purchased in the open market at an average share price of R17.04 and were transferred to eligible South African participants' trading accounts.

Outcomes of the 2020 LTIP financial measures

The financial performance measures were not met, as shown below.

Performance measure	Target	Outcome	% Vesting
Capital efficiency			
– ROCE vs WACC (79% of weighting)	WACC + 2%	(4.50%)	0.00%
– Growth EBITDA for capex spend (21% of weighting)	Growth against criteria	0.00%	0.00%
Normalised HEPS	CPI + 3%	0.93%	0.00%

Outcomes of the 2020 LTIP Life Core Purpose measures

All **Life Core Purpose targets** were met and the **weighted score** per country is graphically displayed below. The overall weighted outcome of **107%** was achieved, which resulted in a **117.5%** award for the Group Executive in respect of these performance metrics, as shown below.

Country	LCP measure	Target	Threshold (80% achievement)	Audited outcome	% Achievement	% Achievement weighted by country*
South Africa	Patient experience (/10)	8.4	6.7	8.4	100.0%	76.8%
	Patient incident rate as a percentage of admissions (aim to be less than % target)	2.6%	3.1%	2.3%	112.1%	
UK	Patient satisfaction survey as measured by the percentage of patients who rate our service as "satisfied" or better.	90.0%	72.0%	97.0%	107.8%	14.6%
	Mandatory training compliance	90.0%	72.0%	94.7%	105.2%	
Ireland	Patient satisfaction survey responses rating the question: "How would you rate the quality of care received?"	90.0%	72.0%	97.4%	108.2%	3.6%
	Radiology clinical audit. Grade 1 and 2 discrepancies (aim to be less than % target)	1.0%	1.2%	0.3%	120.0%	
Radiopharmacy/ Northern Europe	Dose reliability performance.	95.0%	76.0%	98.5%	103.7%	3.3%
Italy	Patient survey responses rating the question: "Would you recommend our services to other people?"	90.0%	72.0%	97.8%	108.7%	8.6%
	Radiology clinical audit. Grade 1 and 2 discrepancies (aim to be less than % target)	1.0%	1.2%	0.06%	120.0%	
Total weighted achievement						**106.9%**
Group Executive award						**117.5%**

* Country weighting is determined using the geographic contribution to Group revenue for each year.

Overall outcomes for the 2020 LTIP

The outcome of performance against vesting criteria yielded the following outcomes for the Group Executive:

		Outcome		
		Financial metrics		Non-financial metrics
2020 LTIP		**Capital efficiency**	**Normalised Group HEPS**	**Life Core Purpose weighted outcome**
Weightings (a)		40%	40%	20%
Performance outcome (see page 84)		0%	0.93%	107%
Vesting award (b)		0%	0%	117.5%

Director	Per-formance units allocated in January 2020 (c)	Performance units vesting after 3 years [(vesting formula = (a) x (b) x (c)] Capital efficiency	Normalised Group HEPS	Life Core Purpose weighted outcome	Total performance units vesting	Gross value vesting R'000	After tax number of shares delivered
P van der Westhuizen	434 145	–	–	102 024	102 024	1 722	55 581
A Pyle	254 531	–	–	59 815	59 815	1 009	32 587
M Chapman	290 448	–	–	68 255	68 255	1 152	Cash delivery
Total		–	–	230 094	230 094	3 883	88 168

Implementation Report continued

Vesting of the 2021 LTIP allocation

The 2021 LTIP allocation will vest on 31 December 2023 and participants will be rewarded in either shares (SA) or cash (International).

Outcomes of the 2021 LTIP financial measures

The only financial performance measure, normalised HEPS growth was met, as shown in the audited performance outcomes below:

Earnings growth	Measure	2021	2022	2023	3-year CAGR	% Award
Normalised Group HEPS	Growth exceeding headline CPI	61.04	112.70	**96.40**	15.72%	191.25%
Headline CPI		5.1%	7.8%	**5.5%**	6.11%	

Growth in normalised HEPS exceeded inflation over the three-year LTIP period by 9.61%, which when rounded up, results in 191.25% vesting. This is calculated using a linear extrapolation of the vesting hurdles shown in the Remuneration Report.

Retention shares, representing 20% of the overall LTIP allocation, were allocated to executive directors as a retention mechanism. The only criteria attached to these shares was to remain employed in the Group, and this condition has been met by the participants.

Outcomes of the 2021 LTIP Life Core Purpose measures

All **Life Core Purpose targets** have been met. The weighted outcome of the 2021 LTIP Life Core Purpose measures, based on proportionate revenue per country, is 108%. Full vesting (100% award) for the 2021 LTIP occurs on the achievement of 90% or higher against target, so the maximum award is 100%.

Country	LCP measure	Target	Audited outcome	% Achievement	% Achievement weighted by country*
South Africa	Patient Experience (/10)	8.4	8.4	100.5%	101.0%
	Patient Incident Rate as a percentage of admissions (aim to be less than % target)	2.6%	2.6%	101.8%	
UK	Patient satisfaction survey as measured by the percentage of patients who rate our service as "satisfied" or better.	90.0%	96.8%	107.5%	106.0%
	Mandatory training compliance	90.0%	94.8%	105.3%	
Ireland	Patient satisfaction survey responses rating the question: "How would you rate the quality of care received?"	90.0%	98.4%	109.3%	115.0%
	Radiology clinical audit. Grade 1 and 2 discrepancies (aim to be less than % target)	1.0%	0.4%	120.0%	
Radiopharmacy/ Northern Europe	Dose reliability performance.	95.0%	98.4%	103.6%	104%
Italy	Patient survey responses rating the question: "Would you recommend our services to other people?"	90.0%	98.3%	109.3%	115.0%
	Radiology clinical audit. Grade 1 and 2 discrepancies (aim to be less than % target)	1.0%	0.0%	120.0%	
Total weighted achievement					108.0%
Group Executive award					100.0%

* Country weighting is determined using the geographic contribution to Group revenue for each year.

Overall outcomes for the 2021 LTIP

The outcome of performance against vesting criteria yielded the following outcomes for the Group Executive:

		Outcome		
		Financial metrics		Non-financial metrics
2021 LTIP		**Normalised Group HEPS**	**Retention shares**	**Life Core Purpose weighted outcome**
Weightings (a)		60%	20%	20%
Performance outcome (see page 86)		9.61%	100%	107%
Vesting award (b)		191.25%	100%	100%

Director	Performance units allocated in January 2021 (c)	Performance units vesting after 3 years [(vesting formula = (a) x (b) x (c)]			Total performance units vesting	Gross value vesting R'000	After tax number of shares delivered
		Normalised Group HEPS	**Retention shares**	**Life Core Purpose weighted outcome**			
P Wharton-Hood	531 867	610 317	106 373	106 373	823 064	To be determined by the 30-day VWAP to 31 December 2023	
P van der Westhuizen	469 294	538 515	93 859	93 859	726 232		
A Pyle	344 149	394 911	68 830	68 830	532 571		
M Chapman	312 863	359 010	62 573	62 573	484 155		
Total		1 579 644	275 319	275 319	2 130 282		

The final reward is a factor of the number of units vesting multiplied by the 30-day VWAP of the Life Healthcare share calculated at the end of December 2023. The after-tax value of this amount will be utilised to purchase Life Healthcare shares in the open market. These shares will be delivered to the trading accounts of the respective Group Executive, except for Mark Chapman who will receive cash payments, net of local legislative payments. This will be communicated in the next Implementation Report.

Implementation Report continued

Part 4: Historical unvested schemes

Unvested long-term incentives

The details of LTIP allocations made from 2021 to 2023 are set out below, and will only vest at the vesting date should performance conditions be met:

LTI Scheme	Title	Date of allocation	Offer price	Performance shares	Vesting date	Allocation value R'000	Value based on 30 Sept 2023 share price R'000
2021 LTIP Allocation	P Wharton-Hood	01-Jan-21	**15.98**	**531 867**	31-Dec-23	**8 500**	**10 776**
	P van der Westhuizen	01-Jan-21	**15.98**	**469 294**	31-Dec-23	**7 500**	**9 508**
	A Pyle	01-Jan-21	**15.98**	**344 149**	31-Dec-23	**5 500**	**6 972**
	M Chapman	01-Jan-21	**15.98**	**312 863**	31-Dec-23	**5 000**	**6 339**
2022 LTIP Allocation	P Wharton-Hood	01-Jan-22	**23.23**	**421 205**	31-Dec-24	**9 786**	**8 534**
	P van der Westhuizen	01-Jan-22	**23.23**	**299 795**	31-Dec-24	**6 965**	**6 074**
	A Pyle	01-Jan-22	**23.23**	**208 163**	31-Dec-24	**4 836**	**4 217**
	M Chapman	01-Jan-22	**23.23**	**196 660**	31-Dec-24	**4 569**	**3 984**
2023 LTIP Allocation	P Wharton-Hood	01-Jan-23	**16.88**	**619 159**	31-Dec-25	**10 451**	**12 544**
	P van der Westhuizen	01-Jan-23	**16.88**	**440 689**	31-Dec-25	**7 439**	**8 928**
	A Pyle	01-Jan-23	**16.88**	**312 297**	31-Dec-25	**5 272**	**6 327**
	M Chapman	01-Jan-23	**16.88**	**299 198**	31-Dec-25	**5 050**	**6 062**

The 2021 LTIP allocation vests on 31 December 2023.The figures shown in this table are the performance shares allocated at the award date. We have shown the actual vesting allocations above, on page 87.

Unvested Company-matched shares

In 2020 the Company offered a once-off opportunity of Company-matched shares to the four Directors based on their investment. The intention of this offer was to retain the executive as well as to encourage shareholding in the Company thereby aligning to shareholder interests. The matched shares are restricted and held in an escrow account and will vest over five years, in equal tranches, provided certain performance conditions (set out below) are met. Forfeiture of the matched Company shares will apply should the performance and employment conditions not be met.

Vesting will occur in three equal tranches, i.e. in December 2023, December 2024 and December 2025.

Executive	Performance conditions
GCE	• To remain in service for at least five years and to groom a successor. • To retain a level of investment in Company shares of at least this initial investment over the vesting period. • Total Shareholder Return (TSR) of the Company from date of engagement to respective vesting dates must exceed the average of the TSR of our direct competitors. • Progress on diversity and stakeholder relationships will be considered by the Board. • Termination of employment and change in capital structure will align to the Company LTIP scheme, except in the case of change of control and the appointment of a successor, in which case the shares will vest with no time pro-rating for the period of the vesting period. However, the applicable performance conditions will not be waived.
CFO, CEO SA and CEO International	• TSR of the Company from date of engagement to respective vesting dates must exceed the average of the TSR of our direct competitors. • Progress on diversity, inclusion and stakeholder relationships will be considered by the Board. • Termination of employment and change in capital structure will align to the Company's LTIP scheme, except in the case of change of control and the appointment of a successor, in which case the shares will vest with no time pro-rating for the period of the vesting period, although the applicable performance conditions will not be waived.

The unvested Company-matched shares per director are detailed below:

All values in ZAR '000	Executive investment value at purchase	Date of allocation	Offer price	Company-matched purchase value	Company-matched shares	Vesting date	Value based on 30 Sept 2023 share price	Dividends paid to directors[1]
P Wharton-Hood	**5 000**	Aug-20	**17.23**	**14 869**	**287 568**	31-Dec-23	**17 478**	**707**
					287 568	31-Dec-24		
					287 570	31-Dec-25		
P van der Westhuizen	**1 986**	Dec-20	**16.96**	**5 947**	**116 866**	31-Dec-23	**7 103**	**287**
					116 866	31-Dec-24		
					116 868	31-Dec-25		
A Pyle	**1 240**	Jan-21	**18.98**	**3 707**	**65 074**	31-Dec-23	**3 955**	**160**
					65 074	31-Dec-24		
					65 074	31-Dec-25		
M Chapman[2] £100 000	**2 052**	Jan-21	**18.27**	**6 156**	**112 309**	31-Dec-23	**6 826**	**276**
					112 309	31-Dec-24		
					112 309	31-Dec-25		

[1] Gross dividends paid in respect of the Co-investment plan and Matched Share Arrangements in respect of dividends declared in December 2021, June 2022, December 2022 and June 2023.
[2] The exchange rate of £1 = R20.42 at allocation date.

Co-investment plan (CIP)

The unvested CIP shares per Director are detailed below:

Title	Date of allocation	Offer price	Total Co-investment shares	Vesting date	Value based on 30 Sept 2023 share price R'000	Dividends distributed in February and June 2023[1]
P Wharton-Hood	Dec-21	**23.51**	**1 058 449**	1-Dec-25	**21 444**	**445**
P van der Westhuizen	Dec-21		**647 533**		**13 119**	**272**
A Pyle	Dec-21		**471 859**		**9 560**	**198**
M Chapman	Dec-21		**635 202**		**12 869**	**267**

[1] Dividends of 25 cents per share declared in December 2022 and 17 cents per share in June 2023 were delivered to the participants, as approved by the Board.
[2] Using the share price of R20.26 as at 30 September 2023.

Making life better

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Part 5: Non-Executive Director (NED) fees

Financial year 2023

In SA, two independent NED surveys by PwC and Deloitte were utilised to benchmark the proposed fees for South Africa. A **6.8%** increase was recommended by the Remuneration Committee and approved by the Board under the authority granted by shareholders at the AGM held on 25 January 2023, across all Committees, except for the Chairman of the main Board, where a 10% increase was approved as a process over time to address market lag as well as additional global responsibilities added to the portfolio.

In International, the non-executive director fee increases for International were approved at a Special General Meeting held on 5 July 2022, with the provision that these fees would only be reviewed in 2024.

The tables below set out the number of meetings, the fees paid to Non-Executive Directors, excluding VAT, for the period from October 2022 to September 2023 as well as the proposed fees which will be table for approval at the 2024 AGM.

The following number of meetings were held during the current year:

Committee	**Number of meetings 2023**	**Number of AMG transaction meetings**	**Total number of meetings 2023**
Main Board	4	9	13
Audit	6	2	8
Remuneration	6	3	9
Risk, Compliance and IT Governance	4		4
Investment	6	7	13
Clinical	4		4
Social Ethics and Transformation	4		4
Nominations and Governance	3		3

This year additional special meetings were held in relation to the sale of the AMG. These fees (SA and International) are reflected separately in the table below.

		2023		
Non-Executive Directors R'000	2022	**Standard retainer and Committee meetings**	**Additional meetings related to AMG transaction**	**Total NED 2023**
Dr JE Bolger[1]	173	**2 008**	**729**	**2 737**
PJ Golesworthy	1 305	**1 167**	**265**	**1 432**
Prof ME Jacobs	807	**762**	**135**	**896**
CM Henry	744	**892**	**297**	**1 189**
LE Holmqvist[1]	222	**2 255**	**583**	**2 839**
Dr VL Litlhakanyane	1 803	**1 776**	**326**	**2 103**
TP Moeketsi	–	**424**	**203**	**627**
AM Mothupi	1 012	**916**	**118**	**1 033**
JK Netshitenzhe	702	**695**	**157**	**852**
Dr MP Ngatane	610	**304**	**22**	**327**
M Sello	764	**913**	**191**	**1 104**
GC Solomon	929	**832**	**204**	**1 035**
F Tonelli	–	**397**	**158**	**555**
RT Vice	952	**327**	**–**	**327**
CJ Hess	250			**–**
Total NED fees	10 273	**13 669**	**3 388**	**17 056**

[1] Exchange rate of Euro converted to Rand at R19.38

Financial year 2024

The following fees are proposed for 2024:

Southern Africa

The Committee has submitted to the Board, a **6%** increase on the NED fees for SA for 2024 except for the Lead Independent Director, where a **10%** increase was submitted as a process to address market lag:

Committee	Entity	**Number of meetings**	**Current annual cost R'000**	**Proposed annual cost R'000**
Directors' fees	Chairperson	**4**	**1 289**	**1 366**
	Board member		**346**	**367**
Lead independent director	Board member	**4**	**506**	**557**
Audit	Chairperson	**4**	**336**	**356**
	Board member		**189**	**200**
Remuneration**	Chairperson	**4**	**269**	**285**
	Board member		**137**	**146**
Nominations	Chairperson	**3**	**221**	**234**
	Board member		**115**	**122**
Risk	Chairperson	**4**	**249**	**264**
	Board member		**130**	**137**
Investment	Chairperson	**4**	**278**	**295**
	Board member		**146**	**155**
Clinical Governance, Quality and Safety	Chairperson	**4**	**232**	**246**
	Board member		**126**	**134**
Social Ethics and Transformation	Chairperson	**3**	**205**	**218**
	Board member		**100**	**106**
Additional fee per ad hoc meeting (R'000)				
Main Board	Chairperson		**33.6**	**35.7**
	Board member		**22.4**	**23.8**
All Committees	Chairperson		**16.8**	**17.8**
	Board member		**11.4**	**12.1**

Making life better

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International

The Committee has submitted to the Board for approval, a **4.5%** increase in the non-executive director fees for International for 2024. The NED fees per Committee are detailed below:

Committee	Entity	**Number of meetings**	**Annual cost €'000**	**Proposed annual cost €'000**
Board	Board member	**4**	**55.5**	**58.0**
Audit	Chairperson	**4**	**53.8**	**56.2**
	Board member		**30.2**	**31.6**
Human Resources and Remuneration	Chairperson	**4**	**43.0**	**44.9**
	Board member		**22.0**	**23.0**
Nominations and Governance	Chairperson	**3**	**35.5**	**37.1**
	Board member		**18.4**	**19.3**
Risk, Compliance and IT Governance	Chairperson	**4**	**39.9**	**41.7**
	Board member		**20.7**	**21.6**
Investment	Chairperson	**4**	**44.6**	**46.6**
	Board member		**23.4**	**24.5**
Clinical	Chairperson	**4**	**37.2**	**38.9**
	Board member		**20.2**	**21.1**
Social Ethics and Transformation	Chairperson	**3**	**33.0**	**34.5**
	Board member		**16.1**	**16.8**
Additional fee per ad hoc meeting (€'000)				
Main Board	Board member		**3.5**	**3.7**
All Committees	Chairperson		**2.7**	**2.8**
	Board member		**1.8**	**1.9**

How we performed

In this section

Making life better

Capitals

Financial capital

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

Human capital

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

Manufactured capital

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

Natural capital

We make use of both renewable and non-renewable natural resources in the delivery of services to our patients. While our business has an unavoidable impact on the environment, we endeavour to reduce negative impacts by measuring and managing our activities.

Social capital

Creating and nurturing long-term relationships with our key stakeholders – including patients, employees, doctors and other healthcare professionals, suppliers, business partners, governments and labour unions – is how we build our reputation and brand, which is essential to our success.

Intellectual capital

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

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

Financial capital | Human capital | Manufactured capital | Natural capital | Social capital | Intellectual capital

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

Definition

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

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

Key stakeholders — **Shareholders and other investors**

Shareholders' and other investors' key expectations and concerns

- Sustainable growth and profit generation
- Capital allocation strategy including the Group's capital structure and returns to shareholders through dividends or buybacks
- Cashflow generation, debt levels, and return metrics such as return on invested capital (ROIC)
- ESG metrics, including our plans to reduce environmental impact, are increasingly important for shareholders and investors (see page 128)
- Our plans for mitigating electricity and water outages, or other business continuity problems (see page 127)
- Effective corporate governance, experienced leaders and succession plans (see page 46)

How we engage with our shareholders and other investors

- Frequent engagements with shareholders, investors, bankers, and analysts regarding our performance and strategy
- Engagement with shareholders with regards to proxy voting at the AGM and also our Remuneration Report and the implementation of our remuneration proposals (see page 74)

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

Value creation and trade-offs

Inputs

- Listed on the JSE and A2X
- **R21.3 billion** equity (2022: R19.9 billion)
- **R12.3 billion** net debt, including continued and discontinued operations (2022: R10.9 billion) an increase largely attributable to exchange rate movements in the current year
- Agreement to sell AMG to iCON Infrastructure will reduce the Group's net debt levels and equity after the deal is concluded

Outcomes

- **R29.7 billion** market capitalisation at 30 September 2023 (2022: R 25.1 billion)
- **R3.6 billion** in normalised EBITDA from continuing operations in 2023 (2022: R3.4 billion)
- **R696 million** in gross finance costs from continuing operations (2022: R635 million)
- **44 cents** per share in dividends declared in 2022 (2022: 40 cents)
- **R8.4 billion** of net proceeds to be distributed to shareholders via special dividend and/or buybacks after conclusion of the AMG transaction

Value creation

Trade-offs

Share price increased during the year following news of the AMG transaction through our cautionary announcements.

The AMG disposal will unlock value for shareholders and will reduce the Group's revenue and EBITDA, but will also reduce our debt levels and consequently interest earned by our bankers.

Paying dividends reduces financial capital that we could invest into growth projects, but is an important source of income for some shareholders and pension funds.

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

Our financial capital section details how we performed in terms of our financial and operational metrics across our southern African and International operations, as well as our statement of value added (page 99) and Seven-year performance review (page 114).

Summarised financials (from continuing operations)

	2023 R'm	2022 R'm	% change
Revenue	**22 641**	20 526	10.3
Operating profit	**2 439**	2 762	(11.7)
Net finance cost*	**(537)**	(581)	7.6
Share of associate's net profit after tax	**9**	10	(10.0)
Tax expense	**(483)**	(703)	31.3
Profit after tax from continuing operations	**1 428**	1 488	(4.0)
(Loss)/profit for the year from discontinued operations	**(990)**	226	n/a
Profit after tax from continuing and discontinued operations	**438**	1 714	(74.4)
Non-controlling interest	**174**	183	(4.9)
Profit from continuing and discontinued operations attributable to ordinary equity holders	**264**	1 531	(82.8)

Making life better

Financial capital

Definition

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

Our financial capital section details how we performed in terms of our financial and operational metrics across our southern African and International operations, as well as our statement of value added (page 99) and seven-year performance review (page 114).

While our financial performance is important for many stakeholders, the key stakeholders for whom this section is particularly relevant, are our shareholders, investors and financiers who provide the equity and debt capital we use to fund our businesses and growth projects.

Key stakeholders	Shareholders and other investors
Shareholders' and other investors' key expectations and concerns	**How we engage with our shareholders and other investors**

Shareholders' and other investors' key expectations and concerns

- Sustainable growth and profit generation
- Capital allocation strategy including the Group's capital structure and returns to shareholders through dividends or buybacks
- Cashflow generation, debt levels, and return metrics such as return on invested capital (ROIC)
- ESG metrics, including our plans to reduce environmental impact, are increasingly important for shareholders and investors (see page 128)
- Our plans for mitigating electricity and water outages, or other business continuity problems (see page 127)
- Effective corporate governance, experienced leaders and succession plans (see page 46)

How we engage with our shareholders and other investors

- Frequent engagements with shareholders, investors, bankers and analysts regarding our performance and strategy
- Engagement with shareholders with regards to voting at the AGM and on our Remuneration Report and the Implementation Report (see page 74)
- Publication of reports such as the Integrated Annual Report, the annual financial statements, results presentations, trading updates and other information published on our website or through the JSE Stock Exchange News Service (SENS)

Value creation and trade-offs

Inputs	Outcomes	Trade-offs
• Listed on the JSE and A2X • **R21.3 billion** equity (2022: R19.9 billion) • **R12.3 billion** net debt, including continued and discontinued operations (2022: R10.9 billion) an increase largely attributable to exchange rate movements in the current year • Agreement to sell AMG to iCON Infrastructure will reduce the Group's net debt levels and equity after the deal is concluded	• **R29.7 billion** market capitalisation at 30 September 2023 (2022: R 25.1 billion) • **R3.6 billion** in normalised EBITDA from continuing operations in 2023 (2022: R3.4 billion) • **R696 million** in gross finance costs from continuing operations (2022: R635 million) • **44 cents** per share in dividends declared in 2023 (2022: 40 cents) • **R8.4 billion** of net proceeds to be distributed to shareholders via special dividend and/or buybacks after conclusion of the AMG transaction	Share price increased during the year following news of the AMG transaction through our cautionary announcements. The AMG disposal will unlock value for shareholders and will reduce the Group's revenue and EBITDA. It will also reduce our debt levels and consequently interest earned by our bankers. Paying dividends reduces financial capital that we could invest into growth projects, but is an important source of income for some shareholders and pension funds.

Value creation

Statement of value added

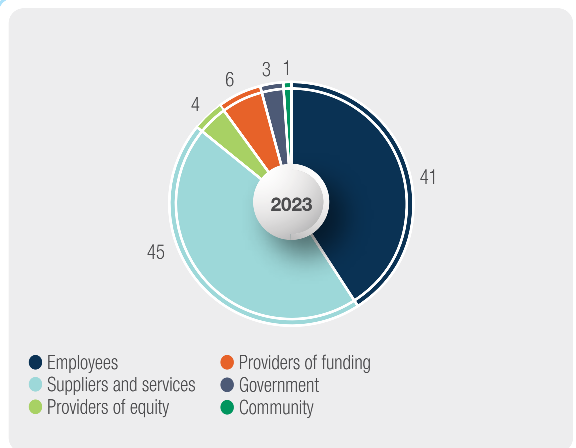
for the year ended

ECONOMIC VALUE GENERATED	2023 R'm	%	2022 R'm	%	SDG contribution
Revenue from services	**22 641**	**97.4%**	20 526	98.0%	
Other income[1]	**262**	**1.1%**	244	1.2%	
Interest received	**66**	**0.3%**	35	0.2%	
Profit from sale of assets	**92**	**0.4%**	122	0.6%	
Income from investments	**179**	**0.8%**	12	0.1%	
Total economic value generated	**23 242**		20 939		

ECONOMIC VALUE DISTRIBUTED	2023 R'm	%	2022 R'm	%	SDG contribution
Employees[2]	**9 014**	**41.2%**	8 262	37.7%	
Suppliers and services[3]	**9 976**	**45.4%**	8 891	40.4%	
Providers of capital	**2 187**	**9.9%**	1 054	4.8%	
Providers of equity	**814**	**3.7%**	780	3.5%	
Providers of funding	**1 373**	**6.2%**	274	1.2%	
Government	**597**	**2.7%**	765	3.5%	
Community	**123**	**0.6%**	107	0.5%	
Total economic value distributed	**21 899**		20 133		

[1] Other income includes other rental income; learning centre tuition, registration fees and reimbursements; and insurance receipts.
[2] Payments to employees includes salaries, wages and other benefits.
[3] Suppliers and services exclude capital expenditure.

Economic value distributed



Value

DISTRIBUTED
R21.9 billion
(2022: R20.41)

DISTRIBUTED
94.2%
(2022: 96.2%)

RETAINED
5.8%
(2022: 3.8%)

Making life better

Financial capital
continued

Group Chief Financial Officer's review

The Group had an excellent operational performance for the 2023 financial year with strong activity and revenue growth in our southern Africa and international operations. The disposal of AMG will unlock significant value for shareholders through the proposed distribution of c.R8.4 billion to shareholders in 2024.

Revenue from continuing operations of
R22.6 billion
and normalised EBITDA from continuing operations
R3.6 billion

R3.7 billion
cash from continuing operations and net debt to normalised EBITDA from continuing operations of
1.09 times*

* This will further reduce after the repayment of international debt attributable to LMI of R1.1 billion with the proceeds from the disposal of AMG.

The Company announced the disposal of AMG on 5 October 2023 for a total consideration of GBP910 million. The transaction was subject to a number of conditions precedent. All of these have been closed out, except for foreign investment clearance in Austria.

The transaction resulted in the Group making an estimated R1.8 billion profit but unfortunately, from an accounting standards perspective, this net profit is spread over two financial years. In 2023 transaction costs of R147 million, as well as an impairment loss of R822 million (inclusive of R532 million of additional transaction costs), were recognised. In 2024 a foreign exchange gain of approximately R2.8 billion will be recognised.

AMG is disclosed as a discontinued operation in the current and prior year in the statement of comprehensive income.

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

Our core SA hospital and complementary services business delivered strong operational results with 9.5% PPD growth in 2023 which drove revenue growth of 10.1% for 2023 (refer to SA review on page 104).

Growth in ongoing clinical trial revenue and increased commercial sales for Neuraceq® has boosted revenue for LMI by 18.2% from R555 million to R656 million.

Our discontinued operations (AMG) delivered a good operational performance during the current period. AMG's revenue in 2023 grew 10.1% to GBP418 million (21.3% in ZAR to R9.3 billion) and normalised EBITDA grew 5.8% to GBP83 million (16.7% in ZAR to R1.9 billion) (see page 113).

Group revenue from continuing operations increased by 10.3% to R22.6 billion (2022: R20.5 billion) consisting of a 10.1% increase in southern African revenue to R22.0 billion (2022: R20.0 billion), and an 18.2% increase in international revenue to R657 million (2022: R555 million). Normalised EBITDA from continuing operations increased by 4.4% to R3.6 billion (2022: R3.4 billion).

The Group's overall results have been impacted by higher interest costs, given the significant interest rate increases experienced in both SA and internationally, and by a number of non-trading items in the period as detailed below:

- R971 million loss (including impairment and transaction costs) relating to the disposal of AMG in terms of IFRS 5 (explained above);
- R152 million net positive impact compared to last year due to the settlement of the SARS VAT matter in the current year;
- R34 million relating to an impairment in the UK (as disclosed in our H1-2023 results); and
- The prior period was positively impacted by the release of the LMI contingent consideration of R437 million.

What follows is a summary of our financial results for the 2023 year under review. Our full financial results can be found in the 2023 annual financial statements, which are located on our website.

We also show a seven-year summary of key financial results and metrics on page 114 of this report.

Summarised financials (from continuing operations)

	2023 R'm	2022 R'm	% change
Revenue	**22 641**	20 526	10.3
Operating profit	**2 439**	2 762	(11.7)
Net finance cost[1]	**(537)**	(581)	7.6
Share of associate's net profit after tax	**9**	10	(10.0)
Tax expense	**(483)**	(703)	31.3
Profit after tax from continuing operations	**1 428**	1 488	(4.0)
(Loss)/profit for the year from discontinued operations[2]	**(990)**	226	n/a
Profit after tax from continuing and discontinued operations	**438**	1 714	(74.4)
Non-controlling interest	**174**	183	(4.9)
Profit from continuing and discontinued operations attributable to ordinary equity holders	**264**	1 531	(82.8)

1 Includes net foreign exchange gain in the current year of R75 million (2022: loss of R138 million).
2 This is made of a R19 million loss after tax for the discontinued operations and the R971 million loss relating to the disposal of AMG.

	2023	2022	Trend
Key financial metrics			
Net debt to normalised EBITDA (ratio)^	**2.00**	1.89	↑
Interest cover from continuing and discontinued operations (ratio)	**6.23**	10.82	↓
NEPS* from continuing operations (cps)	**89.1**	80.0	↑
NEPS from continuing and discontinued operations (cps)	**94.6**	96.4	↓
Dividend (cps)	**44**	40	↑
Normalised EBITDA margin – SA (%)	**16.9**	17.5	↑
Normalised EBITDA margin – LMI (%)	**(17.2)**	(6.3)	↓
Cash generated from continuing operations (R'm)	**3 653**	3 340	↑
Cash generated from continuing operations as a percentage of normalised EBITDA from continuing operations (%)	**101.6**	97.0	↑

^ Calculated in terms of lender agreements.
* Normalised earnings per share (NEPS) is a non-IFRS measure, which excludes non-trading-related costs and income.

Making life better

Financial capital continued

Group Chief Financial Officer's review continued

Earnings per share (EPS)

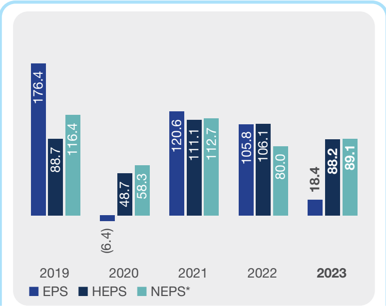
EPS from continuing and discontinued operations decreased by 82.7% to 18.3 cents (2022: 105.8 cents) while HEPS from continuing and discontinued operations decreased by 16.9% to 88.2 cents (2022: 106.1 cents).

NEPS from continuing and discontinued operations, which excludes non-trading-related items, decreased by 1.9% to 94.6 cents (2022: 96.4 cents). NEPS from continuing operations, which excludes the non-trading-related items from AMG, grew by 11.4% to 89.1 cents (2022: 80.0 cents).

The presentation of normalised earnings metrics are non-IFRS measures.

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

Earnings profile



* Normalised EPS from continuing operations.

Reconciliation of attributable earnings to normalised earnings (NEPS)[1]

	2023 R'm	2022 R'm	% change	2023 cps	2022 cps	% change
Weighted average number of shares at the end of the year (millions)	**1 442**	1 447	(0.3)%			
Profit attributable to ordinary equity holders	**264**	1 531	(82.8)%	**18.3**	105.8	(82.7)%
Loss/(profit) from discontinued operations attributable to ordinary equity holders	**990**	(226)	n/a	**68.7**	(15.6)	n/a
Profit from continuing operations attributable to ordinary equity holders	**1 254**	1 305	(3.9)%	**87.0**	90.2	(3.5)%
Retirement benefit asset and post-employment medical aid income	**(25)**	(23)		**(1.7)**	(1.6)	
Fair value adjustments to contingent consideration	**7**	(406)		**0.5**	(28.1	
Gain on derecognition of lease asset and liability	**(3)**	–		**(0.2)**	–	
International tax refund	**(14)**	–		**(1.0)**	–	
Loss on disposal of property, plant and equipment	**7**	2		**0.5**	0.1	
Transaction costs relating to acquisitions	**12**	1		**0.8**	0.1	
Unwinding of contingent consideration	**62**	75		**4.3**	5.2	
Fair value loss on equity investment	**4**	5		**0.3**	0.3	
Dispute on contract interpretation	**47**	199		**3.3**	13.8	
Deferred tax allocation between continuing and discontinued operations	**(67)**	–		**(4.7)**	–	
Normalised earnings from continuing operations	**1 284**	1 158	10.9%	**89.1**	80.0	11.4%
Normalised earnings from discontinued operations	**80**	238		**6**	16	
Normalised earnings from continuing and discontinued operations	**1 364**	1 396	(2.3)%	**94.6**	96.4	(1.9)%

[1] Non-IFRS measure.

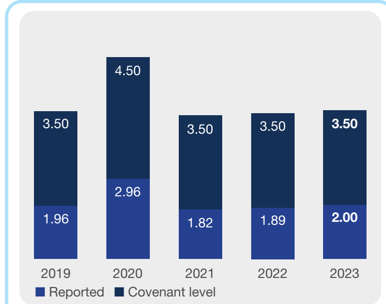
Financial position and liquidity

The Group remains in a strong financial position. Net debt to normalised EBITDA from continuing and discontinued operations as at 30 September 2023 was 2.0 times (2022: 1.89 times) as per bank covenant definitions.

The Group is comfortably within its bank covenant for net debt to normalised EBITDA of 3.50 times.

The Group's undrawn bank facilities as at 30 September 2023 amounted to R4.1 billion (2022: R4.4 billion) including R927 million in international bank facilities which will be reduced after the conclusion of the AMG transaction.

Net debt to EBITDA

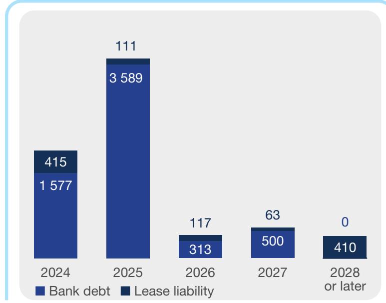


Cash flow and capital expenditure

Cash generated from continuing operations was R3.7 billion. The cash generation from continuing operations represented 101.6% of normalised EBITDA from continuing operations (2022: 97.0%).

During the financial year under review, the Group invested R1.5 billion (2022: R1.4 billion) in capital expenditure on continuing operations, comprised of maintenance capital expenditure of R1.2 billion (2022: R1.1 billion) and growth capex of R366 million (2022: R354 million).

Debt* maturity profile (R'm)



* Debt shown here is for continuing operations as at FY2023, and will reduce after all international debt is settled after the AMG disposal is concluded.

Looking ahead

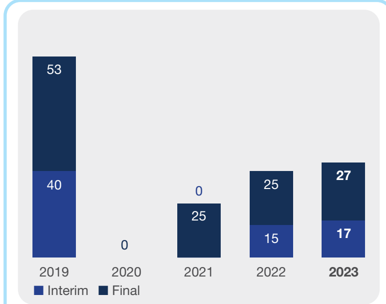
In 2024 we plan to spend c.R2.1 billion on capital expenditure in SA, including R350 million on the purchase of a hospital property that is currently leased. We also plan to spend c.R200 million on capex for LMI, primarily earmarked for investment into LMI's product pipeline development.

Dividend

The Board has approved a final dividend of 27 cps (2022: 25 cps), taking the total dividend for 2023 to 44 cps, up 10.0% versus the 40 cps in 2022.

With regards to the potential distribution of proceeds from the disposal of AMG, it is anticipated that a significant proportion of the net proceeds will be paid to shareholders via a special dividend during H1-2024 (subject to Board approval). The residual proceeds are likely to be distributed to shareholders during the remainder of 2024 by way of either a share buyback, or another special dividend (subject to market dynamics and Board approval).

Dividend



Making life better

Financial capital continued

Southern Africa business review

97.1% of Group revenue from continuing operations (2022: 97.3%).

Our southern African operations, with facilities in South Africa (SA) and Botswana, remain the largest contributor to the Group.

10.1% revenue growth to R22.0 billion (2022: R20.0 billion)

9.5% PPD growth to 2.2 million PPDs (2022: 2.0 million)

15 768 (2022: 15 436) employees and c.3 000 supporting healthcare professionals and specialists

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

How we performed

The Group's SA operations experienced strong demand for their services in the current year. This led to higher utilisation of the Group's hospital and complementary services, which delivered PPD growth of 9.5%. Revenue for SA grew by 10.1% to R22.0 billion (2022: R20.0 billion).

Normalised EBITDA (after corporate costs) grew 6.1% to R3.7 billion (2022: R3.5 billion), resulting in a margin of 16.9% compared to 17.5% reported for 2022. This result is reflective of the challenging environment which has seen inflationary pressures on salaries, the impact of loadshedding on costs, mix changes and increased corporate overheads (related primarily to IT spend and increased headcount) which have presented headwinds to improving the normalised EBITDA margin.

Southern Africa	2023 R'm	2022 R'm	% change 2022 – 2023
Revenue			
Hospitals and complementary services	**20 665**	18 615	11.0
Healthcare services	**1 320**	1 356	(2.7)
	21 985	19 971	10.1
Normalised EBITDA			
Hospitals and complementary services	**3 475**	3 246	7.1
Healthcare services	**162**	132	22.7
Corporate			
Recoveries	**1 601**	1 389	15.3
Corporate costs	**(1 531)**	(1 274)	(20.2)
	3 707	3 493	6.1
Normalised EBITDA margin, %	**16.9**	17.5	

11.0% growth in revenue driven by hospital and complementary PPD growth of 9.5% and a full 12 months of imaging revenue from practices acquired part way during the prior year

Resilient Life Nkanyisa performance

Normalised EBITDA +6.1% with operating leverage diluted by increased costs +7.1% underlying operations EBITDA growth. Improved margins within Healthcare services and stable margins in complementary services

Continued investment in data analytics, VBC products, IT infrastructure, platform, systems, security and cloud storage

Hospitals and complementary services

The business secured additional network deals with the GEMS and Medscheme. These networks came into effect in January 2023 and position Life Healthcare as the foremost designated network services provider in the country.

Patient volumes from the addition of these network deals, and a continuation of the trend in activities to return to a more normalised mix, helped to drive the strong hospital and complementary services PPD growth of 9.5% seen during 2023. This strong PPD growth has, however, introduced higher growth in a case mix with lower revenue per PPD. This has resulted in revenue per PPD growth, for the acute hospitals business, being flat year-on-year.

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

- We rolled out our integrated care product for patients with chronic kidney disease in January 2023. This product is designed to improve the patient experience and clinical outcomes, while also being more cost-effective for funders;
- We advanced our molecular imaging capability in SA with the acquisition of the non-clinical imaging operations of TheraMed and PET Vision, both Gauteng-based nuclear imaging businesses, which together operate three outpatient clinics, adding PET-CT and SPECT capabilities to our SA imaging business; and
- On 19 May 2023, we announced the acquisition of the assets and operations of Fresenius Medical Care's renal dialysis clinics in southern Africa. This transaction remains subject to approval by the Competition Commission in South Africa, having already obtained the necessary approvals in Eswatini and Namibia.

Revenue for the hospitals and complementary services division was up 11.0% to R20.7 billion (2022: R18.6 billion) driven by growth in both acute hospitals and complementary services. Normalised EBITDA grew by 7.1% to R3.5 billion (2022: R3.3 billion).

In our SA business, R1.3 billion was spent on capex during the current year (2022: R1.3 billion). A significant proportion of this capex (R1.2 billion) was spent on maintenance capex for our existing facilities. We also deployed R175 million into various growth projects, excluding the TheraMed and PET Vision transactions detailed above (also refer to note 28 of the 2023 annual financial statements).

In the pages below, we separate the operational highlights of both our acute hospital services and complementary services so that stakeholders gain a better understanding of these components of our business.

Making life better

Financial capital continued

Southern Africa business review continued

Acute hospitals

84.2% of Group revenue from continuing operations

Services	**Differentiators**
Multi-disciplinary acute healthcare facilities with an array of high-quality services including emergency units, intensive care treatment, day surgical centres, and on-site pharmacies.	• Second largest acute private hospital network • Presence in seven South African provinces and Botswana

Inputs	**Outputs**	**Outcomes**
48 acute hospitals *(49 in 2022)* **8 297** registered beds *(8 271 in 2022)* **304** surgical theatres *(304 in 2022)* **14** cathlabs *(14 in 2022)*	**1 980 606** PPDs *(1 797 805 in 2022)* **20.8 million** theatre minutes *(19.7 million in 2022)* **19 376** cathlab cases *(16 501 in 2022)*	**67.6%** occupancy *(61.1% in 2022)* **85.1%** patient satisfaction score *(84.0% in 2022)* Safe hospitals – refer to safety and quality metrics on page 143

Acute hospitals

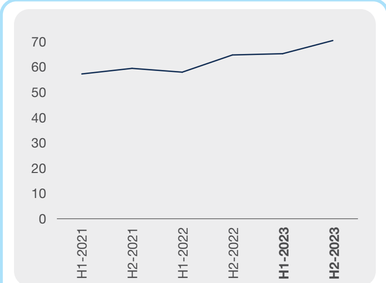
Our acute hospitals delivered strong results in the current period. Admissions grew 8.1% year-on-year while PPDs grew by 10.2%, benefiting from the new network deals which commenced in January 2023. Our length of stay increased to 3.8 days in 2023 versus 3.7 days in 2022.

Medical PPDs (excluding COVID-19 PPDs) grew by 20.6% during 2023, while surgical PPDs grew by 10.1%. COVID-19 PPDs declined by c.73% and made up c.1% of total PPDs. These mix changes bring the total medical PPDs split to 50.2% versus 49.8% for surgical PPDs, a ratio that is now very similar to 2019 levels.

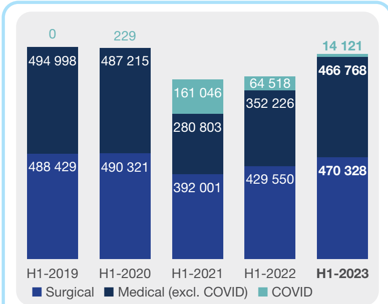
The strong PPD growth translated into higher occupancies across our acute hospital facilities, with a weighted average occupancy of 67.6% in the current year versus 61.1% in the prior year. Average occupancy levels during the second half of the year were 70.2%.

Acute hospital revenue grew 10.3% year-on-year after being positively impacted by the strong PPD volume growth. Due to changes in the mix of patients within our facilities, revenue per PPD for 2023 was flat versus the prior financial year was impacted by the change in the case mix and the network discounts.

Acute hospital occupancy (%)



Acute hospital/medical PPD splits



Complementary services

7.1% of Group revenue from continuing operations

Services	**Differentiators**
Specialised services offered within or in close proximity to our acute hospitals for patients whose treatment involves a longer admission period, or ongoing chronic care.	• Extends service delivery across the care continuum

1 Acute rehabilitation

Services	**Differentiators**
Our physical rehabilitation facilities cater for patients with brain injuries, offering acute physical and cognitive rehabilitation. Our focus on patient care helps to restore quality of life for our patients and their families.	• Multi-disciplinary care for traumatic brain or spinal injuries, stroke rehabilitation

Inputs	**Outputs**	**Outcomes**
7 facilities *(8 in 2022)* **287** beds *(334 in 2022)*	**2 794** admissions *(2 905 in 2022)* **78 140** PPDs *(81 191 in 2022)*	**71.5%** occupancy *(71.7% in 2022)*

2 Mental health

Services	**Differentiators**
Our multi-disciplinary mental healthcare service offerings are designed for transitory care in a therapeutic and tranquil environment. Our facilities house voluntary, assisted and involuntary mental healthcare users.	• Second largest private mental healthcare provider in South Africa • Wide spectrum of inpatient mental health treatment programmes

Inputs	**Outputs**	**Outcomes**
9 facilities *(9 in 2022)* **602** beds *(602 in 2022)*	**14 969** admissions *(13 710 in 2022)* **160 690** PPDs *(148 188 in 2022)*	**73.6%** occupancy *(67.8% in 2022)*

Making life better

Financial capital continued

Southern Africa business review continued

3 Renal dialysis

Services	Differentiators
Our renal facilities are for patients with acute or chronic renal disease who need outpatient-based chronic dialysis, inpatient-based acute renal dialysis or home-based peritoneal dialysis.	• Third largest private renal dialysis provider in South Africa • Introduction of our unique integrated renal dialysis care product in January 2023

Inputs	Outputs	Outcomes
31 facilities *(29 in 2022)* **445** renal stations *(445 in 2022)*	**198 227** treatments *(180 294 in 2022)*	Our integrated renal dialysis care product has been well received and is delivering good results. We expect to sign additional funders onto the product during 2024.

4 Oncology

Services	Differentiators
Our oncology centres offer a holistic care model with technologically advanced diagnostic and interventional services supporting comprehensive cancer management.	• First Ethos® radiotherapy machine in South Africa providing AI-driven patient-specific treatment

Inputs	Outputs	Outcomes
5 facilities *(5 in 2022)*	**34 632** treatments *(30 109 in 2022)*	The Life Oncology centre at Life Vincent Pallotti Hospital is demonstrating the benefit of integrated and comprehensive care in one setting. We aim to replicate this service at other sites across SA.

5 Diagnostic and molecular imaging

Services	Differentiators
Non-clinical diagnostic imaging services at Life Eugene Marias Hospital and at our hospitals in the Eastern Cape and Botswana.	• Acquired TheraMed during 2023 adding three outpatient molecular imaging sites in Gauteng • Building two cyclotrons in Gauteng, which will introduce the first vertically integrated molecular imaging service in southern Africa

Inputs	Outputs	Outcomes
8 diagnostic imaging facilities *(5 in 2022)* **3** molecular imaging facilities including PET-CT and SPECT *(nil in 2022)*	**37 284** MRI and CT scans *(18 675 in 2022)* **190 679** X-ray and other scans *(100 438 in 2022)*	The integration of these new services has only just begun, however we believe the integration of diagnostic and molecular imaging services into our hospitals will enhance our integrated products, particularly within the oncology field.

Complementary services

Complementary services also performed strongly during the year with revenue growth of 20.4% to R1.6 billion (2022: R1.3 billion).

The complementary services business experienced PPD growth of 4.1% for 2023, driven by a recovery in mental health PPDs of 8.4%, while acute rehabilitation PPDs declined by 3.8% following the closure of a facility in Bloemfontein. Excluding the impact of the closed facility, PPDs for complementary services would have grown by 6.8% year-on-year and PPDs for acute rehabilitation would have grown by 3.3%.

In addition, the two transactions we concluded in 2022 within the South African imaging market, the East Coast Radiology practice (effective 1 February 2022) and the Eugene Marais practice (effective 1 August 2022), have continued to perform well and have contributed strongly to the 2023 results given that they were not included for a full 12 months during 2022.

Increased **mental health** admissions and volumes lifted occupancy levels to 73.6% versus 67.8% in 2022.

Renal dialysis treatments grew by 9.6% during 2023, demonstrating the resilience of this service and early evidence of uptake of our integrated renal product which was launched in January 2023. This product has been well received by patients and is designed to improve the patient experience and clinical outcomes by providing more consistent and holistic care while also being more cost-effective for funders.

In January 2023 we started our integrated value-based care product for renal dialysis patients in conjunction with Discovery Health Medical Scheme. We anticipate signing up additional medical scheme funders to this innovative product during 2024. The initial data from this product are encouraging from both a patient satisfaction and clinical outcome perspective.

We recently announced that we will acquire the renal dialysis assets of Fresenius Medical Care, subject to the Competition Commission's approval. The transaction will see Life Healthcare acquire 51 renal dialysis clinics, integrate their 500 employees and continue to support their c.2 500 patients in South Africa, Namibia and Eswatini. This transaction supplements the existing 34 renal dialysis clinics within our complementary services business and significantly enhances our countrywide renal dialysis footprint.

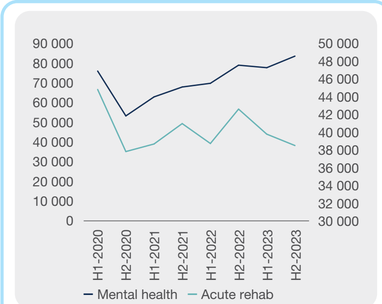
Oncology treatments grew by 15.0% during the current period. The Varian Ethos radiotherapy machine which was installed at our Life Vincent Pallotti Hospital during 2022 has seen excellent utilisation as our team of oncologists embrace this cutting-edge technology. In addition, the completion of the new oncology ward at Life Vincent Pallotti Hospital positions this facility as a leading oncology centre.

SA imaging scan volumes grew by 92% during the current period, with both East Coast Radiology (ECR) and Eugene Marais Radiology (EMR) continuing to deliver ahead of expectations in terms of volumes and revenue. The strong volume growth is partly attributable to a full year of activity from these facilities within 2023, whereas in 2022 ECR was included from February 2022 onwards, while EMR was only included from August 2022 onwards.

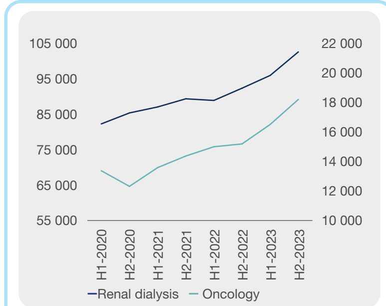
We advanced our molecular imaging capability in SA with the acquisition of the non-clinical imaging operations of TheraMed and PET Vision, both Gauteng-based nuclear imaging businesses, which together operate three outpatient clinics, adding PET-CT and SPECT capabilities to our SA imaging business. The TheraMed acquisition became effective on 1 June 2023, while the PET vision acquisition became effective on 1 August 2023.

These transactions are complementary to the two cyclotrons we are developing under a joint venture with AXIM. Building work, for these cyclotrons, commenced during 2023.

Mental health and acute rehab PPDs



Renal dialysis and oncology treatments



Making life better

Financial capital continued

Southern Africa business review continued

Healthcare services

5.8%
of Group revenue from continuing operations

1 Life Nkanyisa

Services	Differentiators
We offer specialised care for vulnerable patients in our society. We partner with South Africa's provincial health and social development departments to provide comprehensive, long-term services for patients requiring frail care, chronic mental healthcare and substance abuse support.	• Largest public-private healthcare partnership in South Africa

Inputs	Outputs
9 facilities *(10 in 2022)* **3 118** beds *(3 181 in 2022)*	**1 127 999** PPDs *(1 084 765 in 2022)*

2 Life Health Solutions

Services	Differentiators
We offer an integrated health risk-management service providing wellness programmes, occupational and primary healthcare to corporate and institutional clients. We provide contracted on-site occupational, primary and emergency healthcare services to large private and public employees.	• Largest corporate wellness and occupational health provider in South Africa

Inputs	Outputs
256 occupational health clinics *(237 in 2022)* **82** employee wellness clinics *(83 in 2022)*	**461 038** enrolled employees *(485 407 in 2022)*

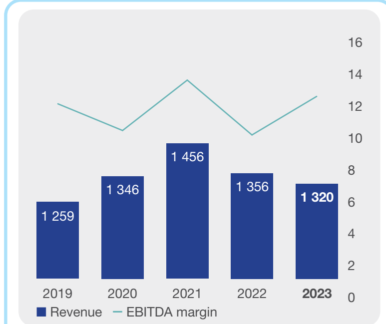
Healthcare services

Revenue from our healthcare services business decreased by 2.7% to R1.3 billion (2022: R1.4 billion). Normalised EBITDA grew by 22.7% resulting in the normalised EBITDA margin expanding to 12.3% (versus 9.7% in 2022).

The decline in revenue was primarily due to reduced revenue and commercial contracts in Life Health Solutions during 2022 and early 2023, although the restructuring of the business, while at an early stage, has led to some normalised EBITDA margin improvement during the current period.

Life Nkanyisa delivered another consistent performance during the current period with revenues growing above inflation while the high occupancies and good cost management resulted in improved normalised EBITDA margins.

Healthcare services' revenue (R'm) **and EBITDA margin** (%)



Making life better

Financial capital continued

International business review

2.9% of Group revenue from continuing operations (2022: 2.7%)

Our international operations only include LMI.

LMI's major revenue driver is NeuraCeq®. We expect to see continued expansion of this segment's overall % contribution of Group revenue, as part of our strategy to grow the contribution from non-acute and international operations.

Our footprint and capabilities

As AMG has been classified as an asset held for sale, our international segment only includes revenue from LMI's radiopharmaceutical products.

LMI is a research and development company dedicated to developing and globally commercialising innovative molecular imaging agents for use in PET-CT diagnostics.

The acquisition of LMI in 2018 gave Life Healthcare access to NeuraCeq®. NeuraCeq® is a US FDA, EMA, UK MHRA and Chinese National Drug Authority 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 approved amyloid-detecting radiopharmaceuticals.

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 are 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 DMD treatment available. This has, however, changed in recent years, with significant progress being made with regard 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, the UK and Canada.
- **Donanemab** (Eli Lilly): Donanemab received FDA accelerated approval on 19 January 2023. Phase 3 trial 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.

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 in recent years.

The recent FDA approval of Leqembi™ and the associated CMS announcement regarding reimbursement of both Leqembi™ and amyloid diagnostic testing, are likely to result in the increased use of diagnostic PET-CT scans using amyloid-detecting radioisotope tracers, such as NeuraCeq® in the US, for patients being screened as part of the dementia diagnosis and treatment pathway. We refer to these NeuraCeq® sales as commercial sales, as opposed to clinical trial sales.

To benefit from this imminent opportunity, the Group is preparing to invest additional resources to help increase the commercial sales of NeuraCeq® in the US, while also continuing to secure and increase third-party manufacturing capabilities around the world.

LMI has 44 active sites across the world (2022: 36) as shown in What we do section (page 4). We are expanding the network of third-party manufacturing sites, with 12 additional sites planned in the US, eight planned sites in Europe, and we are also looking to contract with manufacturers in parts of Asia and Latin America, as part of our plans to ramp up of global NeuraCeq® production.

In addition to NeuraCeq®, LMI has a pipeline of novel radioisotope imaging agents which it is developing to address 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 disclosed within the Intellectual capital section on page 150.

How we performed in 2023

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

The business generated 29.2% growth in commercial volumes and sales of NeuraCeq® in 2023 from demand from patients undergoing diagnostic PET-CT scans as part of a dementia diagnosis pathway, while growth in NeuraCeq® volumes from ongoing clinical trials slowed to 7.7%.

In total, LMI's 2023 revenue grew by 18.2% (in Rands) year-on-year. LMI's normalised EBITDA loss increased to R113 million, from a loss of R35 million in 2022, due to increased expenditure on sales and marketing headcount and manufacturing infrastructure during the year. This headcount increase is required to prepare the business adequately to drive increased commercial sales of NeuraCeq® following the approval of Leqembi™ in the US, and potential approvals in other geographies during 2024.

Looking forward

We remain positive about the prospects for NeuraCeq®.

We will continue to expand our sales force to ensure that the use of PET-CT scanning with NeuraCeq® is adopted by specialists and PET-CT centres. We will also continue to sign up additional third-party manufacturing capacity to produce NeuraCeq®. Refer to our LMI strategy overview on page 33.

News regarding Eli Lilly's FDA approval for Donanemab may be forthcoming in early 2024 and will add a second DMD into the Alzheimer's market. We may also hear of additional market approvals for both Leqembi™ and Donanemab which should also be positive for NeuraCeq® demand.

While we anticipate good revenue growth from LMI in 2024, the business is, however, expected to continue to make a loss at normalised EBITDA level due to the investments in headcount and manufacturing capability required to drive the sales growth. This loss is expected to reduce after 2024.

Discontinued operation: Alliance Medical Group

AMG has been classified as a disposal group held for sale in terms of IFRS 5 and is disclosed as a discontinued operation in the Group's 2023 results.

AMG delivered a good operational performance during the current period delivering over 1.2 million scans, 7.3% higher than scanning activity in 2022. In the UK scan volumes in 2023 grew by 9.5% year-on-year with PET-CT volumes up 11.8%. Ireland continued to benefit from strong demand during the year, growing volumes by 13.6%, while Italy delivered flat volume growth.

AMG's revenue in 2023 grew 10.1% to GBP418 million and normalised EBITDA grew 5.8% to GBP83 million.

In 2023 transaction costs of R147 million were recognised. In addition, with the application of IFRS 5, AMG was measured at the lower of its fair value less transaction costs or net asset value. As a result, at 30 September 2023, the carrying value of AMG was impaired by GBP43.5 million (R882 million), a figure which is inclusive of transaction costs of GBP30.5 million (R532 million).

The Group acquired the business when the exchange rate was GBP1 = R17.78. On the effective date of the disposal (expected within the first quarter of calendar year 2024). The Group is likely to recognise an exchange gain of approximately R2.8 billion in the statement of profit or loss in 2024.

Making life better

Financial capital continued

Seven-year performance review

Group statement of comprehensive income

	2023 R'm	2022[2] R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm
Revenue from continuing operations	**22 641**	20 526	26 885	23 851	25 672	23 488	20 797
Normalised EBITDA[1] from continuing operations	**3 594**	3 443	5 051	4 155	5 727	5 535	5 001
Operating profit from continuing operations	**2 439**	2 762	2 980	2 121	3 944	3 848	3 620
Net finance cost	**(537)**	(581)	(622)	(793)	(998)	(962)	(1 229)
Share of associate's net profit after tax	**9**	10	25	14	18	(105)	(15)
Profit before tax from continuing operations	**1 911**	2 191	2 409	1 393	3 706	2 837	1 934
Profit for the year from continuing operations	**1 428**	1 488	1 767	837	2 871	1 914	1 119
Profit from discontinued operation	**(990)**	226	87	(799)	–	–	–
Profit for the year	**438**	1 714	1 854	38	2 871	1 914	1 119
Ordinary equity holders of the parent	**264**	1 531	1 754	(93)	2 569	1 575	814
Non-controlling interest	**174**	183	100	131	302	339	305
Normalised EBITDA[1] from continuing operations	**3 594**	3 443	5 051	4 155	5 727	5 535	5 001
Operating profit	**2 439**	2 762	2 980	2 121	3 944	3 848	3 620
Depreciation on property, plant and equipment	**968**	862	1 571	1 476	1 236	1 133	971
Amortisation on intangible assets	**158**	118	533	590	586	537	439
Other adjustments	**63**	(266)	–	–	–	51	–
Retirement benefit asset and post-employment medical aid income	**(34)**	(33)	(33)	(32)	(39)	(34)	(29)

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

Group statement of financial position

	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm
ASSETS							
Non-current assets							
Property, plant and equipment	**10 572**	15 566	14 695	15 361	12 929	12 243	11 131
Intangible assets	**3 287**	16 514	16 383	18 238	16 969	17 084	16 281
Investment in associates and joint ventures	**6**	56	62	65	53	35	2 976
Employee benefit assets	**416**	415	418	379	448	401	399
Other non-current assets	**1 920**	1 903	1 809	1 285	1 189	795	672
Total non-current assets	**16 201**	34 454	33 367	35 328	31 588	30 558	31 459
Current assets							
Cash and cash equivalents	**846**	2 802	2 672	2 279	1 544	1 494	1 176
Trade and other receivables	**3 625**	4 319	4 041	4 046	3 923	3 761	3 602
Inventories	**451**	583	653	873	379	360	357
Other current assets	**49**	80	48	179	132	128	45
Total current assets	**4 971**	7 784	7 414	7 377	5 978	5 743	5 180
Assets classified as held for sale	**24 443**	–	–	–	–	2 841	–
Total assets	**45 615**	42 238	40 781	42 705	37 566	39 142	36 639
EQUITY AND LIABILITIES							
Capital and reserves	**20 214**	18 746	18 066	17 058	16 188	14 916	14 380
Non-controlling interest	**1 075**	1 114	1 105	1 220	1 303	1 286	1 171
Total shareholders' equity	**21 289**	19 860	19 171	18 278	17 491	16 202	15 551
Non-current liabilities							
Interest-bearing borrowings	**11 010**	12 124	10 914	12 034	9 399	12 870	7 786
Derivative financial instruments	**–**	–	–	–	–	6	749
Deferred tax liabilities	**1 534**	1 770	1 730	1 450	1 371	1 226	1 203
Other non-current liabilities	**583**	835	1 079	1 051	862	662	253
Total non-current liabilities	**13 128**	14 729	13 723	14 535	11 632	14 764	9 991
Current liabilities							
Bank overdraft	**187**	335	325	2 181	867	488	450
Trade and other payables	**3 743**	5 738	5 443	5 327	4 799	4 409	4 113
Interest-bearing borrowings	**1 992**	1 226	1 811	2 180	2 596	3 086	6 301
Other current liabilities	**213**	350	308	204	181	193	233
Total current liabilities	**6 135**	7 649	7 887	9 892	8 443	8 176	11 097
Liabilities directly associated with assets classified as held for sale	**5 063**						
Total equity and liabilities	**45 615**	42 238	40 781	42 705	37 566	39 142	36 639

Financial capital continued

Seven-year performance review continued

Group statement of cash flows

	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm
Cash generated from operations	**3 653**	3 340	5 687	4 562	5 927	5 503	4 663
Transaction costs paid	**(12)**	(1)	(35)	(17)	(147)	(38)	(210)
Interest received	**75**	35	169	93	60	40	162
Tax paid	**(596)**	(765)	(714)	(597)	(1 185)	(1 065)	(891)
Net cash generated from operating activities from discontinued operations	**1 550**	1 575					
Net cash from operating activities	**4 670**	4 184	5 107	4 041	4 655	4 440	3 724
Net cash utilised in investing activities – investments to expand	**(1 602)**	(1 787)	(2 066)	(2 007)	(2 329)	(3 375)	(11 957)
Net cash generated from investing activities – disposals	**22**	15	573	–	4 395	61	73
Net cash (utilised in)/ generated from investing activities – other	**(155)**	(16)	36	13	(295)	(50)	(1)
Net cash (utilised in)/ generated from financing activities	**(1 861)**	(859)	(1 233)	(2 778)	(6 765)	(826)	9 298
Net cash utilised in investing activities from discontinued operations	**(1 198)**	(929)					
Net cash utilised in financing activities from discontinued operations	**(767)**	(500)					
Net increase/ (decrease) in cash and cash equivalents	**(891)**	108	2 417	(731)	(339)	250	1 137
Cash and cash equivalents – beginning of the year	**2 467**	2 347	98	677	1 006	726	(426)
Effect of foreign exchange rate movements	**179**	12	(168)	152	10	30	15
Cash balances reclassified as held for sale	**(1 096)**						
Cash and cash equivalents – end of the year	**659**	2 467	2 347	98	677	1 006	726

Business performance measures

	2023 R'm	2022[1] R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm
Number of registered beds[2]	**9 186**	9 203	9 177	9 151	9 136	9 055	8 983
Paid patient days[3]	**2 219 436**	2 027 184	1 915 924	1 914 159	2 269 756	2 251 600	2 226 337
Occupancy (%)[3,4]	**68.1**	61.9	58.6	58.0	69.7	69.7	70.0
Length of stay[3]	**4.09**	4.04	4.42	4.08	3.76	3.72	3.71
Financial ratios							
Normalised EBITDA margin (%)	**15.9**	16.8	18.8	17.4	22.3	23.6	24.0
Tax rate excluding secondary tax on companies (%)	**77.1**	21.8	23.0	97.3	22.5	32.5	42.1
Effective tax rate (%)[1]	**25.29**	32.03	26.7	93.5	22.5	32.5	42.1
Debtors' days[1]	**51**	67	48	54	49	51	55
Quick ratio (:1)[1]	**1.20**	1.21	1.22	0.96	1.02	1.13	1.08
Current ratio (:1)[1]	**0.84**	1.06	0.98	0.84	0.90	1.06	1.01
Gearing (%)[1]	**25.5**	40.8	40.5	47.3	42.4	50.4	48.3
Total debt (R'm)	**13 002**	13 350	12 725	14 214	11 995	15 956	14 087
Net debt (R'm)	**12 343**	10 883	10 378	14 116	11 318	14 950	13 361
Net debt: normalised EBITDA[5]	**2.00**	1.89	1.82	2.96	1.96	2.73	2.55
Interest cover[5]	**6.2**	10.8	11.0	5.8	5.6	6.4	4.2
Return on net assets (RONA) – using reported profit after tax (%)	**4.0%**	11.5%	13.1%	0.3%	23.3%	16.4%	10.4%
Return on net assets (RONA) – using normalised earnings from continuing operations (%)	**11.6%**	7.8%	11.6%	5.9%	13.8%	13.7%	11.5%

[1] Some figures are re-presented following the classification of AMG as a discontinued operation.
[2] Includes all acute hospital, mental health, rehabilitation and Life Nkanyisa beds.
[3] Metrics for South African operations.
[4] Occupancy is measured based on the weighted number of available beds during the period and takes acquisitions and expansions during the year on a proportionate basis into account.
[5] Calculated as defined in lender agreements.

Market indicators

	2023 R'm	2022 R'm	2021 R'm	2020 R'm	2019 R'm	2018 R'm	2017 R'm
Market price – high (R) per share	**22.23**	24.84	25.75	26.00	28.89	30.52	39.02
Market price – low (R) per share	**16.00**	16.44	15.19	15.44	21.12	23.00	23.05
Market price – year-end (R) per share	**20.26**	17.25	22.79	17.06	22.68	24.56	23.70
Market capitalisation – year-end (R'm)	**29 214**	24 957	33 133	24 817	33 279	36 030	34 341
Number of shares traded ('m)	**5 668**	957	1 461	1 220	1 055	1 241	1 326
Value of shares traded (R'm)	**105 790**	19 946	28 030	24 460	26 288	32 510	39 142
Price-earnings ratio (Year-end price/NEPS)	**21.42**	17.89	20.22	27.97	19.48	22.29	25.24

Making life better

Financial capital continued

Shareholder returns

	2023	2022	2021	2020	2019	2018	2017
Earnings per share from continuing and discontinued operations (cents)	**18.3**	105.8	120.6	(6.4)	176.4	108.6	62.2
Diluted earnings per share from continuing and discontinued operations (cents)	**18.2**	105.3	120.3	(6.4)	175.5	108.1	62.0
Headline earnings per share from continuing and discontinued operations (cents)	**88.2**	106.1	111.1	48.7	88.7	108.8	77.4
Diluted headline earnings per share from continuing and discontinued operations (cents)	**87.5**	105.6	110.7	48.5	88.2	108.3	77.2
Normalised earnings per share (NEPS) from continuing and discontinued operations (cents)	**94.6**	96.4	112.7	61.00	116.4	110.2	93.9
Weighted average number of shares in issue ('m)	**1 442**	1 447	1 454	1 455	1 456	1 451	1 310
Weighted average number of shares for diluted earnings per share ('m)	**1 454**	1 454	1 458	1 460	1 464	1 457	1 314
Total number of shares in issue ('m)	**1 467**	1 467	1 467	1 467	1 467	1 467	1 449
Distributions per share (cents)	**44.0**	40.0	25.0	–	93.0	88.0	80.0
Net asset value per share (cents)	**1 377.6**	1 277.5	1 231.2	1 162.5	1 103.5	1 016.8	992.4
Normalised earnings from continuing operations ('m)	**1 284**	1 158	1 640	888	1 695	1 598	1 230
Profit attributable to ordinary equity holders ('m)	**264**	1 531	1 754	(93)	2 569	1 575	814
Adjustments (net of tax):							
Loss (profit) from discontinued operation attributable to ordinary equity holders ('m)	**990**	(226)	(45)	839	(1 418)	–	–
Loss (profit) on disposal of property, plant and equipment ('m)	**7**	2	10	3	–	(30)	37
Impairments	**–**	–	14	5	140	34	167
Gain on derecognition of lease assets and liabilities ('m)	**(3)**	–	–	(50)	–	(71)	–
Retirement benefit asset and post-employment medical aid income ('m)	**(25)**	(23)	(24)	(23)	(28)	(24)	(21)
Transaction costs ('m)	**12**	1	3	8	148	38	267
Fair value gain on foreign exchange hedge ('m)	**–**	–	–	–	292	(17)	(7)
Unwinding of contingent consideration ('m)	**62**	75	62	66	42	18	(43)
Other ('m)	**(23)**	(202)	(134)	133	(50)	75	20

Human capital

Financial capital | Human capital | Manufactured capital | Natural capital | Social capital | Intellectual capital

Our people

Definition

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

Key stakeholders — **Employees**

How we engage with our employees

- Fair remuneration and reward (see Remuneration Report)
- Job satisfaction
- Training and development opportunities
- Diversity and inclusion
- Quality of patient care (see safety and quality review, page 143)
- Caring employees
- Safe work environment (see safety and quality review, page 143)

How we engage with our employees

- We listen via Group-wide employee survey (last done in 2022) and through twice yearly joint performance measurement (JPM) reviews
- Implemented our new EVP across the Group
- Long-term incentive plans and share ownership schemes across all employee categories (see Remuneration Report)
- Continued investment in training of employees and assistance with professional registration fees and malpractice insurance
- Regular communications related to health and wellness campaigns and opportunities for employees to get involved in CSI projects (see separate Sustainability Report)

Affected material matters

Affected strategic pillars

Making life better

ABOUT OUR REPORT
WHAT WE DO
HOW WE CREATE VALUE
HOW WE RUN OUR BUSINESS
HOW WE PERFORMED
ADMINISTRATION

Human capital continued

Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
People-centred employees • 15 768 SA employees • 122 LMI employees	• R9.0 billion spent on employee salaries and benefits (for continuing operations) (2022: R8.3 billion)		This is the largest expense for the Group, but without our employees we would not be able to provide the services we currently offer
• Additional payment for three months providing a bridge to when salary increases occurred in January 2023, due to the early salary increases implemented for SA nursing employees during 2022	• These extra payments meant that there was not a three month wait for employees before getting their next pay increase in January 2023		The additional salary payments, along with salary increases, had a negative impact on our cost base (financial capital), but helped to reduce total nursing employee turnover to 16.0% in 2023 versus 16.7% in 2022 and 20.0% in 2021.
• 6.9% salary increase for SA employees effective from January 2023	• This increase has helped to mitigate cost pressures on employees due to inflation and the rising costs of living		
• **R163 million** spent on employee training (2022: R121 million)	• 33 senior managers received training • **873** nurses registered for training at one of our seven Life Healthcare nursing colleges		Training costs detract from financial capital, but increase the skills base within the Group, and reduce the skills shortage in SA. Unfortunately we are still capped as to how many nurses we can train every year.
• Employees share schemes – **R65 million** spent on share purchases for employees (2022: R60 million)	Share purchases made as part of a long-term incentive plans for: • Employees who have worked for the Group for at least a year who are not eligible for the Group's long-term incentives schemes described in our Remuneration Report and on page 74 of this report		The share purchases are an expense to the Group, but are a key component of our retention strategy. Employee share ownership also aligns employees with shareholders in the Group.

Our people

At our core, we believe that our people are our greatest asset. We recognise that a motivated, engaged, and diverse workforce is essential for our long-term success. Therefore, we have made significant investments in creating a positive and inclusive work environment that fosters employee growth, well-being, and satisfaction.

Overview

Life Healthcare, through its southern African and International companies employs 15 890 permanent employees (2022: 15 540) across its continuing operations. However, in addition to this we utilise South African agency nursing employees, consulting doctors and specialists, temporary personnel and, within our International business, many self-employed clinical and non-clinical employees, as we show below:

Group workforce	2023	2022
Southern Africa[1]	**15 768**	15 436
International[1,2]	**122**	104
Total employed staff	**15 890**	15 540
Change yoy, %	**2.3%**	
Southern Africa – temporary personnel	**1 068**	1 032
International – self-employed personnel	**2**	3
Total workforce	**16 960**	16 575
Change yoy, %	**2.3%**	3.7

[1] Permanent employees.
[2] Including LMI employees.

As the Company has moved out of an environment where the impact of COVID-19 dominated our Human Resources (HR) practices, it has been possible to refocus on the high-level value-add aspects of people management. To this end, significant focus was placed on embedding our EVP and completing a full review of all our talent pool and successor inventory with associated development plans. The initial step in modernising the HR systems has been taken and all core functionality has been modernised and now function within a cloud environment. The acquisition of a number of imaging businesses in the prior year, has also enabled us to welcome new employees into our business and we have spent the past year introducing core Company HR processes into these businesses.

Making life better

Human capital continued

Key highlight of our people-centred initiatives

EVP

The Company successfully launched it EVP in October 2022, and the past year has been spent on embedding aspects of the EVP into core HR processes. It is pleasing to note the positive impact of the many interventions launched in terms of ***Making life better*** for our employees, and the Company has seen a further decline in employee turnover, especially in our core clinical functions.

Employee development

We have continued with the implementation of robust employee development programmes to nurture talent and enhance skills. We provide opportunities for continuous learning through training programmes, mentorship, and career development plans. By investing in our employees' growth, we are not only empowering them to reach their full potential but also ensuring a pipeline of skilled leaders for the future.

Employee well-being

We prioritise the well-being of our employees by offering comprehensive wellness programmes and mental health support. We understand that a healthy and balanced workforce is more productive, engaged, and resilient. By promoting employee well-being, we are creating a culture that values and supports the holistic needs of our employees.

Employee engagement

We believe that engaged employees are more committed, innovative, and patient-focused. We have implemented various initiatives to foster a culture of engagement, including regular communication channels, employee recognition programmes, and opportunities for feedback and collaboration. We actively seek input from our employees and involve them in decision-making processes to ensure their voices are heard and valued.

Employee relations

Relationships with our representative trade unions remain strong and all wage negotiations were amicably settled without the intervention of third parties.

Acquisitions

The acquisition of TheraMed and PET Vision was successfully completed further adding to our Imaging business. Employees have been successfully inducted into the Life Healthcare family.

Human resources systems modernisation

The foundation to migrate to a modern HR system offering has been aided by the successful implementation of the first phase of the HR system modernisation process. Both our HR and time and attendance systems have been migrated to a cloud environment with concomitant improvement in response times and security. This enables the Company to now focus on further enhancements in this environment which will result in improved employee and management experience. This imperative will remain a key focus in 2024 across our geographies and operations.

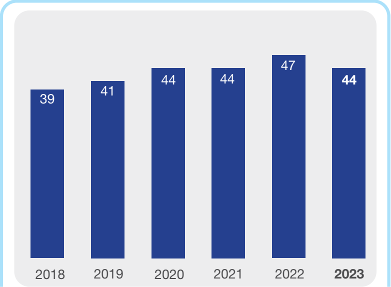
Diversity and inclusion

We are committed to building a diverse and inclusive workforce that reflects the communities we serve. We have implemented initiatives to attract, retain, and promote individuals from diverse backgrounds.

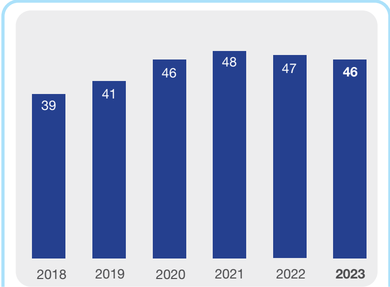
We are pleased to be able to report good outcomes against the employment equity targets for the period 1 April 2021 to 31 March 2024. Top management occupational levels targets were achieved and middle management and junior management levels targets were exceeded (as shown in the charts below).

The outcomes achieved reflect our sustained commitment to the recruitment and promotion of ACI candidates, but can also be attributed to talent management and succession planning initiatives such as a management development trainee programme, a Hospital Manager Development programme and other career development programmes where we partner with GIBS, to develop top leaders.

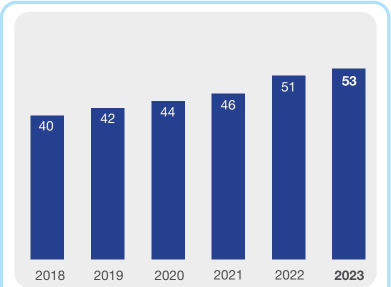
ACI employees in top management
(%)



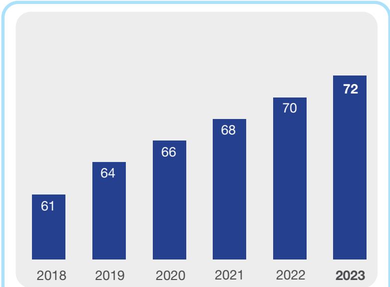
ACI employees in senior management
(%)



ACI employees in middle management
(%)



ACI employees in junior management
(%)



It is also pleasing to report that a new cycle of Employment Equity targets for Life Healthcare were approved by the Department of Labour for the period 1 April 2023 until 31 March 2026.

Employee turnover

Improvement is shown in Employee turnover in our southern African operations from 11.9% in 2022 to 11.5% in 2023 (excluding bad leavers).

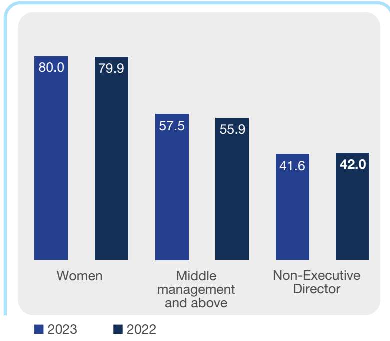
Women in Life

Three years into the initiative, our *Women in Life* programme continues to act as a catalyst for the empowerment of all women in Life Healthcare, through the support and guidance of our programme leads. The southern African workforce.

CSI

We encourage our employees to actively participate in corporate social investment initiatives (CSI). Our CSI initiatives supports three key pillars, namely health, community and education. Examples of our CSI initiatives can be found on page 137 and also in our separate Sustainability Report. By engaging our employees in meaningful social impact initiatives, we not only contribute to the betterment of society but also strengthen employee morale and pride in our organisation.

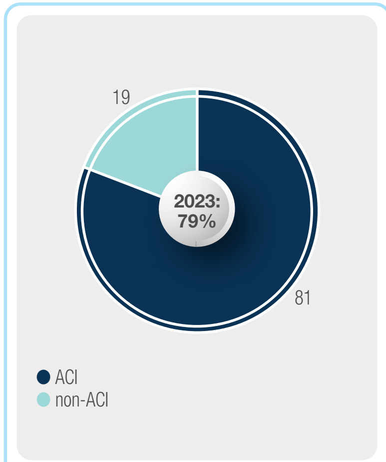
Women in Life
(%)



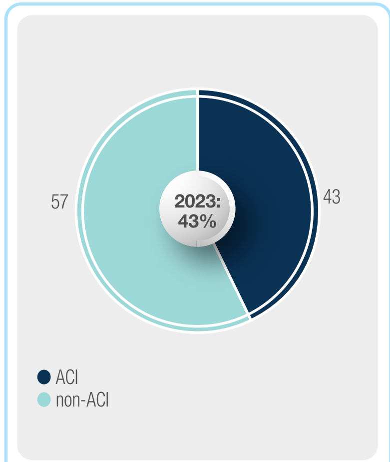
Looking ahead

Our people will continue to be our greatest asset, and nurturing the collective talent found within the Group and across geographies is critical to our vision statement of being a people-centred organisation. By creating the environment for both personal and professional growth for our people, we will create the platform required for success, sustainability and for growth. This will continue to be our focus for the year ahead.

Percentage of ACI employees in southern Africa



Percentage of ACI Non-Executive Directors in southern Africa in 2023



Manufactured capital

Financial capital | Human capital | Manufactured capital | Natural capital | Social capital | Intellectual capital

Definition

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

Key stakeholders	**Patients, Doctors and specialists, Healthcare funders, Employees**

Stakeholders' key expectations and concerns

- Accessible and modern healthcare facilities
- Equipment which is safe to use and up-to-date from a medical and technological perspective
- Quality of patient care (see safety and quality review, page 143)
- Safe work environment (see safety and quality review, page 143)

How we engage with our stakeholders

- Management meetings with employees
- Medical advisory boards and clinical management meetings with doctors and specialists and hospital management
- Patient advisory boards to discuss concerns with patients and their families
- Discussions with healthcare funders regarding safety and quality of care

Affected material matters

Affected strategic pillars

Southern Africa

We have the second largest private hospital network in South Africa, with 8 297 registered beds across our 48 hospitals. We also have a network of complementary healthcare facilities which complement our hospital network services (see page 104).

International

LMI has 44 active manufacturing sites around the world (see pages 33 and 112).

Discontinued operation with assets held for sale: AMG is one of the largest independent imaging providers in the UK and Europe with over 258 scanners (across MRI/CT/PET-CT modalities) in 15 locations (see page 113).

Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
• **R15.6 billion** in property, plant and equipment (PPE) at the end of 2022	• **R10.6 billion** in PPE at the end of 2023 after capital expenditure and acquisitions • **R24.4 billion** in assets held for sale, including R6.6 billion in PPE, related to the AMG transaction		We are unlocking value for shareholders through the sale of AMG. The significant cost to replicate our entrenched portfolio serves as a barrier to entry for new competitors.
• **R1.5 billion** in maintenance capital	• Upgrades and refurbishment to facilities in SA (see page 104)		Maintenance capital expenditure erodes financial capital without typically adding any additional EBITDA. However, it helps add long-term value by sustaining our ability to provide services and attract/retain employees and specialists.
• **R0.4 billion** in growth capital	• Investments into growth projects in SA and pipeline investment for LMI (see page 104)		Growth capital can erode financial capital in the short-term, but with carefully selected growth projects we expect to grow revenue and shareholders returns over time. This expenditure also creates value for the suppliers we use to construct facilities, or procure equipment from.
• **R0.2 billion** spent on acquisitions	• Acquired TheraMed and PET Vision facilities in the year in SA (see page 104)		Acquisitions can erode financial capital in the short term, but with carefully selected targets we expect to grow revenue and shareholders returns over time. These transactions also create value for the prior owners.

Making life better

Natural capital

Definition

We make use of both renewable and non-renewable natural resources in the delivery of services to our patients. While our business has an unavoidable impact on the environment, we endeavour to reduce negative impacts by measuring and managing our activities.

Key stakeholders	**Employees, Shareholders and other investors, Society**

Stakeholders' key expectations and concerns

- Responsible corporate citizen acting in a sustainable manner which is not detrimental to the environment
- How we mitigate activities which are detrimental to the environment
- Specific topics of interest for stakeholders are our plans to reduce carbon emissions and waste to landfill
- Reducing the usage of single-use items and plastic are also important issues for stakeholders

How we engage with our stakeholders

- Employees are actively engaged in reducing the consumption of water and electricity, and reducing waste to landfill
- Remuneration KPIs will play an essential role in incentivising employees to deliver on our environmental targets
- We engage with shareholders and other investors on environmental issues, and ESG more broadly, at results roadshows and conferences
- We engage with ESG ratings agencies to ensure that we publish the relevant information needed to receive accurate ratings from them

Affected material matters

Affected strategic pillars

Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
Solar panel installations	• 15 sites with solar installations • Reduction in grid-tied electricity usage		Many of these initiatives have an upfront cost, but ensure the sustainability of our operations and will lead to cost savings over time from reduced electricity and fuel costs. The solar initiatives positively impact the environment and will help us achieve our long-term emissions reductions.
R92 million spent on diesel (2022: R32 million) for the backup generators at all of our SA facilities	• Continuous supply of electricity to our facilities during electricity outages • Significantly higher expenditure than in 2022 due to both increased level of loadshedding than in 2022, and the price of diesel, which increased c.4% during the current year		The usage of diesel is detrimental to the environment, but without the generators we would not be able to deliver our services.

Mitigating the impact of electricity outages at our South African facilities

2023 has had the worst electricity outages since outages began in 2008.

Across the country there have been 6 342 hours of electricity outages during 2023 (2022: 1 461 hours).

In order to continue delivering our services during electricity outages, we have invested in backup power solutions including:

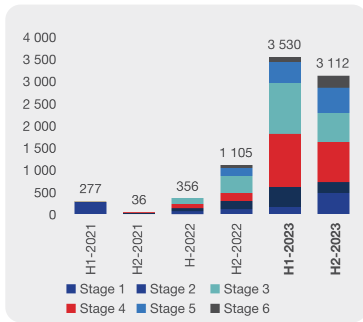
- Diesel backup generators at all of our facilities in southern Africa (with dual redundancy backup at some sites)
- We continue to use uninterrupted power supply devices in many facilities to maintain power to connected devices prior to backup generators starting up
- Solar installations to reduce grid-tied usage

We continue to look at ways to increase our solar panel yield while the grid-tied electricity is off and make more use of battery storage technology to reduce our diesel generator usage.

We envisage using battery storage only in certain areas of our hospitals, to ensure continuous services can be provided in areas such as ICU wards and theatres.

We are also exploring purchasing electricity directly from independent renewable energy providers.

Hours of loadshedding in SA



Mitigating the impact of water outages at our South African facilities

Water outages are an increasing risk to our business in South Africa.

With the increased level of electricity outages in 2023, some municipal water utilities have found it increasingly difficult to pump water into municipal reservoirs to maintain adequate water levels for residents and businesses. In some areas across the country this has led to water outages and the implementation of water restrictions.

All of our facilities have backup water storage tanks which provide 24 to 48-hours of water supply, and we have borehole water supply at a number of our hospitals, mostly in the Eastern Cape where water shortages have been a risk for a number of years.

Making life better

Our approach to sustainability reporting

At Life Healthcare we believe that sustainability makes good business sense.

At our core, we are driven by a simple yet profound purpose of ***Making life better***, which fuels our commitment to providing world-class healthcare services and products to individuals and communities. This is why we are dedicated to ensuring that every action we take contributes to the betterment of society and the planet. The creation of value for our stakeholders, while preserving the environment and enhancing the livelihood of the communities we operate in, forms the basis of our approach to sustainability. We recognise the integration of ESG principles in our value creation as a strategic tool to attain our long-term goals. ESG continues to be a key strategic focus area for the long-term viability of our business. In compiling this report, we have followed the Global Reporting Initiative (GRI-G4) and the taskforce for climate-related financial disclosure (TCFD) for health sector reporting guidelines. Our approach to ESG is aligned with the United Nations Sustainable Development Goals (SDGs) throughout our business with the aim of ***Making life better*** for our patients, employees, and communities.

Assurance

Financial and sustainability aspects of our 2023 are independently assured. The Independent Auditor's Limited Assurance Report on specific sustainability indicators is on page 156.

This section is a summary from our Sustainability Report, which is a standalone report that can be downloaded from our website.

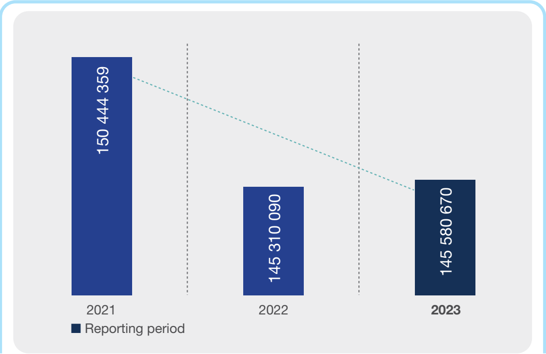
Our strategic priorities, including ESG initiatives and Corporate Social Investments, can make a meaningful impact on the following challenges identified within the United Nation's SDGs. We highlight the SDGs where we think we can deliver the most impact.

Our sustainability achievements for 2023

1. A Group waste management plan to meet zero general waste to landfill by 2030 has been developed for the South African business.
2. Successfully rolled out a smart monitoring system for electricity and water at all of our South African facilities.
3. Achieved limited assurance for our Scope 1, 2 and 3 data including water, as compared to 2022 where water consumption was excluded from the assurance scope.
4. Developed an environmental strategy for 20% reduction on carbon emissions for the southern African business.

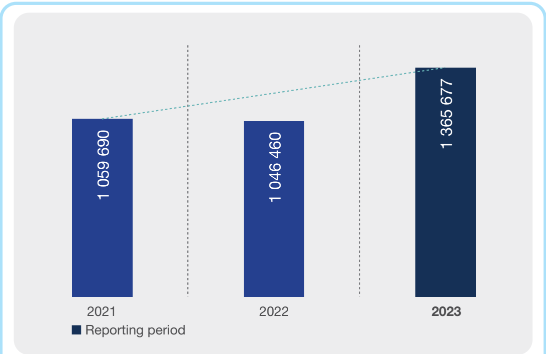
Our sustainability achievements for 2023 continued

Purchased electricity consumption (kWh)



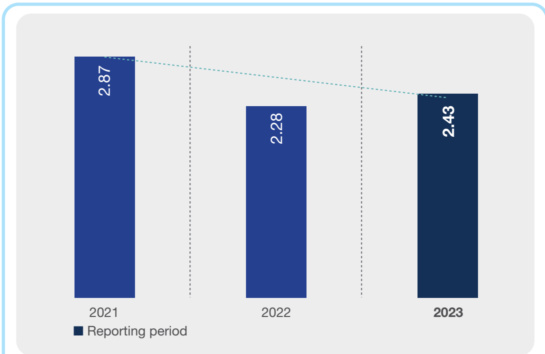
Loadshedding contributed to a reduced energy consumption.

Total water withdrawn (Kℓ)



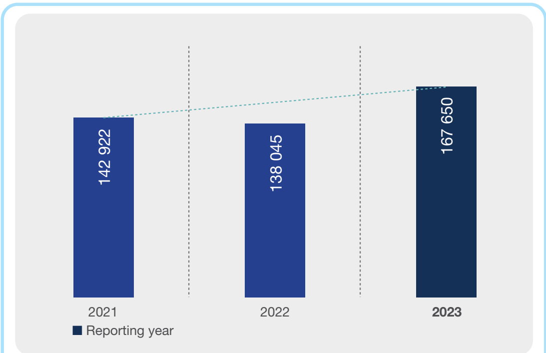
We rolled out automated smart meter systems to measure water consumption at all of our South African operations. This has resulted in more accurate and effective recording of water usage. The 2022 water consumption figures were based on the municipal estimates.

HCRW/PPD (Kg/PPD)



HCRW has increased due to the growth in PPDs and improved reporting systems.

Total carbon emissions (tCO_2e)



Our total carbon emissions have increased due to higher diesel consumption during loadshedding.

ESG rating highlights

ISS score

Rating: B-
Performance score of 63.3/100

Date of rating: 06 March 2023

- Achieved a higher disclosure rating of 2 on Environmental
- Achieved a higher disclosure rating of 3 on Social
- Achieved overall rating of very high transparency and a prime status

Sustainalytics

Rating: 27.1

Rating date: 25 October 2023

- Our disclosure is very strong, signalling a high degree of accountability to investors and the public, although it requires improvement on some initiatives to manage risks related to material ESG issues.
- Our score declined due to a change in the scoring methodology.

FTSE/JSE Responsible investment index

3.4

Percentile rank: 71

Score date: 19 Jun 2023

- Achieved a sector and industry-leading score of 3.4 and a score of 5 on Human Rights and Community.

MSCI

Score: AA

Rated as the Leader in Healthcare Industry

Rating date: 14 February 2023

Our score declined due to a change in the scoring methodology.

S&P Global

Score: 39/100

Rating date: 25 August 2023

Methodology Year 2023

Scored well above the industry average score of 26 for the Healthcare providers and services.

CDP

Achieved a disclosure band of D for water security and climate change disclosure in 2022.

The scoring for 2023 will be released in early 2024.

Making life better

ESG rating highlights continued

Our ESG focus and contribution to SDGs

	Making life better through Sustainability **Environment**	*Making life better* through **Social**	*Making life better* through **Governance**
Delivered through our Group objectives	• Developing systems to measure, monitor and manage energy, water and waste in order to comprehensively understand our carbon footprint. • Consistently reduce our carbon emissions to net zero by 2050. • Consistently reduce our waste to landfill to zero by 2030. • Engaging with national healthcare systems to support the government, public health sector or regulatory environmental initiatives. • Engage our workforce and wider communities to create a culture of environmental responsibilities.	• Engaging with national healthcare systems to support government, public health sector or regulatory social initiatives. • Contribute to community upliftment through supporting improvement initiatives in education, health and community. • Delivering high-quality healthcare services through an experienced, stable workforce. • Providing healthcare services through a management team and workforce that reflects the diversity demographics of the regions in which we operate. • Investment in innovative healthcare solutions to improve community health outcomes.	• Engaging with national healthcare systems to support government, public health sector or regulatory governance initiatives. • Operate an appropriate governance structure to support corporate governance principles and to ensure the provision of high-quality, safe healthcare services. • Recognise the sensitivity of patient data through world-class cyber-security and data protection initiatives. • Actively implement responsible ESG practices.
Measured against our initiatives and targets	• Providing consistent, transparent internal and external ESG reports. • Achieving zero waste to landfill by 2030. • Introducing solar photovoltaic (PV) installations at all viable facilities. • Introducing water usage improvement initiatives at all viable facilities. • New build initiatives to align with energy efficiency principles. • Identifying appropriate, sustainable and responsible carbon offset initiatives. • 100% of all medical and radioactive waste disposed of responsibly.	• Annual commitment to invest funds in community upliftment initiatives in the regions in which we operate. • Continued investment in workforce development, training and education. • Continued investment in pay, terms and conditions of employment, including a commitment to achieve the adoption of living wage principles in the regions in which we operate. • Achievement of agreed diversity and inclusion targets, including B-BBEE targets in SA. • Embedding ESG in role profiles for our leaders and their performance scorecards.	• Support appropriate Board governance and independence. • Enact principles to ensure appropriate diversity and expertise for internal boards and committees. • Manage the ethical delivery of healthcare services through a Global Code of Conduct applicable to internal and external stakeholders. • Independent external audit of financial and non-financial activities in all the regions in which we operate. • Continued investment in clinical, quality, health and safety and compliance in all the regions in which we operate.

Our ESG strategy

Our environmental strategy outlines our objectives of meeting a long-term target of 20% reduction in carbon emissions by 2030 for our South African business. The target is based on the assured 2023 baseline data for scopes 1, 2 and 3 subject to review in 2026.

Our ESG aspiration

To make life better for our patients, our employees and our communities by **implementing and entrenching sustainability** into our business

Environmental strategy roadmap

	Strategic objectives	Group targets for 2026	Group initiatives
Environmental	• Developing systems to measure, monitor and manage energy, water and waste in order to comprehensively understand our carbon footprint. • Engaging with national healthcare systems to support the government, public health sector or regulatory environmental initiatives.	• Reduce southern African carbon emissions by 20% by 2030 (target presented and approved at May 2023 Board meeting)	Southern Africa • Solar PV installations in SA • Water reduction initiatives • Reduce waste to landfill project • Responsible disposal of medical waste • Offset initiatives
Social	• Drive diversity and inclusion • Strengthen employee retention • Continued employee health, safety and wellness programmes • Continuous training and development • Ongoing CSI and enterprise development programmes	• B-BBEE targets in SA • Diversity and inclusion targets in SA • Diversity and inclusion targets for International • Drive reduction in employee turnover • Training KPIs in SA and International • CSI initiatives	• Continue to promote gender empowerment and diversity in the health sector • Continue investing in product development and innovation • Driving our Group-wide EVP measures • Invest in training and skills development in SA and International business units
Governance	• Entrenched governance structures • Actively implement responsible ESG practices • Commitment to ESG and sustainability • Ongoing cyber-security and data protection focus	• Board succession targets • Board tenure, diversity, skills and succession • ESG performance scorecards for leadership • United Nations SDGs integrated within our Global Code of Conduct	• Board governance and independence • Board diversity and expertise • Equitable and fair remuneration practices and philosophy • Management of ethics through the Global Code of Conduct • Cyber-security and protection of patient and employee data

ESG roadmap

2021
- First Sustainability Complementary Data Report
- New green head office
- Implemented solar PV at 15 facilities in SA

2022
- Develop ESG strategy and roadmap
- Identify Group projects

2023
- Establish an environmental baseline for southern Africa
- Establish Group carbon emission targets

2024
- Continue with the implementation of ESG projects
- Validate and align targets
- Continuously identify new projects (Group and operations)
- Roll out of ESG strategy to operations

2026
- Reach 2026 targets
- Reassess baseline and determine 2030 targets

ESG goal
- 20% reduction in carbon emissions
- Zero general waste to landfill by 2030
- Employee of choice
- Net zero

Making life better

Corporate social investment

CSI is an integral part of Life Healthcare's ethos to be closely involved with the communities we serve. As an organisation we are committed to social upliftment and community development, as our CSI initiatives reflect our Group's purpose of ***Making life better***.

R122.7 million
spent on CSI projects
(2022: R107 million)

1 Healthcare access projects

Some examples of our uplifting CSI projects

HEALTHCARE ACCESS PROJECTS	EDUCATION AND TRAINING PROJECTS	COMMUNITY UPLIFTMENT PROJECTS
3 GOOD HEALTH AND WELL-BEING; 10 REDUCED INEQUALITIES	4 QUALITY EDUCATION; 3 GOOD HEALTH AND WELL-BEING; 10 REDUCED INEQUALITIES	6 CLEAN WATER AND SANITATION; 5 GENDER EQUALITY; 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 2 ZERO HUNGER; 1 NO POVERTY; 10 REDUCED INEQUALITIES
Surgery for state indigent patients Life Healthcare supports specialists and allied healthcare workers to undertake *pro bono* surgery in structured surgical programmes. These include cataract surgery, joint replacements, cleft lip and palate repair amongst others. Only patients selected via the participating state hospitals are considered.	**Secondary school maths and science tuition** Life Healthcare is the founding sponsor of a Saturday school established at Somerset College for additional maths and science tuition.	**Access to clean running water** Life Healthcare partnered with Round About Water Solutions, an NGO in the water sector that delivers fresh running water to schools and communities in rural areas. There are hundreds of children who attend schools where no running water is available. Twenty-five play pumps have been installed in schools and communities nationwide. This project has increased learner school attendance, decreased the incidence of waterborne diseases and has created recreational equipment at the same time.
Healthcare screening Working with the National Department of Health awareness calendar, many Life Healthcare hospitals participate in community screening and testing programmes for diabetes, hypertension and cholesterol.	**Nursing bursaries** Through Life Healthcare's nursing college and its learning centres, nurse bursaries are offered annually to previously disadvantaged students who cannot afford tuition.	**Development of rural communities** Life Healthcare partnered with the Pondoland Conservation Trust, an NGO, for the construction of a community recreational centre and funding for the operational expenses which include a Wi-Fi hub, access to Digital Satellite Television, a medical clinic and staff salaries for the early childhood development centre in the community.
SA bone marrow registry We work with the SA Bone Marrow Registration programme to screen and test South African stem cell donors and place them on a database for patients who need a lifesaving stem cell transplant.	**Training and education for students with visual impairment** Since 2018 Life Healthcare has been the sole sponsor of the South African Council for the Blind's Optima College. The College provides vocational and life skills training for visually impaired students and trains 120 students annually in a one-year SETA-accredited programme.	**Food gardening in schools and communities** Life Healthcare partnered with Reel Life – a leading award-winning NGO targeting food poverty, security, and hunger in South Africa through the provision of sustainable school and household community gardens.

ESG performance data tables

Governance pillar

KPI	Unit of measurement (UOM)	2023	2022	2021
Percentage of females at Board level	%	**36%**	36%	38%
Racial diversity at Board level	%	**43%**	43%	54%

Patient privacy and electronic health records

KPI	UOM	2023	2022	2021
Number of data breaches recorded	No	**25**	10	–
Total breaches involving personally identifiable information (PII)	No	**4**	10	
Percentage of breaches involving only personally identifiable information (PII)	%	**16%**	30%	–
Percentage of breaches involving protected health information (PHI)	%	**84%**	70%	–
Number of customers affected	No	**37**	179	
Number of customers affected in PII category	No	**3**	10	–
Number of customers affected in PHI category	No	**34**	169	–
Total amount of monetary losses as a result of legal proceedings associated with data security and privacy	Value	**0**	R118 664	–

* Prior year statistics included all reported incidents on our reporting systems, this included near-miss incidents or incidents which were investigated, and breach contained prior to any harm to the data subjects. The current year reporting only includes data leaks and breaches where there was likelihood of harm to data subjects, these are the incidents that were notified both to the regulators and data subjects as required by legislation.

Environmental pillar

Carbon emissions

KPI	UOM	2023	2022	2021
Scope 1	Tonnes CO_2e	**15 256**	7 951	2 869
Scope 2	Tonnes CO_2e	**147 037**	138 045	142 922
Total scope 1 and 2	Tonnes CO_2e	**162 292**	145 995	145 791
Scope 3	Tonnes CO_2e	**5 359**	4 913	3 471
Total carbon emissions	Tonnes CO_2e	**167 650**	150 907	149 263
Total carbon saving via Company-owned projects	Tonnes CO_2e	**7 342**	7 478	7 430
Percentage emissions reduction resulting from initiatives	%	**4.3%**	4.9%	5%
Total carbon credits purchased	Tonnes CO_2e	**0**	0	0

An Eskom carbon emission factor of 1.01 tonnes per MWh published in 2023 was used to calculate Scope 2 emissions for this reporting period. Scope 2 emissions for the 2022 reporting period was calculated using 0.95 tonnes per MWh Eskom carbon emission factor.

Waste management

KPI		UOM	Method of destruction	2023	2022	2021	2020	2019
Total healthcare risk waste generated		Tonnes	N/A	**5 391**	4 193	5 497	4 372	4 454
Healthcare risk waste	Total healthcare risk waste incinerated	Tonnes	Incineration	**116**	135	120	–	–
	Total healthcare risk treated	Tonnes	Treated	**5 275**	4 058	6 249	–	–
	Healthcare risk waste generated per PPD	Kg/PPD	N/A	**2.43**	2.28	3.32	2.01	1.93
	HCRW – anatomical waste	Tonnes	Incineration	**79**	74	74	–	–
	HCRW – chemical waste (cytotoxic)	Tonnes	Incineration	**21**	26	26	–	–
	HCRW – chemical waste (pharmaceuticals)	Tonnes	Incineration	**17**	34	21	–	–
	HCRW – infections non-anatomical waste (non-sharp waste)	Tonnes	Treated	**4 903**	3 735	5 006	–	–
	HCRW – sharps	Tonnes	Treated	**372**	323	373	–	–

KPI		UOM	2023	2022	2021
Total healthcare general waste generated		Tonnes	**2 629**	2 219	942
Hazardous waste	E-waste	Tonnes	**15.8**	2.4	–
	Batteries	Tonnes	**3.4**	5.5	–
	Used oil	Tonnes	**4.6**	3.0	–
	Fluorescent tubes	Tonnes	**0.6**	2.2	–
	Fat (fat trap)	Tonnes	**180.9**	141.3	–
General waste	General waste to landfill	Tonnes	**930.0**	777.1	–
Non-hazardous waste	Free flex	Tonnes	**59.2**	27.7	–
	Plastic	Tonnes	**92.3**	112.2	79.3
	Paper	Tonnes	**412.9**	219.1	297.0
	Cardboard	Tonnes	**565.6**	460.1	1 387.0
	Tins	Tonnes	**7.1**	9.5	–
	Scrap metal	Tonnes	**12.7**	23.7	–
	Glass	Tonnes	**5.6**	7.1	–
Food waste	Food waste	Tonnes	**337.9**	356.4	–

* More data was captured during the current reporting period vs. prior year mainly due to enhanced maturity of the data collation system.

KPI	UOM	2023	2022	2021
Total healthcare waste generated	Tonnes	**8 019**	6 848	–
Total waste recycled	Tonnes	**1 546**	945	1 763
Total waste recycled as a % of total waste generated	%	**19.3%**	13.8%	–

Making life better

Social capital

Financial capital | Human capital | Manufactured capital | Natural capital | Social capital | Intellectual capital

Definition

Creating and nurturing long-term relationships with our key stakeholders – including patients, employees, doctors and other healthcare professionals, suppliers, business partners, governments and labour unions – is how we build our reputation and brand, which is essential to our success.

The social capital category covers a wide array of key stakeholders including patients, doctors and specialists, suppliers and society. We detail these individually below.

Patients | The patients we treat are our primary stakeholders

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

We define quality in healthcare as "consistently delighting our patients by providing care that is safe, effective and efficient, and which meets their needs". We quantify this by measuring patient satisfaction and collating quality data while also ensuring that our hospitals are safe for our patients and their families as well as our employees, doctors and specialists. Refer to page 143 for a summary of this quality and safety data.

Patients' key expectations and concerns

- High-quality healthcare delivered by professional and caring healthcare teams
- Safe hospitals which can provide uninterrupted care
- Affordable healthcare services
- Protection of their personal data

How we engage with our patients

- People-centred employees, doctors and specialists
- Patient satisfaction surveys
- Digital patient admission process and clinical billing management system
- Care Ambassadors
- Patient Advisory Boards

Affected material matters

Affected strategic pillars

Doctors and specialists | Doctors and specialists are critical to our healthcare services delivery

In South Africa we are not allowed to employ doctors and specialists. Therefore they are partners with access to our facilities and have rights to carry out procedures and admit patients within our facilities.

Shortages of doctors globally, our inability to do accredited medical school training of doctors, and our inability to employ them directly within South Africa, present challenges in terms of the sustainability of our operations, our ability to expand across the continuum of care and our aspirations to implement value-based care across our business.

Doctors and specialists' expectations and concerns

- High-quality healthcare facilities, well trained and caring healthcare professionals and teams
- Safe hospitals for patients and for themselves to work in
- Uninterrupted availability of hospital services including electricity, water and medical gases
- Reliable supply of drugs and consumables

How we engage with our doctors and specialists

- Doctor and specialist engagements and support
- Provide funding and bursaries to support further clinical training and upskilling
- Invest in new facilities and state-of-the-art technology to provide world-class facilities to enable our doctors and specialists to provide high-quality healthcare
- Shareholding in individual hospitals or practices

Affected material matters

Affected strategic pillars

Funders | Healthcare funders are important stakeholders as we receive much of our remuneration directly from them.

In southern Africa our services are mostly funded through private medical insurance coverage and occasionally through direct out-of-pocket payments or publicly funded schemes (such as the Road Accident Fund).

For LMI, funding has largely come from clinical trial research sponsored by pharmaceutical companies. However, the increase in commercial sales in the US, has led to public health reimbursement agencies playing a more prominent role, along with funding directly from privately paying patients.

Funders can also partner with us in designing new healthcare products and services, providing us with long-term contracts that reduce financial risks, and can be a significant patient referral channel into our facilities.

Funders' key expectations and concerns

- High-quality healthcare delivered by professional and caring healthcare teams
- Safe hospitals that can provide uninterrupted care
- Efficient and cost-effective healthcare services

How we engage with our funders

- Standardised pathways and formularies with measurable quality and cost metrics
- Regular engagement on costs of existing care pathways and geographic networks
- Innovative treatment and pricing options
- Digital patient admission process and clinical billing management system

Affected material matters

Affected strategic pillars

Making life better

Social capital continued

Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
Investment in world-class facilities • 48 hospital facilities • 9 mental health facilities • 7 acute rehabilitation facilities • 31 renal dialysis facilities • 11 diagnostic imaging centres	• 2.2 million PPDs • 20.9 million theatre minutes • 198 227 renal dialysis treatments • 24 517 births • 228 857 diagnostic imaging scans in SA		The continuing case mix normalisation and the introduction of two large new networks has reduced our revenue per PPD metrics, but has led to an increase in our bed occupancy levels (see page 104).
People-centred employees • 15 768 SA employees • 122 LMI employees	Two new network arrangements concluded, which became effective 1 January 2023, make us the preferred provider network within SA		Employee turnover of 11.5% is a loss to the business, can disrupt service delivery, and comes at a cost in terms of recruiting and training new employees.
Training of nurses, doctors, specialists	• 299 nurses graduated from training during 2023 • 18 doctors received training funded by Life Healthcare during 2023 • Satisfied patients and safe hospitals (see page 143) • ISO accreditations (see Sustainability Report)		Training comes at a cost, reducing financial capital, but it increases intellectual capital and assists us in retaining employees. R163 million was spent on training our employees during the year (including nurses, doctors and management teams).
Standardisation of cost-effective pathways and quality processes coupled with use of data analytics to drive compliance			We continue to encourage employees to log serious reportable events (SREs) and this has led to an increase in the number of SREs logged during the year.
Compliance with healthcare regulatory frameworks with respect to our facilities, services, equipment, healthcare waste, etc.			Regulatory compliance results in ongoing investment in our buildings, equipment and people, which erodes financial capital, but is a prerequisite for us to continue to provide our services and to ensure the safety of our patients and employees.

1. Clinical governance overview

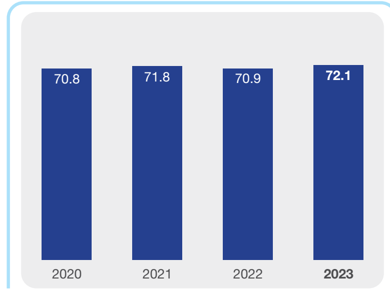
Our Group clinical governance, which relies on local, regional and central structures with clearly defined areas of responsibility and oversight, is supported by the doctors who work in our hospitals. Medical Advisory Committees comprised and chaired by senior specialists at each hospital provide input and local clinical oversight and support to the hospital management. At a national level the Clinical Reference Group, comprising of leading medical specialists provide support, oversight, and guidance.

The recovery from the COVID-19 challenges of the previous two years continued with activity and patient case mix recovering to pre-pandemic levels and brought a renewed focus on continual safety improvements and creating an environment which promotes learning and high-quality care. We continued to deliver safe and efficient care to our patients and witnessed several achievements throughout the year including the roll-out of our Renal Integrated Care Programme, the expansion of the Enhanced Critical Care Programme and continued industry-leading outcome scores from our Major Joints for Life Programme.

2. Satisfied patients

Our commitment to improving patient experience is entrenched in our core values. Better patient experiences, which involve seeing patients as unique individuals, are not only critical to the success of our business but increase the likelihood that they and their families or other caregivers will become more engaged in their own health outcomes. Multiple studies have connected higher levels of clinical outcomes to a focus on patient experience.

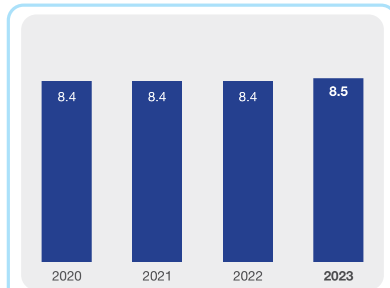
SA definitely recommend



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

This measure is a remuneration KPI. It is included in Strategic Innovation Measures (for VCP), in Life Core Purpose for our LTIPs and the new single incentive plan (see Remuneration Report).

SA patient experience
(HCAHPS score out of 10)



Social capital continued

3. Safe hospitals

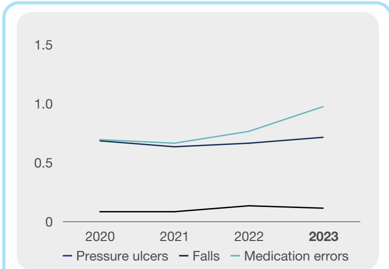
Patient safety is the cornerstone of high-quality healthcare

Patient safety incidents

At Life Healthcare we focus on the reporting and mitigation of all adverse events. Regarding patient safety, adverse events specifically, we focus on four key risk areas which are internationally used as benchmarks of patient safety:

Patient safety incidents	Trend
Patients acquiring pressure ulcers *(per 1000 PPDs)* Pressure ulcers developed in Life Healthcare facilities during patients' hospital stay. A pressure ulcer is caused by the breakdown of skin tissue (not present on hospital admission) due to insufficient pressure relief.	↓
Patient falling adverse events *(per 1000 PPDs)* This measure includes all slips and falls related to nursing, patient, equipment, and therapy-related environment. Falling events do not have to result in injury to be included as an event.	↑
Patient medication adverse events *(per 1000 PPDs)* Includes pharmacy dispensing, nursing administration and issuing events, and other medication events, such as adverse drug reactions.	↑

Patient safety measures
(events per 200 000 hours)

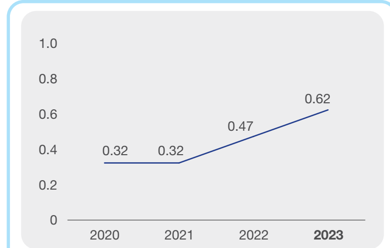


We have had an increased emphasis on accurate assessment and reporting of all healthcare-associated infection rates (HAIs) – even where there has been no assessment of patient harm.

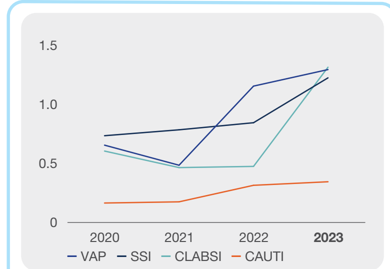
This has resulted in an increase in our composite (A) patient adverse event metric to 2.87 events per 1 000 PPDs (2022: 2.55). It has also resulted in an increase in our reported HAIs across the Group as we show below. These rates remain good when compared with internationally reported HAI rates and do not raise any concerns.

	Trend
Healthcare-associated infection rates (HAIs) *(per 1000 PPDs)* (A) Combines all the HAIs determined according to the CQC guidelines – VAPs, SSIs, CLABSIs, CAUTIs and other infections associated with the hospital stay. Refer to Sustainability Report.	↑
Specific HAIs we report as per CQC guidelines • Ventilator-associated pneumonia (VAP) *per 1 000 ventilator days* • Surgical site infections (SSI) *per 1 000 theatre cases* • Central line-associated bloodstream infections (CLABSI) *per 1 000 central line days* • Catheter-associated urinary tract infections (CAUTI) *per 1 000 catheter days*	↑ ↑ ↑ ↑

Healthcare-associated infection rates
(per 1 000 PPDs)



Specific HAIs (per 1 000 PPDs)



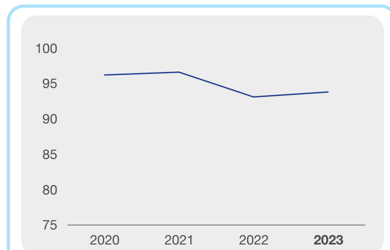
Antimicrobial Stewardship (AMS) Programme

The rapid increase in antimicrobial resistance globally has been highlighted by the WHO as a crisis that must be managed with the utmost urgency, and that an all-out effort is needed to optimise the use of antimicrobial medicine in human health.

We can optimise infection treatment and reduce adverse events and antimicrobial resistance by improving rational antimicrobial use and decreasing inappropriate antimicrobial use. Several of our clinical pharmacists have assumed important national leadership roles in the fight against antimicrobial resistance.

	Trend
We remain committed to aligning our multi-functional AMS programme with internationally acknowledged best practice, tracking compliance with well-recognised key stewardship principles. We continue to develop interventions to address any non-compliance.	↓

AMS bundle compliance (%)



Making life better

Social capital continued

4. Safe place to work

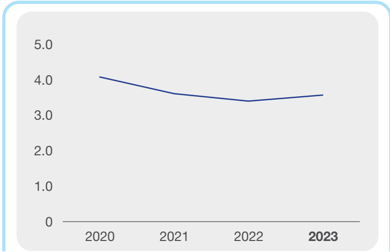
The health and safety of our employees, both permanent and temporary, is an essential focus area at Life Healthcare. We take our responsibility to provide, as far as possible, an environment that is safe and without risk to the health of our employees very seriously.

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

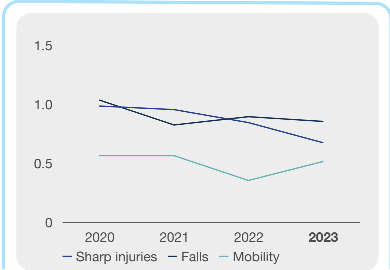
We drive preventative action through the risk assessment and alert reporting processes. All adverse events are reported, investigated, analysed and monitored to identify trends and to ensure the health and safety of our employees, patients, the public, equipment and property.

	Trend
Employee adverse events rate While we measure and report a wide range of employee adverse events – we pay specific attention to sharps injuries, trips and falls and mobility injuries including strains and sprains.	↓
We continue to demonstrate improvement in our employee adverse event rate – specifically relating to sharp injuries and falls.	↓

SA employee adverse event rate
(events per 200 000 hours)



SA employee safety measures
(events per 200 000 hours)



Making life better

Social capital continued

Suppliers

Our suppliers deliver the consumables, drugs, equipment and food we utilise during the provision of our services. We also rely on utilities to supply us with water, electricity and other municipal services. Reliability of our supply chain and utilities is crucial to the sustainability of our services.

Suppliers' key expectations and concerns

- Timely payments from us
- Long-term relationship with us that sustains both our business and their businesses
- Supporting local suppliers across our business, including diversity and inclusion through B-BBEE-related procurement policies in our southern African operations

How we engage with our suppliers

- We cultivate and nurture supplier relationships through regular contract renegotiations and ensuring timely payments
- We have robust service level agreements in place so that there is no ambiguity regarding the services we require and steps to take if problems in service delivery arise
- We are supportive of enterprise development initiatives
- We ensure that healthcare risk waste is correctly handled and disposed of by our suppliers, in accordance with current regulations
- Strict agreements are in place to ensure that suppliers who deal with our IT systems or confidential information have the necessary processes and procedures in place to protect our information

Affected material matters

Affected strategic pillars

Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
R9.9 billion spent on the procurement of consumables, drugs, utilities and professional services, in 2023 (2022: R8.9 billion)	Most of our procurement spend is with local suppliers, although a number of the products they supply us with are imported.		While most of our procurement of services and supplies is through local vendors, we are still exposed to foreign exchange movements in some of the underlying services (software licences for example) and consumables and/or equipment. We try to hedge some of this exposure, particularly where there are large and/or recurring expenses.
Solar power solutions through third-party renewable energy provider	Power produced at 15 locations across our portfolio reduces our reliance on grid-tied electricity and supports enterprise development. These installations have saved approximately R5.0 million in grid-tied electricity in 2023.		

Society

Governments, and the regulations they promulgate, are essentially a reflection of the values, beliefs and aspirations of society. Society plays a role in holding governments and businesses accountable for their actions.

We are serious about corporate responsibility, which is embodied by our commitment to ethical and sustainable behaviour. We discuss these commitments within our Corporate Governance review (refer to page 46).

Societies' key expectations and concerns

- Compliance with laws and regulations governing our operations and interactions within each jurisdiction we operate in
- That we play a role in providing access to quality healthcare in all regions we operate in
- That we are a force for social good within the regions we operate in and promote diversity and inclusion
- That we are mindful of our environmental impact and are working to minimise this impact
- That we support local enterprise and supplier development
- That we operate in an ethical manner

How we engage with society as a whole

- We monitor the behaviour of all our employees to ensure that their conduct is ethical and professional and aligned to our Global Code of Conduct
- Through our CSI initiatives (refer to our Sustainability Report) which are targeted at the healthcare and education sectors
- We remain committed to improving access to healthcare for all as shown by our ongoing public-private partnerships in South Africa (through Life Nkanyisa)

Affected material matters

Affected strategic pillars

Value creation and trade-offs

Inputs	Outcomes	Trade-offs
R122.7 million spent on CSI-related projects during 2023 Refer to our Sustainability Report for a complete list of CSI initiatives.	**Healthcare initiatives** • Healthcare access to indigent patients and *pro bono* surgery in Life hospitals **Education initiatives** • Nursing bursaries and training at Life nursing colleges saw 299 nursing graduates during 2023 • South African National Council for the Blind Optima College SETA accredited programmes for visually impaired students **Community initiatives** 25 play pumps have been installed to date at schools and community centres bringing access to clean drinking water (in partnership with Round About Water Solutions) Food relief partnerships with NGOs to deliver >1.5 million meals over the next 24 months	Our CSI initiatives come at a cost, but this is more than negated by the outcomes they achieve for the communities and individuals who benefit from them.
Promoting diversity and inclusion	• Improvement in diversity and inclusion within our employees – see Our people section on page 119 • B-BBEE level 3 accreditation in 2023, see our Sustainability Report	

Making life better

Intellectual capital

Financial capital | Human capital | Manufactured capital | Natural capital | Social capital | Intellectual capital

Definition

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

While we have an extensive portfolio of assets within our Group, which have a tangible value, it is more challenging in a business such as ours to put a value on the knowledge capital within the business. When we acquire businesses, we attribute some of the value of the transaction to intangible assets and/or goodwill – some of these amounts include the value that we attribute to the intellectual capital acquired with businesses and/or the value of relationships embedded within long-term contracts and partner and/or funder relationships.

LMI's intellectual property

The acquisition of LMI in 2017 gave AMG access to the US Federal Drug Administration (FDA) approved radiotracer NeuraCeq®. NeuraCeq® is used in the diagnosis of Alzheimer's Disease because, when injected into patients with suspected Alzheimer's, it can illuminate any diagnostic amyloid deposits within the brain when scanned with a PET-CT scanner.

NeuraCeq® was granted FDA approval as a beta-amyloid radiotracer in 2014 and it has been used extensively in various pharmaceutical companies' research efforts to develop Alzheimer's DMDs.

NeuraCeq® has various patents related to it, which expire between 2029 and 2032.

In addition to NeuraCeq®, LMI has developed a pipeline of novel imaging agents that could assist in scanning for other neuro-degenerative conditions such as Parkinson's disease and progressive supranuclear palsy (PSP), as well as two cardiovascular products. LMI's full product pipeline is shown below.

Products in development

	Product	Biomarker	Targeted disease	Development stage		Market opportunity*
Neuro-degenerative Next-generation radio tracers for Alzheimer's, PSP, Parkinson's and other pathologies, with long shelf-lives and high yield	NeuraCeq®	Amyloid deposits	Alzheimer's		Marketed	>€300 million
	18F-PI-2620	Tau deposits	Alzheimer's and PSP	Phase 3	2027	TBD
	18F-DED	MAO-B	Neuro-inflammation	Phase 1	2030	Early, TBD
Cardiovascular Biomarkers for detecting cardiac and vascular pathologies	Florbetaben	Amyloid deposits	Cardiac amyloidosis	Phase 3	2025	>€10 million
	18F-GP1		Thrombo-embolism (stroke)	Phase 2	2028	>€100 million

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

Key:

Drug trial stage	Earliest possible approval date	Revenue opportunity*
Pre-clinical / Clinical trial	2025	>€100 million

Value creation and trade-offs

Inputs	Outcomes	Value creation	Trade-offs
R150 million invested into acquiring nuclear medicine imaging practices in SA during the year (TheraMed and PET Vision, refer to page 104).	We now own the non-clinical assets of 11 diagnostic imaging and nuclear medicine practices in SA. Some are located at our hospitals and others are community-based facilities.		A significant proportion of the value of these transactions has been attributed to intangibles – this represents the intellectual capital, knowhow and patient and supplier relationships that exist within these practices.
R163 million in nurse and specialist training during the year.	• 299 nurses graduated from training during 2023. • 18 doctors received training funded by Life Healthcare during 2023.		Training nurses is an imperative in SA where there are chronic shortages of nurses. Increasing the number of nurses in the country is good for the sustainability of our business. However, the nursing shortage locally and globally means that nursing staff (and other healthcare professionals) are highly mobile, and may decide not to work at our facilities.
R200 million joint venture agreement with AXIM in South Africa (we will share this development cost 50:50).	We have commenced with the building of two cyclotrons in Gauteng, and ordered the cyclotrons, during 2023. These cyclotrons will improve the consistency of radioisotope supply in the country and further our ambition of growing a PET-CT market in SA, as evidenced by the acquisition of TheraMed and PET Vision during the year.		AMG have significant experience and intellectual capital associated with operating and refurbishing cyclotrons within the UK and Europe. Given the proposed disposal of AMG, we have signed agreements with AMG to provide ongoing consulting assistance with the building and operation of the two cyclotrons we are building, so that we still have access to this intellectual capital.
Clinical pathways coupled with outcome measurement (along with patient surveys) are part of our clinical intellectual capital developed over time.	• Quality metrics that compare favourably across the world, as we detailed on page 143. • We introduced our integrated renal dialysis product in January 2023. This product is the culmination of almost two years of research, data collation and analytics.		Our quality metrics are improving in some areas due to the normalisation of our case mix, while in other areas they appear to be worsening due to our introduction of new reporting tools and a "no zero" reporting policy. The development of new and innovative clinical products, such as the integrated renal dialysis product, comes at a financial capital cost initially, with revenue generation, if successful, coming sometime after implementation of the product.

Making life better

Administration

In this section

Glossary

AC	Audit Committee
ACI	African, Coloured and Indian
AGM	Annual general meeting
AI	Artificial intelligence
AMG	Alliance Medical Group Limited
AMS	Antimicrobial stewardship
B-BBEE	Broad-based black economic empowerment
BSI	British Standards Institution
Capex	Capital expenditure
Cathlab	Catheterisation laboratory (usually cardiac)
CAUTI	Catheter-associated urinary tract infection
CC	Clinical Committee
CDRO	Chief Data and Risk Officer
CEO	Chief executive officer
CFO	Chief Financial Officer
CFROI	Cash flow return on investment
CIP	Co-investment plan
CLABSI	Central line-associated bloodstream infection
CMS	Centres for Medicare and Medical Services
Companies Act	South African Companies Act, 71 of 2008 (as amended)
CPE	Continuing professional education
CPI	Consumer price index
cps	Cents per share
CQC	Care Quality Commission
CSF	Cerebrospinal fluid
CSI	Corporate social investment
CT	Computerised tomography
Deloitte	Deloitte Touche Tohmatsu Limited
DMD	Disease modifying drug
DMTN	Domestic medium-term note
DoA	Delegation of Authority
DOH	Department of Health
DPA	Botswana Data Protection Act
DSD	Department of Social Development

EBITA	Earnings before interest, tax and depreciation
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECR	East Coast Radiology
EMA	European Medicines Agency
EMR	Eugene Marias Radiology
EPS	Earnings per share
ESG	Environment, social and governance
EU	European Union
EUR	European Union Euro
EVP	Employee value proposition
ExCo	Executive Management Committee
FDA	Food and Drug Administration
FTSE	Financial Times Stock Exchange
Fx	Foreign exchange
GBP	British pound sterling
GCE	Group Chief Executive
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GEMS	Government Employee Medical Scheme
GP	Guaranteed package
GRI	Global Reporting Initiative
gW	Giga watt
H1-2022	Six-month period from 1 October 2021 to 31 March 2022
H1-2023	Six-month period from 1 October 2022 to 31 March 2023
H2-2022	Six-month period from 1 April 2022 to 30 September 2022
H2-2023	Six-month period from 1 April 2023 to 30 September 2023
HAI	Healthcare associated infections
HCAHPS	Hospital Consumer Assessment of Healthcare Providers and Systems
HCRW	Healthcare risk waste
HEPS	Headline earnings per share
HPCSA	Health Professions Council of South Africa
HR	Human resources

ICU	Intensive care unit
IFRS	International Financial Reporting Standards
International <IR> Framework	International <IR> Framework (January 2021)
ISO	International Organization for Standardization
IT	Information technology
JPM	Joint performance
JSE	Johannesburg Stock Exchange Limited
JV	Joint venture
King IVTM	King IVTM Report on Corporate Governance for South Africa, 2016
kg	Kilogram
kl	Kilolitre
KPI	Key performance indicator
kWh	Kilowatt hour
L	Litre
LCP	Life core purpose
LMI	Life Molecular Imaging
LTIP	Long-term incentive plan
MHRA	Medicines and Healthcare products Regulatory Agency
MOI	Memorandum of Incorporation
MRI	Magnetic resonance imaging
MSCI	Morgan Stanley Capital International
NED	Non-executive director
NEPS	Normalised earnings per share
NGO	Non-governmental organisation
NHI	National Health Insurance
OHSC	Office of Healthcare Standards Compliance
PET-CT	Positron emission computerised tomography
POPIA	Protection of Personal Information Act, 4 of 2013
PPD	Paid patient day
PPE	Property, plant and equipment
PPP	Public-private partnership

PV	Photo voltaic
RCIT	Risk, Compliance and IT Governance Committee
REMCO	Human Resources and Remuneration Committee
ROCE	Return on capital employed
ROIC	Return on invested capital
RONA	Return in net assets
S&P	Standard and Poor
SA	South Africa
SARS	South African Revenue Service
SD	Sustainable Development
SDG	Sustainable Development Goals
SENS	Stock Exchange News Service
SETCO	Social, Ethics and Transformation Committee
SIP	Single incentive plan
SPECT	Single-photon emission computerized tomography
SSI	Surgical site infections
TBD	To be determined
TCFD	Taskforce for Climate-Related Financial Disclosure
TSR	Total shareholder return
UK	United Kingdom
UN	United Nations
UOM	Unit of measurement
US	United States
USD	US dollar
VAP	Ventilator-associated pneumonia
VBC	Value-based care
VCP	Variable compensation plan
VWAP	Volume weighted average price
WACC	Weighted average cost of capital
ZAR	South African Rand

Independent Auditor' Limited Assurance Report
on selected key performance indicators

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To the Directors of Life Healthcare Group Holdings Limited

Report on Selected Key Performance Indicators

We have undertaken a limited assurance engagement on selected key performance indicators (KPIs), as described below, and presented in the Integrated Annual Report 2023 of Life Healthcare Group Holdings Limited ("Life Healthcare") for the year ended 30 September 2023 (the Report). This engagement was conducted by a multidisciplinary team including environmental and assurance specialists with relevant experience in sustainability reporting.

Subject Matter

We have been engaged to provide a limited assurance conclusion in our report on the following selected KPIs, marked with an "Ⓐ" on the relevant pages in the Report. The selected KPIs described below have been prepared in accordance with Life Healthcare's reporting guidelines ("reporting criteria"). The reporting criteria is available in the standalone Sustainability Report on page 52 of the Report.

Environment Key Performance Indictors	Unit of measurement
Healthcare Risk Waste Generated	Kg/PPD
Patient safety adverse events	Total patient incidents/PPD x 1000
Paid patient days (PPD)	Number
Healthcare-associated infections (HAI)	HAI/PPD x 1000
Scope 1 carbon emissions	tCO_2e
Scope 2 carbon emissions (electricity)	tCO_2e
Total water withdrawn	KL

Directors' Responsibilities

The Directors are responsible for the selection, preparation and presentation of the selected KPIs in accordance with the reporting criteria. This responsibility includes the identification of stakeholders and stakeholder requirements, material issues, commitments with respect to sustainability performance and design, implementation and maintenance of internal control relevant to the preparation of the Report that is free from material misstatement, whether due to fraud or error. The Directors are also responsible for determining the appropriateness of the measurement and reporting criteria in view of the intended users of the selected KPIs and for ensuring that those criteria are publicly available to the Report users.

Inherent Limitations

The Greenhouse Gas (GHG) emission quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

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

Deloitte applies the International Standard on Quality Management 1, 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.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the selected KPIs based on the procedures we have performed and the evidence we have obtained. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information* and, in respect of Greenhouse Gas emissions, in accordance with the International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board. These Standards require that we plan and perform our engagement to obtain limited assurance about whether the selected KPIs are free from material misstatement.

A limited assurance engagement undertaken in accordance with ISAE 3000 (Revised) and ISAE 3410 involves assessing the suitability in the circumstances of Life Healthcare's use of its reporting criteria as the basis of preparation for the selected KPIs, assessing the risks of material misstatement of the selected KPIs whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the selected KPIs. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures we performed were based on our professional judgement and included inquiries, observation of processes followed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Interviewed management and senior executives to obtain an understanding of the internal control environment, risk assessment process and information systems relevant to the sustainability reporting process;
- Inspected documentation to corroborate the statements of management and senior executives in our interviews;
- Tested the processes and systems to generate, collate, aggregate, monitor and report the selected KPIs;
- Inspected supporting documentation on a sample basis and performed analytical procedures to evaluate the data generation and reporting processes against the reporting criteria; and
- Evaluated whether the selected KPIs presented in the Report are consistent with our overall knowledge and experience of sustainability management and performance at Life Healthcare.

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether Life Healthcare's selected KPIs have been prepared, in all material respects, in accordance with the accompanying Life Healthcare's reporting criteria.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected KPIs as set out in the Subject Matter paragraph above for the year ended 30 September 2023 are not prepared, in all material respects, in accordance with the reporting criteria.

Other Matters

Our report includes the provision of limited assurance on the total water withdrawn KPI. We were previously not required to provide assurance on this selected KPI.

The maintenance and integrity of the Life Healthcare's website is the responsibility of Life Healthcare's management. Our procedures did not involve consideration of these matters and, accordingly, we accept no responsibility for any changes to either the information in the Report or our independent limited assurance report that may have occurred since the initial date of its presentation on Life Healthcare's website.

Restriction of Liability

Our work has been undertaken to enable us to express a limited assurance conclusion on the selected KPIs to the Directors of Life Healthcare in accordance with the terms of our engagement, and for no other purpose. We do not accept or assume liability to any party other than Life Healthcare, for our work, for this report, or for the conclusion we have reached.

DocuSigned by:
Deloitte & Touche
E192923E0358492...

Deloitte & Touche
Registered Auditors

Per Jyoti Vallabh
Chartered Accountant (SA)
Registered Auditor
Partner

11 December 2023

5 Magwa Crescent
Waterfall City, Waterfall
Private Bag X6, Gallo Manor, 2052
South Africa

Corporate information

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

Non-Executive Directors
Dr VL Litlhakanyane (Chairman), Dr JE Bolger, PJ Golesworthy, CM Henry, LE Holmqvist, Prof ME Jacobs, TP Moeketsi, AM Mothupi, JK Netshitenzhe, Adv M Sello, GC Solomon and F Tonelli

Company Secretary
J Ranchhod

Registered Office
Building 2, Oxford Parks, 203 Oxford Road (cnr Eastwood and Oxford Roads), Dunkeld, 2196

Private Bag X13, Northlands, 2116

Equity and Debt Sponsor
Rand Merchant Bank, a division of FirstRand Bank Limited

Note regarding forward-looking statements

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

Life Healthcare Group Holdings Limited

Registration number: 2003/002733/06
Income tax number: 9387/307/15/1
ISIN: ZAE000145892
JSE and A2X share code: LHC
(Life Healthcare, the Group, or the Company)

Life Healthcare Funding Limited

(Incorporated in the Republic of South Africa with limited liability)
(Registration number 2016/273566/06)
Bond company code: LHFI
(Life Healthcare Funding)

Shareholders' diary

2023 final dividend payment date	AGM date	2024 interim results	2024 final year results
18 December 2023	22 February 2024	On or about 23 May 2024	On or about 14 November 2024

Notes

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Notes