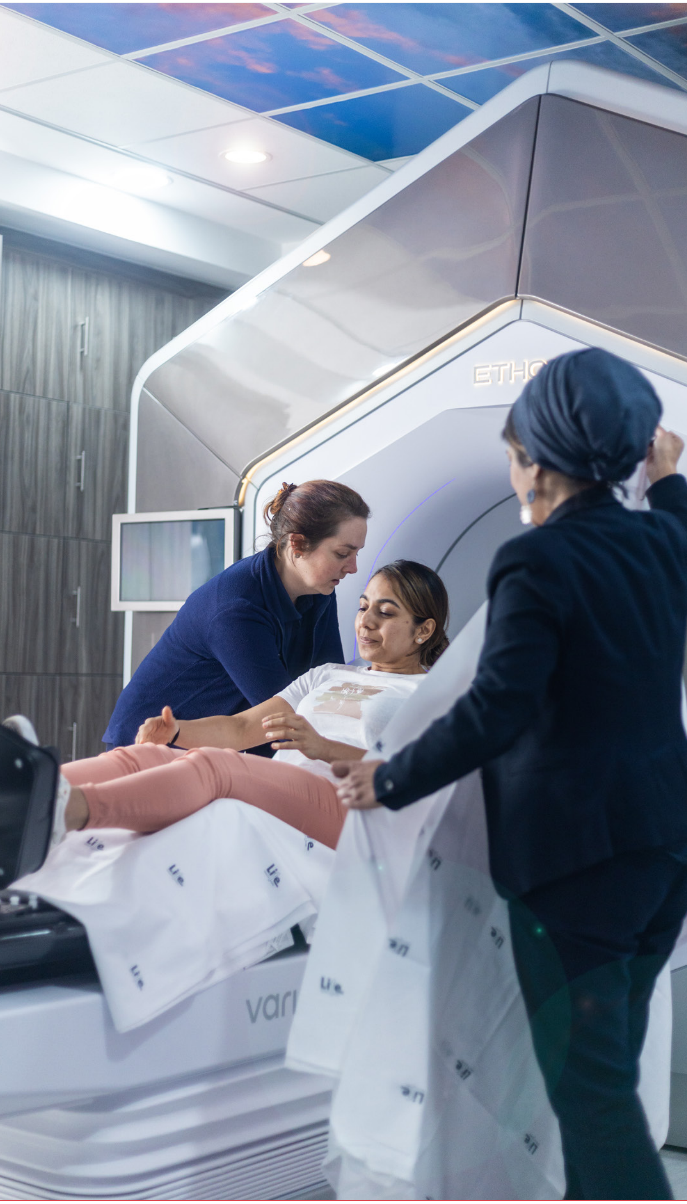
Unaudited Group interim results

for the six months ended **31 March 2024,**
and cash dividend declaration



Leading provider of value-based care

Patient-centred care through innovative contracting and reimbursement models

Diversified offering

With an expansion into integral diagnostic and adjacent lines of business

People centred and patient insight driven

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

Highlights

REVENUE FROM CONTINUING OPERATIONS

↑7.8%

to R11.7 billion

NORMALISED EARNINGS PER SHARE[1] (NEPS)

from continuing operations

↑8.4%

to 44.1 cents

INTERIM DIVIDEND

↑11.8%

to 19.0 cents

CONCLUDED DISPOSAL OF ALLIANCE MEDICAL GROUP (AMG)

SOUTHERN AFRICAN HOSPITAL AND COMPLEMENTARY SERVICES PAID PATIENT DAYS (PPDS)

↑2.3%

STRONG GROWTH IN NEURACEQ® DOSES SOLD

↑74.4%

[1] *Normalised earnings is a non-IFRS measure which excludes non-trading-related costs and income.*

Commentary

Life Healthcare has delivered a good operating performance for the six-month period to 31 March 2024 (H1-2024, or the current period). Group revenue from continuing operations grew by 7.8% versus the six-month period to 31 March 2023 (H1-2023, or the prior period) driven by robust activity growth in southern Africa and strong growth in NeuraCeq® doses sold.

The Group concluded the disposal of AMG on 31 January 2024. AMG has been disclosed as a discontinued operation and is not included in the results of the continuing operations for H1-2024, nor those of the prior period.

OPERATIONAL REVIEWS

Segmental review

	H1-2024 R'm	H1-2023 R'm	Change %
Revenue from continuing operations			
Southern Africa	**11 228**	10 598	5.9
Hospitals	**9 698**	9 190	5.5
Complementary services	**834**	773	7.9
Healthcare services	**696**	635	9.6
International			
Radiopharmaceutical products	**513**	289	77.5
	11 741	10 887	7.8
Normalised EBITDA[1] from continuing operations			
Southern Africa	**1 721**	1 797	(4.2)
Hospitals	**1 451**	1 528	(5.0)
Complementary services	**176**	186	(5.4)
Healthcare services	**94**	83	13.3
International			
Radiopharmaceutical products	**(12)**	(38)	68.4
Growth initiatives	**–**	(7)	>100.0
Corporate	**37**	45	(17.8)
Recoveries	**852**	808	5.4
Corporate costs	**(815)**	(763)	(6.8)
	1 746	1 797	(2.8)

[1] *Life Healthcare defines normalised EBITDA as operating profit before depreciation on property, plant and equipment, amortisation of intangible assets and non-trading-related costs and income.*

Key highlights for the period include:

- Good growth in Group revenue of 7.8%, driven by robust activity growth in southern Africa and strong growth in NeuraCeq® doses sold
- PPDs in the acute hospital and complementary businesses growing by 2.3%[1]
- Following the reimbursement approval of a disease modifying drug in the United States of America in October 2023, doses sold of NeuraCeq® grew 74.4%, contributing to revenue growth in Life Molecular Imaging (LMI) of 77.5%
- The Group concluded the disposal of AMG on 31 January 2024 and received R10.2 billion in net cash proceeds after the settlement of all offshore debt and transaction costs. A special dividend of R8.8 billion was paid on 8 April 2024 from these proceeds
- The Board has declared an interim cash dividend of 19.0 cents per share, an increase of 11.8% over the prior period

[1] *On a like-for-like basis as it excludes PPDs of two facilities closed in the prior period.*

Southern Africa

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

	H1-2024 R'm	H1-2023 R'm	Change %
Southern Africa			
Hospitals	**9 698**	9 190	5.5
Complementary services	**834**	773	7.9
Healthcare services	**696**	635	9.6
	11 228	10 598	5.9
Normalised EBITDA			
Hospitals	**1 451**	1 528	(5.0)
Complementary services	**176**	186	(5.4)
Healthcare services	**94**	83	13.3
Corporate			
Recoveries	**852**	808	5.4
Corporate costs	**(815)**	(763)	(6.8)
	1 758	1 842	(4.6)
Normalised EBITDA margin	**15.7%**	17.4%	

The Group's southern African operations experienced strong demand for their services in the current period driven by the Group being the preferred network provider for medical aids. This led to higher utilisation of the Group's hospitals and complementary services with PPD growth of 2.3%. Revenue for southern Africa grew by 5.9% and normalised EBITDA decreased by 4.6% year-on-year, resulting in a margin of 15.7% compared to 17.4% reported for H1-2023. Normalised EBITDA margin was impacted by lower-than-expected occupancies in Q1-2024, increased costs associated with running the business as well as a negative case mix towards more medical cases at a lower revenue per PPD when compared to surgical cases. The case mix is partly temporary due to the timing of the Easter holidays that resulted in less theatre activity seen. Numerous initiatives have been undertaken to improve normalised EBITDA margin, with improvements already seen in Q2-2024. The normalised EBITDA margin for Q2-2024 was above 17%.

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

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

- completed a transaction to acquire the imaging equipment of an imaging practice in KwaZulu-Natal (KZN), effective 1 March 2024 for a cash consideration of R55 million; and
- also received approval from the Competition Commission for the acquisition of 43 Fresenius Medical Care (FMC) renal dialysis clinics. As a result of the transaction, the Group has improved its countrywide footprint of renal dialysis clinics which have increased to 74, as well as the number of renal dialysis stations which have increased from 445 to 1 145. This transaction is effective 1 April 2024. The consideration for the South African business amounts to R367 million. The Namibian and Eswatini transactions are expected to be concluded in H2-FY2024. The total transaction value will be approximately R705 million of which about R280 million will be funded through debt.

In our southern African business, R696 million was spent on capex during the current period (H1-2023: R514 million). A significant proportion of this capex (R578 million) was spent on maintenance capex for our existing facilities. We also deployed R118 million into various growth projects, including the acquisition of imaging equipment in the KZN imaging practice. The total maintenance capex committed for FY2024 is expected to be R1.2 billion compared to FY2023 of R1.1 billion.

Acute hospitals

Our acute hospitals delivered strong revenue growth in the current period with PPDs growing by 2.7%[1], benefitting from the new network deals which commenced in January 2023.

The robust PPD growth translated into higher occupancy across our acute hospital facilities, with a weighted average occupancy of 66.6% in the current period versus 65.5% in the prior period. This improvement in occupancy levels was driven by strong demand for our services in the month of February, with an occupancy of 74.2%. March occupancies were impacted by the public holidays at the end of the month and came in at 69.2%. Activities improved in April, with occupancy for the month being 71.4%.

Acute hospital revenue grew 5.5% year-on-year after being positively impacted by the robust PPD volume growth. Revenue per PPD growth of 2.8% for the current period includes a negative mix change as a result of a higher increase in medical cases as well as the impact of network arrangements.

Complementary services

Our complementary services continued to perform strongly in the current period with revenue growth of 7.9% year-on-year.

The complementary services business reported a decline in PPDs of 1.1%[1], with mental health 0.7% lower than the prior period and acute rehabilitation PPDs declining by 2.1%[1]. Occupancies for both mental health and acute rehabilitation remain above 70%, with mental health reporting a strong Q2-2024 occupancy of 76.4%.

Renal dialysis treatments grew by 8.5% during H1-2024, assisted by increased adoption of the Group's integrated renal care product by healthcare funders.

Southern African diagnostic imaging services delivered MRI/CT/PET-CT/SPECT-CT volumes growth of 17.9% year-on-year benefitting from the acquisitions in H2-2023 and H1-2024. On a like-for-like basis these volumes increased by 8%. Imaging services include the acquisition of the imaging practice in KZN. The construction of the two cyclotrons in a joint venture with AXIM is proceeding and is expected to be completed towards the end of 2024.

Healthcare services

Revenue from our healthcare services business increased by 9.6% to R696 million (H1-2023: R635 billion). Normalised EBITDA grew by 13.3% resulting in the normalised EBITDA margin expanding to 13.5% (H1-2023: 13.1%).

Life Nkanyisa delivered another consistent performance and the recovery of the Life Health Solutions business continued during the current period.

[1] *On a like-for-like basis as it excludes PPDs of facility closed in the prior period.*

International operations

The Group's international segment consists of LMI's radiopharmaceutical products.

	H1-2024 R'm	H1-2023 R'm	Change %
Revenue	**513**	289	77.5
Normalised EBITDA	**(12)**	(38)	68.4
Normalised EBITDA margin	**(2.3%)**	(13.1%)	

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

The business generated more than 100% growth in commercial volumes and sales of NeuraCeq® in H1-2024 compared to the prior period, while NeuraCeq® volumes from ongoing clinical trials grew by 38%.

LMI's revenue grew 77.5% year-on-year to R513 million (H1-2023: R289 million) driven by continued demand for its pipeline of radioisotopes in ongoing clinical trials, as well as a greater contribution from commercial sales of NeuraCeq®. LMI's normalised EBITDA loss decreased to R12 million, from a loss of R38 million in H1-2023. In the prior period LMI had increased expenditure on sales and marketing headcount and setting up manufacturing arrangements. This headcount increase was required to prepare the business adequately to drive increased sales of NeuraCeq® following the approval of Leqembi™ in the US, and potential approvals in other geographies during our 2024 financial year.

Discontinued operations

AMG has been classified as a disposal group held for sale in terms of IFRS 5 and is disclosed as a discontinued operation in the Group's H1-2024 and H1-2023 results.

The disposal was concluded on 31 January 2024. A R2.8 billion once-off gain following completion of the AMG disposal, was recognised within the H1-2024 results. The total net gain recognised in FY2023 and H1-2024 is R1.8 billion. Refer note 3 in the consolidated interim financial statements.

Group financial performance

Group revenue from continuing operations increased by 7.8% to R11.7 billion (H1-2023: R10.9 billion) consisting of a 5.9% increase in southern African revenue to R11.2 billion (H1-2023: R10.6 billion), and a 77.5% increase in international revenue to R513 million (H1-2023: R289 million). Normalised EBITDA from continuing operations decreased by 2.8% to R1.7 billion (H1-2023: R1.8 billion).

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

Total EPS (from continuing and discontinued operations) increased by 540.6% to 242.8 cents (H1-2023: 37.9 cents) mainly due to the R2.8 billion once-off gain recognised following the completion of the AMG disposal. Total HEPS increased by 63.0% to 65.2 cents (H1-2023: 40.0 cents).

NEPS, which excludes non-trading-related items, increased by 8.4% to 44.1 cents (H1-2023: 40.7 cents). The presentation of normalised earnings metrics are non-IFRS measures.

Below is a reconciliation of the movements between EPS and NEPS, including the various non-trading items referred to above.

	H1-2024 R'm	H1-2023 R'm	Change %	**H1-2024 cps**	H1-2023 cps	Change %
Weighted average number of shares in issue (million)	**1 441**	1 443	(0.1)			
Normalised earnings						
Profit attributable to ordinary equity holders	**3 499**	547	>100	**242.8**	37.9	>100
Profit from discontinued operations attributable to ordinary equity holders	**(2 821)**	(25)		**(195.7)**	(1.7)	
Profit from continuing operations attributable to ordinary equity holders	**678**	522	29.9	**47.1**	36.2	30.1
Adjustments (net of tax and non-controlling interest)						
Fair value adjustment to contingent consideration	**5**	–		**0.3**	–	
Interest received on cash reserved for special dividends payable to Company's shareholders	**(87)**	–		**(6.0)**	–	
Interest on SARS VAT matter	**–**	47		**–**	3.3	
Profit on disposal of property, plant and equipment	**(1)**	–		**(0.1)**	–	
Transaction costs relating to acquisitions	**8**	–		**0.5**	–	
Unwinding of contingent consideration	**33**	28		**2.3**	1.9	
Other	**–**	(10)		**–**	(0.7)	
Normalised earnings from continuing operations	**636**	587	8.3	**44.1**	40.7	8.4

Capital expenditure

The Group invested R799 million (H1-2023: R645 million) in capital expenditure (capex) on continuing operations in the current period, comprised maintenance capex of R580 million (H1-2023: R425 million) and growth capex of R219 million (H1-2023: R220 million) including acquisitions.

Financial position and liquidity

The Group is in a net cash position as at 31 March 2024 due to the proceeds received from the sale of AMG. The Group remains in a strong financial position with net debt to normalised EBITDA (as per bank covenant definitions) of 0.8 times after the payment of the special dividend on 8 April 2024, well within our covenant of 3.5 times (2.0 times reported as at 30 September 2023).

Cash generated from continuing operations was R1.0 billion. Cash generated from operations in the prior period was impacted by an IT hardware failure at a service provider which hosts the Group's billing administration system. The available undrawn bank facilities as at 31 March 2024 amounted to R2.9 billion.

Cash dividend

The Board approved an interim gross cash dividend of 19.0 cents per ordinary share. The dividend has been declared from income reserves and is subject to South African dividend withholding tax of 20%, which will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 15.20 cents per share.

The Company's total number of issued ordinary shares is 1 467 349 162 as at 22 May 2024. The Company's income tax reference number is 9387/307/15/1.

In compliance with the requirements of the JSE, the following salient dates are applicable:

Last date to trade cum dividend	Tuesday, 11 June 2024
Shares trade ex the dividend	Wednesday, 12 June 2024
Record date	Friday, 14 June 2024
Payment date	Tuesday, 18 June 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 12 June 2024 and Friday, 14 June 2024, both days inclusive.

2024 outlook

For the 12 months to 30 September 2024 the Group expects continued activity growth in its southern African operations driven by growth in volumes from network deals and through the impact of acquisitions concluded in the last 12 months.

The Group anticipates annual southern African PPD growth of c.2% for FY2024 which, coupled with CPI-related tariff increases and continued growth in the South African imaging business, could see FY2024 revenue growth of between 6% to 7%. Higher occupancy levels and the introduced operational efficiency measures are expected to see the Group's normalised EBITDA margin to improve from H1-2024.

For LMI, we expect sales of NeuraCeq® to continue to grow strongly. LMI is, however, expected to continue to make a small 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 FY2024.

National health insurance (NHI) Act

Life Healthcare have over the years engaged constructively on NHI and we have made our position clear: we unequivocally support the outcomes visualised by the Act, quality healthcare services for all. The focus of our engagement to date and in future will be to enable the sensible introduction of NHI, and to ensure that expanding access to healthcare is achieved sustainably, without compromising the essential healthcare delivery platform or harming the entire healthcare system - this remains unchanged.

However, the approval of the Bill without addressing concerns raised during the parliamentary process, is a regrettable missed opportunity to expand sustainable access to healthcare. We, therefore, expect a lengthy implementation journey of NHI due to operational and legislative changes required, as well as the current fiscal constraints.

The proposed healthcare reform decisions within the NHI Act will profoundly impact the sustainability of South Africa's health system for generations to come. On that basis, as a significant healthcare provider, who delivers the highest standards of private healthcare, we will continue to contribute meaningfully to the envisaged extensive legislative reforms of the NHI Act.

We are monitoring the developments on the NHI Act as well as related legislation and will explore all avenues to ensure the sustainability of the healthcare industry. Life Healthcare's commitment lies in acting in the best interests of our doctors, nurses and our patients, both current and future.

Changes to board committees

Risk, Compliance and IT Governance Committee

The Board, upon recommendation by the Nominations and Governance Committee, has taken a decision to dissolve the Risk, Compliance, and IT Governance Committee (the Risk Committee) in its current form, with effect from 21 May 2024. Upon dissolution, the responsibility for, and oversight of the various areas of risk will be delegated to the Board's various existing subcommittees, with the majority of risk matters being considered within the ambit of the Audit Committee. Therefore, going forward, the Audit Committee will be known as the Audit and Risk Committee.

Consequently, Audrey Mothupi, will serve as a member of the newly constituted Audit and Risk Committee with effect from 1 July 2024. The Chairman of the Risk Committee, Joel Netshitenzhe, will also join the Audit and Risk committee as a member with effect from 1 July 2024 to ensure a smooth transition. The other members, namely Marian Jacobs, Mahlape Sello, Paul Moeketsi, Fulvio Tonelli, Pieter van der Westhuizen and Peter Wharton-Hood, are thanked for their valued contribution over the years.

Nominations and Governance Committee

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

Trading statement

Life Healthcare's results for the 12 months ending 30 September 2024 are expected to show an increase of more than 20% (more than 3.66 cps) in EPS from those reported for the financial year ended 30 September 2023 (EPS: 18.3 cps). The Group is currently not in a position to provide, with certainty, an indicative earnings range for the current year. However, the Group did recognise an impairment of R822 million relating to AMG in FY2023, which will not reoccur. The Group also recognised a once-off gain of R2.8 billion on the disposal of AMG in the current period. These two movements do have a significant impact on the comparability of earnings. A further trading statement will be released in October 2024.

Thanks

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

The Group would also like to thank AMG's employees who have not only continued to deliver excellent services for AMG's many clients across UK and Europe, but also spent considerable time and effort working with the Group and its advisors on the AMG disposal transaction.

Investor presentation

Shareholders are advised that the investor presentation for the six months ended 31 March 2024 has been published on Life Healthcare's website (www.lifehealthcare.co.za).

Approved by the board of directors on 21 May 2024 and signed on its behalf:

Dr Victor Litlhakanyane **Chairman**	**Mr Peter Wharton-Hood** **Chief Executive**

Condensed consolidated statement of profit or loss

for the six months ended 31 March 2024

	Notes	2024 R'm	Change %	2023* R'm
Continuing operations				
Revenue	1	**11 741**	7.8	10 887
Other income		**116**		99
Drugs and consumables		**(2 969)**		(2 759)
Employee benefits expense		**(4 704)**		(4 311)
Depreciation on property, plant and equipment		**(519)**		(468)
Amortisation of intangible assets		**(93)**		(75)
Repairs and maintenance expenditure on property, plant and equipment		**(189)**		(186)
Occupational expenses		**(416)**		(372)
Hospital service expenses		**(481)**		(436)
Communication expenses		**(277)**		(247)
Radiopharmaceutical manufacturing and distribution expenses		**(196)**		(123)
Professional, legal and secretarial fees		**(283)**		(272)
Expected credit losses		**(121)**		(93)
Other expenses		**(503)**		(390)
Fair value adjustment to contingent consideration		**(5)**		–
Fair value loss on financial instruments		**(5)**		(22)
Profit on disposal of property, plant and equipment		**1**		–
Transaction costs relating to acquisitions		**(8)**		–
Operating profit		**1 089**	(11.6)	1 232
Finance income	2	**222**		55
Finance cost	2	**(269)**		(390)
Share of associates and joint ventures' net profit after tax		**4**		4
Profit before tax		**1 046**	16.1	901
Tax expense		**(311)**		(301)
Profit after tax from continuing operations		**735**	22.5	600
Discontinued operation				
Profit from discontinued operation	3	**2 821**		25
Profit after tax		**3 556**	469.0	625
Profit after tax attributable to				
Ordinary equity holders of the parent		**3 499**	539.7	547
Non-controlling interest		**57**		78
		3 556	469.0	625
Earnings per share (cents)				
From continuing operations				
Basic		**47.1**	30.1	36.2
Diluted		**46.7**	30.1	35.9
From continuing and discontinued operations				
Basic		**242.8**	540.6	37.9
Diluted		**241.0**	539.3	37.7

* *Restated in terms of IFRS 5 as AMG is disclosed as a discontinued operation – refer note 3.*

Condensed consolidated statement of comprehensive income

for the six months ended 31 March 2024

	2024 R'm	Change %	2023* R'm
Profit after tax	**3 556**	469.0	625
Other comprehensive income			
Items that may be reclassified to profit or loss			
Movement in foreign currency translation reserve (FCTR) of continuing operations, net of tax	**(170)**		137
Movement in FCTR of discontinued operation, net of tax	**395**		1 083
Exchange gain reclassified to profit or loss on disposal of discontinued operation	**(3 234)**		–
Items that will not be reclassified to profit or loss			
Retirement benefit asset and post-employment medical aid, net of tax[1]	**6**		(33)
Total comprehensive income for the period	**553**	(69.5)	1 812
Total comprehensive income attributable to			
Ordinary equity holders of the parent	**495**	(71.4)	1 729
Non-controlling interest	**58**		83
	553	(69.5)	1 812
Total comprehensive income attributable to ordinary equity holders of the parent arises from			
Continuing operations	**513**	(17.4)	621
Discontinued operations	**(18)**		1 108
	495	(71.4)	1 729

[1] *Includes tax charge of R2 million (2023: R13 million income).*

* *Restated in terms of IFRS 5 as AMG is disclosed as a discontinued operation – refer note 3.*

Headline earnings per share

for the six months ended 31 March 2024

	2024 R'm	Change %	2023* R'm
Weighted average number of shares (million)	**1 441**	(0.1)	1 443
Diluted weighted average number of shares (million)	**1 452**	(0.1)	1 454
From continuing and discontinued operations			
Headline earnings per share (cents)	**65.2**	63.0	40.0
Diluted headline earnings per share (cents)	**64.7**	62.6	39.8
From continuing operations			
Headline earnings per share (cents)	**47.0**	29.8	36.2
Diluted headline earnings per share (cents)	**46.6**	29.8	35.9
Headline earnings reconciliation (R'm)			
Profit from continuing operations attributable to ordinary equity holders	**678**	29.9	522
Adjustments relating to continuing operations (net of tax)			
Profit on disposal of property, plant and equipment	**(1)**		–
Headline earnings from continuing operations	**677**	29.7	522
Profit from discontinued operations attributable to ordinary equity holders	**2 821**		25
Adjustments relating to discontinued operations (net of tax)			
Exchange gain reclassified to profit or loss on disposal of discontinued operation	**(3 234)**		–
Impairment of investment	**–**		33
Loss on disposal of discontinued operation	**142**		–
Loss/(profit) on disposal of property, plant and equipment	**3**		(2)
Transaction costs relating to disposal	**531**		
Headline earnings from continuing and discontinued operations	**940**	62.6	578

* *Restated in terms of IFRS 5 as AMG is disclosed as a discontinued operation – refer note 3.*

Condensed consolidated statement of financial position

at 31 March 2024

	Notes	31 March 2024 R'm	30 September 2023 R'm
ASSETS			
Non-current assets		**16 219**	16 201
Property, plant and equipment		**10 512**	10 572
Intangible assets		**3 396**	3 287
Investment in associates and joint ventures		**24**	6
Employee benefit asset		**362**	416
Deferred tax assets		**1 729**	1 733
Other non-current assets		**196**	187
Current assets		**14 814**	4 971
Cash and cash equivalents		**10 149**	846
Trade and other receivables		**4 169**	3 625
Inventories		**471**	451
Income tax receivable		**25**	33
Other current assets		**–**	16
Assets classified as held for sale	3	**–**	24 443
Total assets		**31 033**	45 615
EQUITY			
Capital and reserves			
Stated Capital		**13 383**	13 294
Reserves		**(1 956)**	6 920
Non-controlling interest		**1 003**	1 075
Total equity		**12 430**	21 289
LIABILITIES			
Non-current liabilities		**4 362**	13 128
Interest-bearing borrowings	4	**2 174**	11 010
Deferred tax liabilities		**1 543**	1 535
Trade and other payables		**26**	27
Contingent consideration liabilities	5	**565**	504
Cash-settled share-based payment liability		**3**	3
Other liabilities		**51**	49
Current liabilities		**14 241**	6 135
Bank overdrafts		**–**	187
Trade and other payables		**3 144**	3 743
Interest-bearing borrowings	4	**1 943**	1 992
Provisions		**175**	139
Contingent consideration liabilities	5	**24**	17
Cash-settled share-based payment liability		**1**	1
Income tax payable		**134**	41
Dividends payable to Company's shareholders	6	**8 804**	-
Other liabilities		**16**	15
Liabilities directly associated with assets classified as held for sale	3	**–**	5 063
Total liabilities		**18 603**	24 326
Total equity and liabilities		**31 033**	45 615

Condensed consolidated statement of changes in equity

for the six months ended 31 March 2024

	Stated capital R'm
Balance at 1 October 2023	**13 294**
Total comprehensive income/(loss) for the period	**–**
Profit for the period	**–**
Other comprehensive income/(loss)	**–**
Transactions with non-controlling interests	**–**
Purchase of treasury shares for staff benefit schemes	**(214)**
Vesting of treasury shares for staff benefit schemes	**295**
Disposal of treasury shares for staff benefit schemes forfeited	**8**
Distributions to shareholders	**–**
Share-based payment charge for staff benefit schemes	**–**
Balance at 31 March 2024	**13 383**
Balance at 1 October 2022	13 342
Total comprehensive income/(loss) for the period	–
Profit for the period	–
Other comprehensive (loss)/income	–
Transactions with non-controlling interests	–
Purchase of treasury shares for staff benefit schemes[1]	(65)
Vesting of treasury shares for staff benefit schemes	26
Distributions to shareholders	–
Transferred in terms of co-investment scheme (CIP)	–
Share-based payment charge for staff benefit schemes	–
Balance at 31 March 2023	13 303
Total comprehensive income/(loss) for the period	–
(Loss)/profit for the period	–
Other comprehensive income	–
Transactions with non-controlling interests	–
Purchase of treasury shares for staff benefit schemes[1]	(56)
Vesting of treasury shares for staff benefit schemes	47
Distributions to shareholders	–
Share-based payment charge for staff benefit schemes	–
Balance at 30 September 2023	13 294

	2024 R'm	*2023 R'm*
[1] *Mainly relates to:*		
Purchase of 2.5 million shares in the prior period, relating to the co-investment scheme. The scheme was introduced at the end of FY2021 and the initial grant was made on 1 December 2021	*–*	*43*
Deliver 6.3 million (2023: 0.8 million) shares relating to long-term incentive schemes after tax was paid	*214*	*22*
	214	*65*

Other reserves R'm	FCTR R'm	Retained earnings R'm	Reserves R'm	Non-controlling Interest R'm	Total equity R'm
(366)	**2 974**	**4 312**	**6 920**	**1 075**	**21 289**
6	**(3 010)**	**3 499**	**495**	**58**	**553**
–	**–**	**3 499**	**3 499**	**57**	**3 556**
6	**(3 010)**	**–**	**(3 004)**	**1**	**(3 003)**
–	**–**	**–**	**–**	**(5)**	**(5)**
–	**–**	**–**	**–**	**–**	**(214)**
(295)	**–**	**–**	**(295)**	**–**	**–**
–	**–**	**–**	**–**	**–**	**8**
–	**–**	**(9 200)**	**(9 200)**	**(125)**	**(9 325)**
124	**–**	**–**	**124**	**–**	**124**
(531)	**(36)**	**(1 389)**	**(1 956)**	**1 003**	**12 430**
(574)	1 314	4 664	5 404	1 114	19 860
(33)	1 215	547	1 729	83	1 812
–	–	547	547	78	625
(33)	1 215	–	1 182	5	1 187
(1)	–	–	(1)	(24)	(25)
–	–	–	–	–	(65)
(26)	–	–	(26)	–	–
–	–	(367)	(367)	(138)	(505)
17	–	–	17	–	17
108	–	–	108	–	108
(509)	2 529	4 844	6 864	1 035	21 202
69	445	(283)	231	98	329
–	–	(283)	(283)	96	(187)
69	445	–	514	2	516
(5)	–	–	(5)	2	(3)
–	–	–	–	–	(56)
(51)	–	–	(51)	–	(4)
–	–	(249)	(249)	(60)	(309)
130	–	–	130	–	130
(366)	2 974	4 312	6 920	1 075	21 289

Condensed consolidated statement of cash flows

for the six months ended 31 March 2024

	Notes	**2024 R'm**	Change %	2023* R'm
Cash flows from operating activities				
Cash generated from continuing operations[1]		**1 028**	282.2	269
Transaction costs relating to acquisitions		**(5)**		–
Finance income received		**100**		55
Tax paid		**(207)**		(270)
Net cash generated from operating activities from discontinued operations		**(163)**		813
Net cash generated from operating activities		**753**	(13.1)	867
Cash flows from investing activities				
Purchase of property, plant and equipment		**(594)**		(474)
Purchase of intangible assets		**(130)**		(171)
Acquisition of subsidiary, net of cash acquired		**(55)**		–
Loan to joint venture		**(20)**		–
Contingent consideration paid		**–**		(59)
Other cash payments received		**6**		6
Other cash payments made		**(4)**		–
Proceeds from sale of AMG, net of cash disposed of	3	**19 458**		–
Settlement of the foreign exchange forward contract		**(121)**		–
Net cash utilised from investing activities from discontinued operations		**(579)**		(664)
Net cash generated from/(utilised in) investing activities		**17 961**		(1 362)
Cash flows from financing activities				
Proceeds from bank loans	4	**236**		–
Repayment of bank loans	4	**(9 230)**		(270)
Repayment of lease liabilities	4	**(54)**		(63)
Distributions to non-controlling interests		**(125)**		(138)
Cash flow on increases in ownership interests		**(17)**		(40)
Proceeds on decreases in ownership interests		**12**		14
Finance cost paid		**(233)**		(273)
Treasury shares acquired for delivery to staff trust and long-term incentive schemes		**(214)**		(65)
Disposal of forfeited treasury shares		**8**		–
Dividends paid to Company's shareholders		**(396)**		(369)
Net cash utilised in financing activities from discontinued operations		**(318)**		(364)
Net cash utilised in financing activities		**(10 331)**		(1 568)
Net increase/(decrease) in cash and cash equivalents		**8 383**		(2 063)
Cash and cash equivalents from continuing operations – beginning of the period		**659**		2 467
Cash and cash equivalents held for sale – beginning of the period		**1 096**		–
Effect of foreign currency rate movements		**11**		106
Cash balance reclassified as held for sale		**–**		(828)
Cash and cash equivalents at end of the period[2]		**10 149**		(318)

1 *Cash generated from operations in the prior period was impacted by an IT hardware failure during March 2023 at a service provider which hosts the Group's billing administration system.*

2 *Cash and cash equivalents at the end of the period are net of bank overdrafts.*

* *Restated in terms of IFRS 5 as AMG is disclosed as a discontinued operation – refer note 3.*

Segmental information

for the six months ended 31 March 2024

IFRS 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker (CODM) in order to allocate resources to the segments and to assess their performance.

The Group's segments are aligned to those business units that are regularly evaluated by the CODM in deciding how to allocate resources and assess performance.

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

International comprises radiopharmaceutical products developed by LMI across Europe, the UK and the USA. The international diagnostic imaging segment (AMG) was disposed of during the current period. The segment information that follows does therefore not include any amounts for AMG. Information about the disposal is provided in note 3.

The prior period's growth initiatives in South Africa included developing the outpatient business model, which was scaled down and incorporated into Life Health Solutions, and the costs incurred relating to the imaging services opportunity before the first transaction was completed.

The corporate segment is a non-operating segment.

The comparative information has been represented to adjust for the change in the composition of the reportable segments. Complementary services were included as part of the hospitals and complementary services and LMI was included as part of growth initiatives in the prior period. In the current period, complementary services and LMI's radiopharmaceutical products are disclosed as two separate segments, and the comparative information has therefore been represented for comparative purposes.

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

Inter-segment revenue of R4 million (2023: R3 million) is eliminated which relates to revenue between Life Health Solutions and the southern Africa business.

	2024 R'm	2023 R'm
Revenue[1]		
Southern Africa		
Hospitals	**9 698**	9 190
Complementary services	**834**	773
Healthcare services	**696**	635
International		
Radiopharmaceutical products	**513**	289
	11 741	10 887

[1] *Revenue of approximately 61% (H1-2023: 53%) is derived from three (H1-2023: three) external customers. The revenue is attributable to the southern Africa segment.*

Segmental information continued

for the six months ended 31 March 2024

	2024 R'm	2023 R'm
Normalised EBITDA[1,3]		
Southern Africa		
Hospitals	**1 451**	1 528
Complementary services	**176**	186
Healthcare services	**94**	83
International		
Radiopharmaceutical products	**(12)**	(38)
Growth initiatives	**–**	(7)
Corporate		
Recoveries	**852**	808
Corporate costs	**(815)**	(763)
	1 746	1 797
Depreciation		
Southern Africa		
Hospitals	**(384)**	(358)
Complementary services	**(44)**	(40)
Healthcare services	**(14)**	(16)
International		
Radiopharmaceutical products	**(14)**	(10)
Corporate	**(63)**	(44)
	(519)	(468)
EBITA[2,3]		
Southern Africa		
Hospitals	**1 067**	1 170
Complementary services	**132**	146
Healthcare services	**80**	67
International		
Radiopharmaceutical products	**(26)**	(48)
Growth initiatives	**–**	(7)
Corporate	**(26)**	1
	1 227	1 329

[1] *Normalised EBITDA is defined as operating profit before depreciation on property, plant and equipment, amortisation of intangible assets and non-trading-related costs or income.*

[2] *EBITA is defined as normalised EBITDA less depreciation.*

[3] *Non-IFRS measures.*

	2024 R'm	2023 R'm
Amortisation of intangible assets		
Southern Africa		
Hospitals	**(10)**	(10)
Complementary services	**(16)**	(13)
International		
Radiopharmaceutical products	**(12)**	(10)
Corporate	**(55)**	(42)
	(93)	(75)
Operating profit before non-trading items[1,2]		
Southern Africa		
Hospitals	**1 057**	1 160
Complementary services	**116**	133
Healthcare services	**80**	67
International		
Radiopharmaceutical products	**(38)**	(58)
Growth initiatives	**–**	(7)
Corporate	**(81)**	(41)
	1 134	1 254
Fair value adjustment to contingent consideration	**(5)**	–
Fair value loss on financial instruments	**(5)**	(22)
Profit on disposal of property, plant and equipment	**1**	–
Loss due to system configuration (included in other expenses)	**(28)**	–
Transaction costs relating to acquisitions	**(8)**	–
Operating profit	**1 089**	1 232
Finance income	**222**	55
Finance costs	**(269)**	(390)
Share of associates and joint ventures' net profit after tax	**4**	4
Profit before tax	**1 046**	901

1 *Operating profit before non-trading items includes the segment's share of shared services and rental costs. These costs are all at market-related rates.*
2 *Non-IFRS measure.*

Segmental information continued
for the six months ended 31 March 2024

	2024 R'm	2023 R'm
Material expenses included as part of normalised EBITDA[1] and EBITA[1]		
Drugs and consumables		
Southern Africa		
Hospitals	**2 837**	2 630
Complementary services	**101**	103
Healthcare services	**31**	26
International		
Radiopharmaceutical products	**–**	–
Corporate	**–**	–
	2 969	2 759
Employee benefit expense		
Southern Africa		
Hospitals	**3 331**	3 071
Complementary services	**297**	285
Healthcare services	**409**	374
International		
Radiopharmaceutical products	**190**	135
Corporate	**477**	446
	4 704	4 311

[1] *Non-IFRS measure.*

	31 March 2024 R'm	30 September 2023 R'm
Total assets before items below		
Southern Africa (including growth initiatives)	**18 574**	17 517
Southern Africa (funds reserved for special dividend – refer note 6)	**8 804**	–
International	**1 539**	1 457
Discontinued operations	**–**	24 443
	28 917	43 417
Employee benefit assets	**362**	416
Deferred tax assets	**1 729**	1 733
Derivative financial assets (included in other non-current assets)	**–**	16
Income tax receivable	**25**	33
Total assets per the balance sheet	**31 033**	45 615
Net debt[1,2]		
Southern Africa (including growth initiatives)	**2 850**	3 763
Southern Africa (funds reserved for special dividend - refer note 6)	**(8 804)**	–
International[3]	**(78)**	986
Attributable to discontinued operations[3]	**–**	7 594
	(6 032)	12 343
Cash and cash equivalents (net of bank overdrafts)		
Southern Africa (including growth initiatives)	**1 267**	565
Southern Africa (funds reserved for special dividend - refer note 6)	**8 804**	–
International	**78**	94
	10 149	659

1 *Net debt is a key measure for the Group, which comprises all interest-bearing borrowings, overdraft balances and cash and cash equivalents. Net debt is not an IFRS requirement, nor a JSE Listings Requirement.*

2 *Non-IFRS measure.*

3 *The Group settled all international GBP and EUR debt on 31 January 2024 with the proceeds from the sale of AMG.*

Segmental information continued

for the six months ended 31 March 2024

GEOGRAPHICAL INFORMATION

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

	Revenue from external customers		Non-current assets	
	March 2024 R'm	March 2023 R'm	**March 2024 R'm**	September 2023 R'm
Southern Africa	**11 228**	10 598	**13 035**	13 003
International	**513**	289	**1 093**	1 049
UK	**5**	16	**1 009**	965
Europe	**41**	28	**34**	41
USA	**429**	230	**50**	43
Other	**38**	15	**–**	–
Total	**11 741**	10 887	**14 128**	14 052
Employee benefit assets			**362**	416
Deferred tax assets			**1 729**	1 733
Total as per income statement and balance sheet	**11 741**	10 887	**16 219**	16 201

Notes

1. REVENUE

The table below illustrates the disaggregation disclosure by primary geographical areas, type of customer and timing of revenue recognition, including a reconciliation of how the disaggregated revenue ties into the segmental report (refer page 17).

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

Segments	Hospitals R'm	Complementary services R'm	Healthcare services R'm	Radiopharmaceutical products R'm	Total R'm
2024					
Primary geographical areas					
Southern Africa	9 698	834	696	–	11 228
International	–	–	–	513	513
UK	–	–	–	5	5
Europe	–	–	–	41	41
USA	–	–	–	429	429
Other	–	–	–	38	38
	9 698	834	696	513	11 741
Type of customer					
Contract from customers					
Private (including private medical aids and cash paying patients)	9 495	654	–	–	10 149
Government and public healthcare facilities	148	24	391	–	563
Corporate institutions	–	156	305	513	974
Rental revenue					
Rental income related to auxiliary services	55	–	–	–	55
	9 698	834	696	513	11 741
Timing of revenue recognition					
Over time	6 978	678	696	–	8 352
At a point in time	2 720	156	–	513	3 389
	9 698	834	696	513	11 741

1. REVENUE continued

Segments	Hospitals R'm	Complementary services R'm	Healthcare services R'm	Radiopharmaceutical products R'm	Total R'm
2023					
Primary geographical areas					
Southern Africa	9 190	773	635	–	10 598
International	–		–	289	289
UK	–	–	–	16	16
Europe	–	–	–	28	28
USA	–	–	–	230	230
Other	–	–	–	15	15
	9 190	773	635	289	10 887
Type of customer					
Contract from customers					
Private (including private medical aids and cash paying patients)	9 023	638	–	–	9 661
Government and public healthcare facilities	116	18	332	–	466
Corporate institutions	–	117	303	289	709
Rental revenue					–
Rental income related to auxiliary services	51	–	–	–	51
	9 190	773	635	289	10 887
Timing of revenue recognition					
Over time	6 744	656	635	–	8 035
At a point in time	2 446	117	–	289	2 852
	9 190	773	635	289	10 887

2. FINANCE INCOME AND COST

	2024 R'm	2023 R'm
Finance income	**(222)**	(55)
Interest revenue calculated using the effective interest rate method[1]	**(158)**	(33)
Interest rate swap contract	**(3)**	(7)
Foreign exchange gains	**(55)**	(13)
Other	**(6)**	(2)
Finance cost	**269**	390
Interest-bearing borrowings and bank overdrafts	**184**	224
Interest on lease liabilities	**36**	47
Borrowing cost capitalised	**(6)**	(6)
Foreign exchange losses	**8**	45
Unwinding of contingent consideration	**33**	29
Dispute on contract interpretation provision	**–**	47
Other	**14**	4
Net finance cost	**47**	335

[1] *Increase due to interest received on significant positive cash balance as a result of the AMG disposal.*

3. ACQUISITIONS AND DISPOSALS

Transactions with non-controlling interests

Increases and decreases in ownership interest in subsidiaries

The Group had marginal increases and decreases in its percentage shareholdings in some of its southern Africa subsidiary companies due to transactions with minority shareholders. The individual transactions are immaterial.

Acquisitions that resulted in business combinations

On 1 March 2024, Life Healthcare Group Proprietary Limited through its wholly owned subsidiary Life Diagnostic Imaging KZN Proprietary Limited acquired the assets of the imaging practice located within Life Hilton Private Hospital and Hilton Health from Drs Kauffman and Partners Incorporated. The acquisition is in line with Life Healthcare's strategy to grow its complementary services segment.

The acquisition qualifies as a business as defined in IFRS 3. The acquisition is **provisionally** accounted for in terms of IFRS 3 Business Combinations.

3. ACQUISITIONS AND DISPOSALS continued

Acquisitions that resulted in business combinations continued

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

	R'm
Total purchase consideration	**(75)**
Cash portion	(55)
Contingent consideration[1]	(20)
Fair value of net assets acquired	**31**
Property, plant and equipment	9
Customer relations	30
Deferred tax liability	(8)
Goodwill[2]	**44**
Cash outflow to acquire businesses, net of cash acquired	
Initial cash considerations	(55)
Less: Cash at acquisitions	–
	(55)
Impact on consolidated information from date of acquisitions	
Revenue	2
Net profit	–
Impact on consolidated information if the business combinations took place on 1 October 2022	
Revenue	12
Net profit	1

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

[2] *The acquisition of the imaging business is motivated by the Group's diversification strategy to include the non-clinical radiology services within our suite of healthcare services and business offerings in southern Africa. The goodwill recognised is therefore attributable to expected synergies from combining the acquired operation with the complementary services segment. None of the goodwill recognised is expected to be deductible for income tax purposes.*

Disposal of AMG

Description

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

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

Financial performance information

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

	Four-month period to Jan 2024 R'm	Six-month period to Mar 2023 R'm
Revenue	**3 418**	4 403
Expenses	**(2 798)**	(3 510)
Normalised EBITDA	**620**	893
Depreciation and amortisation	**–**	(657)
Impairment of investment of subsidiary in the UK	**–**	(33)
(Loss)/profit on disposal of property, plant and equipment	**(4)**	4
Finance income	**–**	5
Finance cost	**(253)**	(191)
Share of joint ventures' net profit after tax	**6**	8
Profit before tax	**369**	29
Tax expense	**12**	(4)
Attributable profit after tax from discontinued operation	**381**	25
Profit on disposal of AMG (refer page 28)	**2 440**	–
Profit from discontinued operations	**2 821**	25
Basic earnings per share from discontinued operations	**195.7**	1.7
Diluted earnings per share from discontinued operations	**194.3**	1.7
Other comprehensive income		
Movement in FCTR before disposal	**395**	1 083
Exchange gain reclassified to profit or loss on disposal	**(3 234)**	–
	(2 839)	1 083

3. ACQUISITIONS AND DISPOSALS continued

Disposal of AMG continued

Details of the sale

	2024 R'm
Total consideration	
Cash portion	20 054
Receivable relating to purchase price true-up in terms of SPA	8
	20 062
Carrying value of net assets sold	
Property, plant and equipment	7 005
Intangible assets	14 630
Investment in joint ventures	256
Deferred tax assets	72
Cash and cash equivalents	596
Trade and other receivables	1 884
Inventories	89
Interest-bearing borrowings	(1 394)
Employee benefit liabilities	(162)
Trade and other payables (including provisions)	(2 545)
Contingent consideration liabilities	(12)
Cash-settled share-based payment liability	(173)
Income tax payable	(42)
	20 204
Loss on disposal before transaction costs and reclassification of FCTR	(142)
Transaction costs	(531)
Loss on foreign exchange forward contract to hedge proceeds	(121)
Exchange gain reclassified to profit or loss on disposal	3 234
Profit on disposal after transaction costs and reclassification of FCTR	2 440
Net cash inflow on disposal	
Cash consideration received	20 054
Less: Cash and cash equivalents disposed of	(596)
	19 458

4. INTEREST-BEARING BORROWINGS

	March 2024 R'm	September 2023 R'm
Total borrowings at 1 October	**13 002**	13 350
Cash flow movements		
Proceeds from interest-bearing borrowings from continuing operations	**236**	446
Repayment of interest-bearing borrowings from continuing operations[1]	**(9 284)**	(687)
Repayment of interest-bearing borrowings from discontinued operations	**–**	(367)
Interest paid from continuing operations	**(207)**	(525)
Interest paid from discontinued operations	**(180)**	(336)
Non-cash items		
Interest accrued from continuing operations	**208**	551
Interest accrued from discontinued operations	**180**	336
Additional lease liabilities recognised from continuing operations	**24**	70
Additional lease liabilities recognised from discontinued operations	**–**	237
Modification or derecognition of lease liabilities	**(23)**	1
Arising on acquisition of subsidiaries	**–**	48
Amortisation of debt raising fees capitalised	**15**	10
Reclassified as held for sale (AMG)	**–**	(1 410)
Effect of foreign currency movement	**146**	1 278
Total borrowings	**4 117**	13 002

[1] *The Group settled all international GBP and EUR debt on 31 January 2024 with the proceeds from the sale of AMG (R9.1 billion).*

5. FINANCIAL INSTRUMENTS

Fair value

The Group's financial instruments held at fair value are measured subsequent to their initial recognition and are grouped into levels 1 to 3 based on the significance of the inputs used in the valuation.

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

	Mar-24 Level 2 R'm	Mar-24 Level 3 R'm	Sep-23 Level 2 R'm	Sep-23 Level 3 R'm
Financial assets				
Investment a first-party Cell Captive	**56**	**–**	66	–
Derivative financial asset	**–**	**–**	16	–
	56	**–**	82	–
Financial liabilities				
Contingent considerations	**–**	**589**	–	521
	–	**589**	–	521

There were no transfers between levels 1, 2 and 3 during the period.

5. FINANCIAL INSTRUMENTS continued

Details of the contingent consideration liabilities are as follows:

	March 2024 R'm	September 2023 R'm
Contingent consideration liabilities		
Balance at 1 October	**521**	503
Arising on acquisition of subsidiary	**20**	44
Paid during the period (relating to continuing operations)	**–**	(133)
Paid during the period (relating to discontinued operations)	**–**	(3)
Fair value adjustments to contingent consideration	**5**	7
Fair value loss recognised in profit or loss (relating to ECR, included as part of complementary services)	**5**	7
Unwinding of contingent consideration (included as part of finance cost)	**33**	62
Reclassified as held for sale	**–**	(11)
Effect of foreign currency movement	**10**	52
Closing balance	**589**	521
Included under non-current liabilities	**565**	504
Included under current liabilities	**24**	17
	589	521

The largest contingent consideration payable (R496 million) relates to a potential amount payable to the previous owners of LMI (30 Sep 2023: R456 million). The remaining contingent considerations payable relate to the imaging businesses in South Africa.

The LMI contingent consideration will become payable when the acquired business generates a positive cash contribution, measured on a cumulative basis from the date of acquisition. The contingent consideration is a 50% share of the cumulative pre-tax cash generated for a period of 10 years post-acquisition or a maximum amount payable of USD200 million. The amount included is the calculated payment, based on long-term forecasts adjusted for probabilities associated with the success of the product developed, discounted to present value using a discount rate of 13.90%. There have been no significant changes to the assumptions used from those disclosed in the previous consolidated annual financial statements.

Investment in first-party Cell Captive (financial asset)

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

6. EVENTS AFTER REPORTING PERIOD

The following events which are material to the understanding of this report occurred between 31 March 2024 and the date of the interim financial statements:

- the acquisition of FMC renal dialysis clinics

The Group also received approval from the Competition Commission for the acquisition of 43 FMC renal dialysis clinics. This transaction is effective 1 April 2024. The consideration for the South African business amounts to R367 million.

- the special cash dividend distribution

On 28 February 2024, the Group announced the approval and declaration of a gross special cash dividend of 600 cents per ordinary share. The special dividend amounted to R8 804 million and was paid on 8 April 2024. This special dividend, paid from income reserves, was the distribution of the net proceeds received following the disposal of the Group's interest in AMG which has unlocked significant value for Life Healthcare shareholders.

- interest-bearing borrowings

During April 2024, the Group successfully raised R1.055 billion through its Domestic Medium Term Notes (DMTN) programme. The Group then settled R1.25 billion of its South African term debt (with an original maturity date of 31 May 2024), thereby extending the debt maturities.

On 20 May 2024, the Group issued another note for R445 million.

New DMTN notes	R'm	Maturity date	Interest rate
LHC03	725	Apr 2027	3-month JIBAR plus 1.15%
LHC04	330	Apr 2029	3-month JIBAR plus 1.32%
LHC05	445	Jun 2029	3-month JIBAR plus 1.32%
	1 500		

- the interim cash dividend distribution – refer page 8

7. CAPITAL COMMITMENTS

Capital expenditure approved for the year ended September 2024 is R2.3 billion (September 2023: R2.9 billion).

8. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial statements contained in the interim report are prepared in accordance with the requirements of the JSE Limited (JSE) Listings Requirements, JSE Debt Listings Requirements and the requirements of the South Africa Companies Act, 71 of 2008 (as amended). The accounting policies are in terms of International Financial Reporting Standards (IFRS) and are consistent with those applied in the previous consolidated annual financial statements. There were no material changes to the critical judgements, accounting estimates and assumptions applied as disclosed in the previous consolidated annual financial statements. The consolidated interim financial statements are prepared in accordance with and contain the information required by IAS 34 Interim Financial Reporting, as well as the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The condensed consolidated interim financial statements are prepared on a going concern basis. The Board is satisfied that the liquidity and solvency of the Company is sufficient to support the current operations for the next 12 months.

These interim financial results have been prepared under the supervision of PP van der Westhuizen (CA(SA)), the Chief Financial Officer.

Unaudited results

The results for the period ended 31 March 2024 have not been reviewed or audited by the Group's auditors.

The directors take full responsibility for the preparation of the interim report.

Non-IFRS measures

To provide a more meaningful assessment of the Group's performance for the period, non-IFRS measures (normalised EBITDA, EBITA, operating profit before non-trading items, normalised earnings, NEPS and net debt) have been included. The non-IFRS measures are the responsibility of the Group's directors. Due to their nature, the non-IFRS measures may not fairly present the Group's financial position, results of operations, changes in equity or cash flows for the period under review. These non-IFRS measures may not be comparable to other similarly titled performance measures of other companies.

The non-IFRS measures are not an IFRS requirement, nor a JSE Listings Requirement, and are a measurement used by the CODM.

Administration

Non-executive directors

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

Executive directors

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

Company Secretary

Ms J Ranchhod

Registered Office

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

Equity and debt sponsor

Rand Merchant Bank, a division of FirstRand Bank Limited

22 May 2024

NOTE REGARDING FORWARD-LOOKING STATEMENTS

Any forward-looking statements or projections made by the Company, including those made in this announcement, are subject to risk and uncertainties that may cause actual results to differ materially from those projected, are the responsibility of the directors and have not been reviewed or reported on by the Group's external auditors.

LIFE HEALTHCARE GROUP HOLDINGS LIMITED

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)

Head Office
Oxford Parks
203 Oxford Road
Cnr Eastwood and Oxford Roads
Dunkeld
2196

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