THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

Action required by Certificated and Dematerialised Shareholders

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

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

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

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

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

Life Healthcare

LIFE HEALTHCARE GROUP HOLDINGS LIMITED

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

CIRCULAR TO LIFE HEALTHCARE SHAREHOLDERS

regarding:

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

and incorporating:

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

Financial Adviser, Transaction Sponsor and Corporate Broker

RMB

South African Legal Adviser

CDH
CLIFFE DEKKER HOFMEYR

International Legal Adviser

A&O SHEARMAN

Independent Auditor

Deloitte.

Date of issue: 27 February 2025

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

CORPORATE INFORMATION AND ADVISERS

Directors

Victor Litlhakanyane*[1] (*Chairman)*
Mahlape Sello*[1] (*Lead Independent)*
Fareed Abdullah*[1]
Jeanne Bolger*[2]
Raymond Campbell*[1]
Caroline Henry*[1]
Lars Holmqvist*[3^]
Marian Jacobs*[1]
Paul Moeketsi*[1]
Audrey Mothupi*[1]
Joel Netshitenzhe*[1^]
Fulvio Tonelli*[1]
Peter Wharton-Hood[#1] (*Chief Executive)*
Pieter van der Westhuizen[#1] (*Chief Financial Officer)*

**Independent non-executive director*
[#] Executive director, [1] South African
[2] Irish, [3] Swedish, ^ retired as a director as at 20 February 2025

International Legal Adviser

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

Transfer Secretaries

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

Financial Adviser, Transaction Sponsor and Corporate Broker

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

Life Healthcare Group Holdings Limited

Date and place of incorporation:
7 February 2003, Pretoria, South Africa
(Registration number: 2003/002733/06)

Company Secretary

Joshila Ranchhod

Registered office

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

Life Medical Group Limited

Date and place of incorporation:
30 October 2007, United Kingdom
(Registration number 08601376)
Registered office: 25 Barnes Wallis Road, Fareham, Hampshire, United Kingdom, PO15 5TT

South African Legal Adviser

Cliffe Dekker Hofmeyr Inc.
1 Protea Place
Sandown
Sandton, 2146
South Africa
(Private Bag X40, Benmore, 2010)

Independent Auditor

Deloitte & Touche
(Practice number 902276)
5 Magwa Crescent
Waterfall City, Waterfall, 2090
South Africa
(Private Bag X6, Gallo Manor, 2052, South Africa)

TABLE OF CONTENTS

IMPORTANT INFORMATION, FORWARD-LOOKING STATEMENTS AND OTHER DISCLAIMERS

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

GENERAL

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

APPLICABLE LAWS

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

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

SHAREHOLDER APPROVAL

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

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

CERTAIN FORWARD-LOOKING STATEMENTS

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

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

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

DATE OF INFORMATION PROVIDED

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

DEMATERIALISATION AND REMATERIALISATION OF SHARES

No dematerialisation or rematerialisation of Shares by Shareholders may take place from the business day following the last day to trade Shares in order to be recorded in the Register to vote at the General Meeting, being Wednesday, 26 March 2025, up to and including the General Meeting record date, being Friday, 28 March 2025.

CONFLICTS OF INTEREST

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

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

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

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

ACTION REQUIRED BY SHAREHOLDERS

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

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

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

GENERAL MEETING

1. ATTENDANCE AND VOTING AT THE GENERAL MEETING

1.1 **Participation at the General Meeting**

1.1.1 The General Meeting, convened in terms of the Notice of General Meeting incorporated in this Circular, will be held by way of electronic communication on Wednesday, 2 April 2025 at 11:30 SA time. Life Healthcare has retained the services of The Meeting Specialist Proprietary Limited ("**The Meeting Specialist**") to host the General Meeting on an interactive electronic platform, in order to facilitate electronic communication and voting by Shareholders.

1.1.2 Shareholders who wish to participate in and/or vote at the General Meeting are required to follow the instructions and details provided in the Notice of General Meeting. Shareholders are also referred to the "Electronic Participation General Meeting Guide" attached to the Notice of General Meeting for further instructions regarding electronic participation.

1.1.3 The Meeting Specialist will by no later than Monday, 31 March 2025 notify eligible Shareholders of the link and unique invitation code through which eligible Shareholders can participate electronically. The Meeting Specialist will assist Shareholders with the details for electronic participation in, and/or voting at, the General Meeting and any issues experienced by Shareholders.

1.1.4 Shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of the JSE, Life Healthcare and/or The Meeting Specialist. None of the JSE, Life Healthcare or The Meeting Specialist can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Shareholder from participating in and/or voting at the General Meeting.

1.2 **Voting at the General Meeting**

1.2.1 Voting will be conducted by way of a poll and eligible Shareholders will be able to cast their vote electronically at the General Meeting.

1.2.2 All eligible Shareholders will be entitled to participate in the General Meeting and to vote (or abstain from voting) on the Resolution.

Shareholders should take note that:

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

- Certificated Shareholders and Own-Name Dematerialised Shareholders must read paragraph 3 in this "Action Required by Shareholders" section of this Circular for further information regarding voting, attendance and representation at the General Meeting; and
- Shareholders are also encouraged to submit any questions to Life Healthcare's Company Secretary, Joshila Ranchhod, at Company.Secretary@life.co.za. These questions will be addressed at the General Meeting and may also be responded to through email.

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

2.1 General

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

2.2 Voting at the General Meeting

2.2.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.

2.2.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.

2.2.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your Broker or CSDP.

2.2.4 You must not complete the attached Form of Proxy (*blue*).

2.3 Attendance and representation at the General Meeting

2.3.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:

2.3.1.1 attend, speak and vote at the General Meeting; or

2.3.1.2 send a proxy to represent you at the General Meeting.

2.3.2 Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

3. CERTIFICATED SHAREHOLDERS AND OWN-NAME DEMATERIALISED SHAREHOLDERS

3.1 Voting, attendance and representation at the General Meeting

You may attend the General Meeting by electronic communication and may vote (or abstain from voting) at the General Meeting. Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the Form of Proxy (*blue*) in accordance with the instructions contained therein and lodging it, by posting or emailing it to The Meeting Specialist at the details below, to be received by it, for administrative purposes, by no later than Monday, 31 March 2025 at 11:30 SA time, provided that any Forms of Proxy *(blue)* not delivered to The Meeting Specialist by this time may be provided to The Meeting Specialist electronically (who will provide same to the chairman) at any time before the proxy exercises any rights of the Shareholder.

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

4. IDENTIFICATION

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

SALIENT DATES AND TIMES

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

	2025
Notice record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to receive the Notice of General Meeting on	Friday, 21 February
Circular incorporating the Notice of General Meeting and Form of Proxy (*blue*), distributed to Shareholders on	Thursday, 27 February
Announcement of distribution of Circular and notice convening the General Meeting released on SENS on	Thursday, 27 February
Announcement of distribution of Circular and notice convening the General Meeting published in the South African press on	Friday, 28 February
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (see note 2 below) on	Tuesday, 25 March
General Meeting record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 28 March
For administrative purposes, Forms of Proxy (*blue*) in respect of the General Meeting to be received by The Meeting Specialist by no later than 11:30 SA time, provided that any Forms of Proxy *(blue)* not delivered to The Meeting Specialist by this time may be provided to The Meeting Specialist electronically (who will provide same to the chairman) at any time before the proxy exercises any rights of the Shareholder on	Monday, 31 March
Eligible Shareholders to receive link and unique invitation code through which they can participate electronically at the General Meeting on	Monday, 31 March
General Meeting held via electronic communication at 11:30 SA time on	Wednesday, 2 April
Results of General Meeting released on SENS on	Wednesday, 2 April
Results of General meeting published in the South African press on	Thursday, 3 April

Notes:

1. The above dates and times are subject to amendment at the discretion of Life Healthcare, with the approval of the JSE. Any such amendment will be released on SENS and published in the South African press.
2. Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades take place three South African Business Days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Tuesday, 25 March 2025 being the last day to trade, will not be eligible to attend, participate in and vote at the General Meeting.
3. Dematerialised Shareholders, other than those with Own-name Registration, must provide their CSDP or Broker with their instructions for voting at the General Meeting by the cut-off time and date stipulated by their CSDP or Broker in terms of their respective Custody Agreements between them and their CSDP or Broker.
4. If the General Meeting is adjourned or postponed, the above dates and times will change, but Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement of the General Meeting.
5. Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
6. All dates and times indicated above are South African Standard Time.
7. No dematerialisation or rematerialisation of Shares by Shareholders may take place from the business day following the last day to trade Shares in order to be recorded in the Register to vote at the General Meeting, being Wednesday, 26 March 2025 up to and including the General Meeting record date, being Friday, 28 March 2025.

DEFINITIONS AND INTERPRETATIONS

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

"[^{18}F]PI-2620 (Tau)"	a late-stage product, that binds to tau depositions and is a complementary product to NeuraCeq®;
"[^{18}F]GP-1 (GPIIbIIIa)"	an early-stage product, which binds to GPIIbIIIa receptors on activated platelets for the detection of blood clots (i.e. thrombus);
"[^{18}F]DED (MAO-B)"	an early-stage product binding to monoamine oxidase B, which is increased in neuroinflammation and a major driver of Alzheimer's Disease progression;
"Act" or "Companies Act"	the South African Companies Act No. 71 of 2008, as amended;
"ALISA JV"	Axim Life Isotopes South Africa joint venture between Life Healthcare and the AXIM Group of Companies;
"Alzheimer's"	Alzheimer's Disease, the most common cause of dementia, is the biological process that begins with the appearance of a build up of proteins in the form of amyloid plaques and neurofibrillary tangles in the brain;
"ARMs"	Alternative Reimbursement Models;
"A2X Markets"	A2X Markets Proprietary Limited, (registration number 2014/147138/07), a private company registered and incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act;
"B-BBEE"	Broad-Based Black Economic Empowerment;
"Board" or "Directors"	the board of directors of the Company as at the Last Practicable Date, the names of whom are set out in the "Corporate Information and Advisers" section of this Circular, or any one or each of them, as the context may require;
"Broker"	any person registered as a "broking member (Equities)" in terms of the rules of the JSE, issued and published in accordance with the Financial Markets Act;
"Business day"	any day which is not a Saturday, Sunday, or official public holiday in South Africa provided that when the term "business day" is used in the definition of Completion Date, the term shall mean any day that is not a Saturday, Sunday or public holiday in England or South Africa, or Massachusetts, USA;
"Calendar Quarter"	the periods of three consecutive calendar months ending on 31 March, 30 June, 30 September and 31 December (or any of them);
"Carve-Out Historical Consolidated Financial Information"	shall have the meaning ascribed thereto in paragraph 9.2 below;
"Category 1 Transaction"	a transaction which is categorised as category 1 in terms of paragraph 9.5 of the Listings Requirements;
"Certificated Shareholders"	holders of Certificated Shares;
"Certificated Shares"	Life Healthcare Shares which are evidenced by physical Documents of Title which have not been surrendered for Dematerialisation in terms of Strate;
"CIP"	Co-investment Plan;

"Circular"	this bound document to Shareholders, dated Thursday, 27 February 2025, issued by Life Healthcare in respect of the Transaction, including the annexures hereto and incorporating the Notice of General Meeting and the Form of Proxy *(blue)*;
"CKD"	Chronic Kidney Disease;
"CMS"	Centres for Medicare & Medicaid Services;
"COID"	Compensation for Occupational Injuries and Diseases;
"Completion Date"	the date on which Completion takes place in accordance with the terms of the Sale and Purchase Agreement, being five Business Days following the Unconditional Date, provided that where Completion would occur less than five Business Days prior to the end of any Calendar Quarter, Completion shall be on the first Business Day of the following Calendar Quarter;
"Conditions Precedent"	the conditions precedent to completion of the Transaction, as set out in paragraph 4.1 of this Circular;
"CSDP"	Central Securities Depository Participant, being a "participant" as defined in the Financial Markets Act;
"CT"	Computerised Tomography;
"Custody Agreement"	a custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held in Life Healthcare's uncertificated securities register administered by a CSDP or Broker on behalf of such Shareholder;
"Dematerialisation" or "Dematerialise" or "Dematerialised"	the process by which securities which are evidenced by physical Documents of Title are converted to securities that are held in collective custody by a CSDP or its nominee in a separate central securities account and are transferable by electronic entry without a certificate or written instrument;
"Dematerialised Shareholders"	holders of Dematerialised Shares;
"Dematerialised Shares"	Life Healthcare Shares which have been Dematerialised;
"DMDs"	Disease Modifying Drugs;
"Documents of Title"	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of Life Healthcare Shares;
"DOH"	National Department of Health in South Africa;
"Earnouts"	potential earnout payments of up to $400 million as described in paragraph 4.3.2 of this Circular;
"EMA"	European Medicines Agency;
"Exchange Control Regulations"	Exchange Control Regulations of 1961, made in terms of the Currency and Exchanges Act No 9 of 1933, as amended;
"EU"	European Union;
"EVP"	Employee Value Proposition;
"FDA"	The United States Food and Drug Administration, a federal agency within the Department of Health and Human Services;
"Financial Markets Act"	the Financial Markets Act No. 19 of 2012, as amended;
"Form of Proxy"	the form of proxy *(blue)* incorporated into this Circular for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration only, for purposes of appointing a proxy to represent such Shareholder at the General Meeting;
"GBP"	Great British Pound;
"GEMS"	Government Employees Medical Scheme;
"General Meeting"	the general meeting of Shareholders to be held by way of electronic communication, on Wednesday, 2 April 2025 at 11:30 SA time, to consider and if deemed fit, pass the Resolution set out in the Notice of General Meeting, with or without modification;

"Group" or "Life Healthcare Group"	collectively, Life Healthcare and its Subsidiaries;
"HPCSA"	Health Professions Council of South Africa;
"IASB"	International Accounting Standards Board;
"ICU"	Intensive Care Unit;
"IFRS"	International Financial Reporting Standards, as issued by the IASB;
"Independent Auditor" or "Deloitte"	Deloitte & Touche (practice number 902276), Registered Auditors and the Company's reporting accountant for the purpose of the Circular;
"JSE"	JSE Limited, (registration number 2005/022939/06), a public company registered and incorporated in accordance with the laws of South Africa and licensed to operate an exchange under the Financial Markets Act or the securities exchange operated by JSE Limited, as the context may require;
"Lantheus"	Lantheus Holdings, Inc., a company incorporated under the laws of Delaware, US and listed on the NASDAQ under share code LNTH;
"Last Practicable Date"	the last practicable date prior to the finalisation of this Circular, being Friday, 14 February 2025;
"Life Health Solutions"	Life Health Solutions Proprietary Limited, (registration number 2012/077831/07), a private company registered and incorporated in accordance with the laws of South Africa and a wholly owned Subsidiary of Life Healthcare;
"Life Healthcare" or "the Company"	Life Healthcare Group Holdings Limited, (registration number 2003/002733/06), a public company registered and incorporated in accordance with the laws of South Africa and listed on the Main Board of the JSE with a secondary listing on A2X Markets under share code LHC;
"Life Healthcare International"	Life Healthcare International Proprietary Limited, (registration number 2005/037973/07), a private company registered and incorporated in accordance with the laws of South Africa and a wholly owned Subsidiary of Life Healthcare;
"Life Healthcare Shares" or "Shares"	ordinary no par value shares in the stated capital of the Company;
"Life Nkanyisa"	Life Nkanyisa Proprietary Limited, (registration number 1982/000915/07), a private company registered and incorporated in accordance with the laws of South Africa and a wholly owned Subsidiary of Life Healthcare;
"Life UK HoldCo"	Life UK HoldCo Limited, (registration number 08601376 and registered office at 25 Barnes Wallis Road, Fareham, Hampshire, United Kingdom, PO15 5TT), a private company registered and incorporated in accordance with the laws of England and a wholly owned indirect Subsidiary of Life Healthcare;
"Listings Requirements"	the JSE Limited Listings Requirements in force as at the Last Practicable Date;
"LMGL"	Life Medical Group Limited, (registration number 08601376 and registered office 25 Barnes Wallis Road, Fareham, Hampshire, United Kingdom, PO15 5TT), a private company registered and incorporated in accordance with the laws of England and a wholly owned indirect Subsidiary of Life Healthcare;
"LMI"	Life Molecular Imaging Limited, (registration number 04824675 and registered office at 25 Barnes Wallis Road, Fareham, Hampshire, United Kingdom, PO15 5TT), a private limited company registered and incorporated in accordance with the laws of England and a wholly owned indirect Subsidiary of Life Healthcare, which holds the shares of Life Molecular Imaging GmbH, (registration number HRB136823 B), a private limited company registered and incorporated in accordance with German law and a wholly owned indirect Subsidiary of Life Healthcare, and which in turn holds the shares of Life Molecular Imaging Inc., (file number 6908106), a corporation incorporated in the State of Delaware and a wholly owned indirect Subsidiary of Life Healthcare;

"Long-stop Date"	31 December 2025 or such other date agreed between LMGL and the Purchaser in writing;
"LOS"	Length Of Stay;
"MHRA"	the Medicines and Healthcare products Regulatory Agency, an executive agency of the Department of Health and Social Care in the United Kingdom;
"MOI"	the Memorandum of Incorporation of Life Healthcare;
"MRI"	Magnetic Resonance Imaging;
"NAV"	Net Asset Value;
"NeuraCeq®"	NeuraCeq® means any pharmaceutical product comprising fluorine-18 radiolabeled florbetaben (International Nonproprietary Name ("**INN**"): florbetaben (^{18}F)). It is utilised as a diagnostic agent indicated for PET imaging (and commercialised in certain territories by the LMI group companies from time to time under the name "NeuraCeq®". For the avoidance of doubt, "NeuraCeq®" shall be construed to include any other brand name under which that product is marketed or utilised in any territory);
"NHI"	National Health Insurance in South Africa;
"NHS"	National Health Service in the United Kingdom;
"Notice of General Meeting"	the notice to Shareholders convening the General Meeting which notice is attached to, and is incorporated in, this Circular;
"PET"	Positron Emission Tomography;
"PPDs"	Paid Patient Days;
"PPP"	Public Private Partnerships;
"PSP"	Progressive Supranuclear Palsy;
"Purchase Consideration"	the aggregate purchase consideration payable by the Purchaser to LMGL pursuant to the Sale and Purchase Agreement comprising of an Upfront Payment and the Earnouts;
"Purchaser"	Lantheus Radiopharmaceuticals UK Limited, a private limited liability company incorporated under the laws of England with registered number 16107946 and whose registered office is at Ashcombe Court, Woolsack Way, Godalming, Surrey, United Kingdom, GU7 1LQ and a wholly owned Subsidiary of Lantheus;
"RAF"	Road Accident Fund in South Africa;
"Register"	collectively, the register of Shareholders holding Certificated Shares maintained by the Transfer Secretaries and each of the sub-registers of Shareholders who hold Dematerialised Shares maintained by the relevant CSDPs, in accordance with section 50 of the Companies Act;
"the Resolution"	the ordinary resolution in terms of which Shareholders will, subject to the passing thereof, approve the Transaction as a Category 1 Transaction in terms of paragraph 9.20 of the Listings Requirements, which resolution is to be proposed at and voted on at the General Meeting as set out in the Notice of General Meeting;
"SA" or "South Africa"	Republic of South Africa;
"Sale and Purchase Agreement"	the sale and purchase agreement concluded between, *inter alia,* LMGL and the Purchaser on or about 12 January 2025 setting out, *inter alia*, the terms and conditions of, and steps required to complete the Transaction;
"Sale Shares"	88,980,619 ordinary shares of GBP1 in the issued share capital of LMI together with any additional shares in the capital of LMI that may be issued to LMGL after the date of the Sale and Purchase Agreement (comprising the entire issued share capital of LMI);
"SARB"	South African Reserve Bank;
"SENS"	the Stock Exchange News Service of the JSE;

"SEP"	the Single Exit Price, being the maximum price that a medicine may be charged at in South Africa, as per the Medicines and Related Substances Act No. 101 of 1965, as amended, and Regulation 8 of the Regulations Relating to a Transparent Pricing System for Medicines and Scheduled Substances;
"Shareholders"	holders of Life Healthcare Shares;
"SPECT"	Single-Photon Emission Computed Tomography;
"Sponsor"	Rand Merchant Bank, a division of FirstRand Bank Limited, (registration number 1929/001225/06), a company registered and incorporated in accordance with the laws of South Africa, the further particulars of which appear under the "Corporate Information and Advisers" section of this Circular;
"Strate"	Strate Proprietary Limited, (registration number 1998/022242/07), a private company registered and incorporated in accordance with the laws of South Africa, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for on-market and off-market share transactions concluded on, *inter alia*, the Johannesburg Stock Exchange and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
"Subsidiary"	a "subsidiary" as defined in the Companies Act, but also includes an entity incorporated outside South Africa which would, if incorporated in South Africa, be a "subsidiary" as defined in the Companies Act;
"Tangible NAV"	Tangible Net Asset Value;
"Terms Announcement"	the terms announcement in respect of the Transaction published by Life Healthcare on SENS dated 13 January 2025;
"Transaction"	the disposal by LMGL of the Sale Shares to the Purchaser for the Purchase Consideration pursuant to the terms of the Sale and Purchase Agreement;
"Transfer Secretaries" or "Computershare"	Computershare Investor Services Proprietary Limited, (registration number 2004/003647/07), a private company registered and incorporated in accordance with the laws of South Africa;
"UK"	United Kingdom;
"Unconditional Date"	the date on which written notice is given in accordance with the terms of the Sale and Purchase Agreement that the final remaining Condition Precedent has been satisfied, or has otherwise been waived (if applicable), in accordance with the terms of the Sale and Purchase Agreement;
"Upfront Payment"	an enterprise value of $350 million (approximately ZAR 6,475 million), on a cash free, debt free basis and further adjusted to reflect any surplus or deficit of working capital at the Completion Date compared to an agreed normalised level, payable in cash, to LMGL on the Completion Date, free of any lien, right of set-off, counterclaim or other analogous right;
"US"	United States or United States of America;
"VAT"	Value Added Taxation, levied in terms of the Value Added Tax Act No. 89 of 1991, as amended;
"W&I"	warranty and indemnity;
"ZAR", "Rand" or "R"	South African Rand; and
"$, USD"	US Dollar.

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

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

Shareholders are referred to the Terms Announcement released on SENS on 13 January 2025, wherein Life Healthcare advised Shareholders that the Group, through its wholly owned indirect Subsidiary LMGL, and the Purchaser have entered into a binding agreement in relation to the Transaction, pursuant to which LMGL will dispose of the Sale Shares to the Purchaser for the Purchase Consideration on the terms and conditions set out in the Sale and Purchase Agreement. Accordingly, upon completion of the Transaction in accordance with the Sale and Purchase Agreement, the Purchaser shall be the owner of 100% of the shares in LMI and no Group entity shall own any shares in LMI.

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

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

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

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

2. RATIONALE FOR THE TRANSACTION

As part of its investment in the Alliance Medical Group ("**AMG**"), Life Healthcare acquired LMI in 2018 to bolster its utilisation of cyclotrons in Europe with further upside for the manufacturing, distribution and sales of radiopharmaceuticals in other parts in the world. At the date of acquisition in June 2018, LMI had one internationally approved diagnostic radiopharmaceutical, namely NeuraCeq®.

Since 2018, Life Healthcare invested significantly in LMI ($66 million), commercialising its flagship product NeuraCeq® and further developing its pipeline of novel radioisotope imaging agents.

In Q1 2024 Life Healthcare completed the sale of AMG to iCON Infrastructure and returned ZAR 8.8 billion to Shareholders by way of a special dividend. The sale of AMG specifically excluded the Group's interests in LMI which was retained by the Company as interested parties did not, in the view of the Board, place an appropriate value on LMI.

Since the disposal of AMG, the Board has considered if Life Healthcare is the appropriate owner of LMI, taking into account the nature of the business, its funding needs and the skills required to optimise and grow the asset. As part of this review the Group has identified products in LMI's portfolio that would be better suited to be fully developed and commercialised by other parties. To this end, LMI concluded a sub-licence agreement with Lantheus for one of its early-stage diagnostic and therapeutic products targeting the gastrin-releasing peptide receptor ("**RM2**") whereby LMI sub-licensed RM2 for an upfront consideration of $36 million and potential further milestone and royalty payments.

During its due diligence for the RM2 transactions and in the subsequent collaboration activities with the LMI team, Lantheus identified the complementary nature of its business and LMI resulting in a subsequently executed unsolicited letter of intent (“**LOI**”) to acquire all of LMI.

Following receipt of the LOI, the Board evaluated the offer and subsequently decided to invite Lantheus to submit a binding offer. After careful consideration, having understood the market potential and other means to maximise returns for Shareholders, the Board believes the Transaction is in the best interests of Shareholders based on the following:

- **Ability for Shareholders to unlock significant value:** The Transaction provides an opportunity for Shareholders to unlock significant value in LMI in the immediate term and achieve a highly attractive return on the LMI investment.
- **Acceleration of value whilst mitigating execution risk:** Delivery of the LMI business plan carries material execution risk, with a significant portion of the positive cash flows, and therefore value, forecast to be realised only from 2028. The Transaction enables Shareholders to realise this longer-term value upfront, and de-risk the delivery of the LMI business plan.
- **Ability for Shareholders to participate in LMI growth going forward:** The Earnouts, as defined in paragraph 4.3 below, ensure that Shareholders have an opportunity to participate in LMI growth post-completion of the Transaction. The Board believes that Lantheus is well positioned to partner with the LMI business to achieve its growth potential and meet the thresholds required to unlock the Earnouts, and consequently further value for Shareholders.
- **Life Healthcare is not a natural long-term owner of LMI:** Life Healthcare’s strategy has been to invest strategically in the upside optionality of LMI (with the Group investing $66 million in the development of LMI since 2018), with a view to realising value following LMI demonstrating traction on its product pipeline. The Transaction avoids near-term dilution from the continued buildout of commercial infrastructure and research and development investments required to maximise the potential of LMI, including in the development of products only expected to come to market in 5 to 10 years’ time. Furthermore, it enables Life Healthcare to reduce its operating complexity.
- **LMI is well positioned in Lantheus’ hands:** Lantheus is a highly respected industry partner capable of realising the value of LMI’s commercial assets, research and development capabilities and pipeline. With over 65 years of experience in the field of nuclear medicine, Lantheus is well positioned to invest in and grow LMI’s portfolio of imaging assets and ensure that the business meets its growth potential.
- **Repositioning of Life Healthcare:** The Transaction will further position Life Healthcare as a leading, diversified, and integrated healthcare services provider in southern Africa with clear capital allocation priorities, a resilient and sustainable financial profile, and a strong cash generation ability. With the disposal of AMG in 2024 and subsequent disposal of LMI pursuant to the Transaction, Life Healthcare will sharpen its focus on southern African growth through its integrated and value-based care model.

3. OVERVIEW OF THE BUSINESS

3.1 Summary of Life Healthcare’s business segments

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

3.1.1 Southern Africa

Life Healthcare is one of the largest private healthcare providers in southern Africa, primarily serving the private medically insured market and has over 40 years’ experience in the private healthcare sector. Since commencing operations in the early 1980s with four hospitals, it has grown through acquisitions, capacity expansion within existing facilities, the addition of new lines of business and the development and construction of new hospitals. Life Healthcare currently operates 64 healthcare facilities (9,202 beds) in South Africa and one facility in Botswana.

Life Healthcare's southern African healthcare business, which represented 92.8% of Life Healthcare's revenue for the financial year ended 30 September 2024, is organised into two divisions:

- The hospitals and complementary services division provides services primarily to the private medically insured market, which represented approximately 9 million people in 2023/2024[1]. For the financial year ended 30 September 2024, the hospital and complementary services division generated 87.6% of Life Healthcare's revenue. The acute hospital business comprises general hospital facilities of various sizes. The complementary services business provides both inpatient and outpatient services in the areas of renal dialysis, acute rehabilitation, mental health, radiation and chemotherapy oncology, and diagnostic and molecular imaging.
- The healthcare services division includes the provision of acute and long-term chronic mental health and frail care services to public sector patients through Life Nkanyisa, one of the largest PPPs in South Africa (2,308 beds). The division also includes services to provincial health and social development departments, and the provision of primary healthcare, occupational healthcare and employee wellness services to employer groups in commerce, industry, state-owned enterprises, and mining, through Life Health Solutions. For the financial year ended 30 September 2024, the healthcare services division represented 5.2% of Life Healthcare's revenue.

3.1.2 **International**

Following the sale of AMG in 2024, the Group's international business consists of LMI. LMI represented 7.2% of the Group's revenue for the financial year ended 30 September 2024. LMI is a fully integrated research and development radiopharmaceutical company dedicated to developing and globally commercialising innovative molecular imaging agents for use in PET-CT diagnostics to detect certain diseases.

3.2 **Mission and vision**

Life Healthcare's mission is to improve the lives of people through the delivery of high-quality, cost-effective care. The Group's vision is to be the preferred healthcare provider and best place to work.

Our purpose is making life better.

3.3 **Life Healthcare's strategic pillars**

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

1. Deliver **high-quality** care through continuous improvement in patient experience and clinical outcomes;
2. **Grow** revenue and earnings of existing businesses through improved utilisation of assets and enhanced return on investment;
3. Deliver **efficiency**; and
4. Ensure long-term viability and **sustainability** through appropriate investment and minimising our environmental impact while positively impacting the communities in which we operate.

3.4 **Detailed overview of Life Healthcare's business divisions**

3.4.1 **Southern Africa**

Hospitals and complementary services segment

Overview

The hospitals and complementary services segment, which represented 87.3% of the Group's revenue and admitted over 550,000 patients in the financial year ended 30 September 2024, comprises of acute hospitals and complementary services. The segment, which provides services primarily to the private medically insured market, owns and operates 48 acute hospitals and also provides specialised care through Life Healthcare's renal dialysis, acute rehabilitation, mental health, oncology, and diagnostic and molecular imaging services.

1 Council for Medical Schemes.

The table below provides a summary of registered beds and units in facilities owned by Life Healthcare in southern Africa as at 30 September 2024, 2023 and 2022:

	As at 30 September*		
	2024	**2023**	**2022**
Total facilities	64	64	65
Total registered beds	9,202	9,186	9,203
Acute hospitals:			
Facilities	48	48	49
Registered beds	8,308	8,297	8,271
Day facilities:			
Facilities	5	4	4
Registered beds	89	61	61
Renal dialysis:			
Facilities	71	30	29
Renal dialysis stations	1,012	445	445
Acute rehabilitation:			
Facilities	9	9	8
Registered beds	287	287	334
Mental health:			
Facilities	7	7	9
Registered beds	607	602	598
Oncology:			
Facilities	5	5	5
Radiology and Nuclear Medicine:			
Inpatient facilities	7	6	5
Outpatient facilities	3	2	2
Nuclear medicine facilities	3	3	

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

* Extracted from the Company's integrated annual report. Total facilities include acute hospitals, acute rehabilitation and mental health.

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

The acute hospitals provide both elective and emergency care and generally provide treatment on an inpatient basis only. The average inpatient LOS at Life Healthcare's acute hospitals in the financial year ended 30 September 2024 was 4.08 days. Although some doctors provide limited outpatient care at consulting rooms located at Life Healthcare's hospitals, Life Healthcare does not receive revenue for treatment provided on an outpatient basis, for which doctors generally charge patients directly.

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

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

As at 30 September 2024, Life Healthcare was supported by approximately 3,000 specialists and other healthcare professionals. The Group seeks to optimise the use of its hospitals by maintaining excellent working relationships with these professionals, which it aims to achieve by investing in the latest technology and equipment, facilitating continuing engagement, providing quality nursing care, benchmarking clinical outcomes against international best practice and by meeting the needs of patients with respect and empathy.

Utilisation

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

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

		As at 30 September*	
	2024	**2023**	**2022**
Total facilities	64	64	65
Total registered beds	9,202	9,186	9,203
Total PPDs	2,241,052	2,219,436	2,027,184
Occupancy[2]	69.0%	68.2%	61.9%
of which:			
Acute hospital occupancy	68.7%	67.7%	61.0%
Complementary services occupancy[3]	71.7%	73.5%	69.1%
Average hospital and complementary services LOS (days)	4.08	4.09	4.04
Average acute LOS (days)	3.78	3.78	3.70

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

* Extracted from the Company's integrated annual report.

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

Life Healthcare's operational metrics of admissions, LOS, PPDs and occupancy figures were all negatively impacted during the COVID-19 pandemic. However, since 2022 these metrics have begun to normalise, with the case mix starting to reflect fewer COVID-19 admissions with a concomitant return to pre-COVID-19 medical and surgical activities.

Tariffs and reimbursement models

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

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

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

The ARM comprises:

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

Revenue from ARM tariffs constituted approximately 70% of revenue for the hospitals and complementary services business in the financial year ended 30 September 2024. The remaining revenue was charged on a fee-for-service basis. Under fee-for-service tariffs, Life Healthcare does not take risk on the level of care and LOS and charges the patient for the total cost of care, and all charges relating to tariff items (i.e. wards, operating theatre and equipment use, pharmaceuticals and surgical supplies) are passed on to the patient.

Facilities

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

Life Healthcare owns the property and facilities used in connection with the vast majority of the healthcare facilities it operates. This permits Life Healthcare, in many cases, to make long-term investment plans to extend its capacity. The Group does not own seven of its 64 healthcare facilities, the majority of which are under long-term lease arrangements. The leased facilities represent 11% of the Group's total hospital and complementary services beds.

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

During 2022 Life Healthcare bought the non-clinical assets of the East Coast Radiology practice in the Eastern Cape, and the non-clinical assets of the Eugene Marais Radiology practice in Gauteng. Life Healthcare also assumed the employment of the radiographers and other non-clinical employees at these practices. Within these practices patients are still billed directly by the radiologists and Life Healthcare is paid a fixed annual amount for the provision of the equipment and non-clinical staff who operate the equipment. During 2023, Life Healthcare continued its South African diversification strategy into nuclear medicine with the acquisitions of TheraMed Nuclear ("**TheraMed**") and PET Vision's non-clinical imaging operations in Gauteng. The Group completed a transaction to acquire the imaging equipment of an imaging practice located at Life Hilton Hospital and Hilton Health, effective 1 March 2024.

Life Healthcare's focus on improving the utilisation of its facilities following the COVID-19 pandemic led to a reduction in bed expansion across the Group's portfolio. We continue optimising our current bed portfolio, only adding beds at facilities where robust demand necessitates expansion. As part of our portfolio optimisation, we closed two facilities during the prior year: a small maternity facility in Gauteng and an acute rehabilitation facility in Bloemfontein.

Patients

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

	Year ended 30 September		
	2024	**2023**	**2022**
Private (incl. private medical schemes and self-pay patients)	98.5%	98.4%	98.3%
Public sector funds (COID and RAF)	1.5%	1.6%	1.7%

Relationships with doctors

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

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

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

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

Relationships with medical schemes

In South Africa, patients are insured by medical schemes, which are in turn either administered by medical aid administrators or are self-administered. Life Healthcare generally negotiates on an annual basis with the medical scheme administrators and self-administered schemes to determine the tariffs to be charged for its services, but in some cases longer-term contracts have been negotiated. In the financial years ended 30 September 2024, 2023 and 2022, payments received from the top four medical aid administrators (Discovery, Medscheme, MMI, and GEMS) accounted for approximately 68.7%, 68.9% and 59.1% of Life Healthcare's revenue, respectively.

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

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

Complementary services

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

- **Renal dialysis:** Life Healthcare's renal dialysis business provides specialised services dedicated to treating patients with CKD who require acute or chronic renal dialysis. The global prevalence of CKD is estimated to be 11.1%[4], making it a significant global non-communicable disorder. The worldwide prevalence of CKD has increased by 29.3% over the past three decades[5], due to the rise in several risk factors, including increasing longevity and lifestyle changes, which have led to increased prevalence of diabetes mellitus and hypertension. Renal dialysis is an essential treatment modality for patients with CKD. Southern Africa has experienced a similar increase in CKD and consequently is seeing increasing demand for renal dialysis. Life Healthcare had grown its footprint in renal dialysis from two units in 2010, to 30 units in 2023. The Group successfully completed the acquisition of 41 Fresenius Medical Care ("**FMC**") renal dialysis clinics in South Africa, effective as of 1 April 2024. As a result of the transaction, the Group has improved its countrywide footprint of renal dialysis clinics which have increased to 71, as well as the number of renal dialysis stations which have increased from 445 to 1 012, providing acute and chronic dialysis treatments to patients with CKD. In 2023, Life Healthcare launched an integrated care product for renal dialysis. This initiative transitioned Life Healthcare from being solely a provider of treatment to participating in a proactive disease management programme with nephrologists and collaborating with treating and referring general practitioners ("**GPs**"). The programme offers support to patients from various health professionals, including social workers, psychologists, dieticians, and other allied health professionals. Life Healthcare continues to promote accessible and affordable renal dialysis, as well as working towards improving patient compliance and outcomes.
- **Acute rehabilitation:** Life Healthcare's acute rehabilitation service provides acute physical and cognitive rehabilitation for adult and paediatric patients disabled by brain or spinal trauma, stroke or other disabling injuries or conditions. Each rehabilitation patient's clinical outcomes and overall progress are scientifically measured to benchmark rehabilitation units and improve patient outcomes. Growth in this service impacted by the slowdown in elective surgery during the COVID-19 pandemic, competition from sub-acute facilities and referral patterns from doctors. As at 30 September 2024, Life Healthcare had nine acute rehabilitation facilities with 287 beds.
- **Mental health:** Mental health issues represent a significant disease burden in SA. Depressive and anxiety disorders are both listed in the top ten non-communicable causes of chronic disability, and their impact on disability grew 16% and 10% between 2007 to 2017 respectively[6]. A recent study has also shown that more than a quarter of South Africans suffer from probable depression, a statistic that may have worsened due to the COVID-19 pandemic[7]. In response to the growing demand for mental healthcare services, Life Healthcare has grown its mental healthcare offering and is now a leading provider of private mental healthcare, with dedicated facilities in five of SA's nine provinces (the Western Cape, Eastern Cape, KwaZulu-Natal, Free State and Gauteng). Life Healthcare's mental health service provides multi-disciplinary mental healthcare to adult and adolescent patients for general psychiatric conditions and substance dependence, or

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

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

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

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

other addictions associated with psychiatric disorders. The treatments offered include evidence-based drug therapy, individual psychiatric consultations and psychotherapy, group therapy and, where needed, physical therapy treatments. These holistic services are provided by a multidisciplinary team which, depending on individual patient needs, could comprise practitioners such as psychiatrists, psychologists, occupational therapists, physiotherapists, social workers, counsellors and nurses. As of 30 September 2024, Life Healthcare operated seven mental facilities with 607 beds, ranking as the second-largest private mental healthcare provider by bed count. Our strategic priority is focussed on becoming the preferred mental health care provider to medical schemes.

- **Oncology:** In 2018, cancer (of all types) was the fourth leading cause of mortality, accounting for almost 10% of all mortality in SA, with cancer-related deaths increasing by 29% between 2008 and 2018[8]. Life Healthcare's oncology services (which include both inpatient and outpatient cancer treatment services) are mostly delivered in an outpatient setting, adjacent to an acute hospital, and form an integral part of the multidisciplinary teams and the varied care pathways that cancer patients may follow during their treatment cycles. At Life Vincent Pallotti Hospital, Life Healthcare has established a technologically advanced oncology centre offering comprehensive cancer management incorporating chemotherapy and radiotherapy (including brachytherapy and stereotactic radiotherapy) together with an extensive counselling programme. This "centre of excellence" includes the installation of a first Varian Ethos™ machine, the first adaptive radiotherapy unit in South Africa. Life Healthcare owns and operates five dedicated oncology facilities across southern Africa which act as referral centres for Life Healthcare's acute hospitals (and other third-party healthcare providers).
- **Diagnostic and molecular imaging:** Our diagnostic imaging includes services at Life Eugene Marias Hospital, our hospitals in the Eastern Cape, Life Hilton Private Hospital and Life Gaborone Private Hospital, which includes seven inpatient and three outpatient facilities and carries out a range of diagnostic imaging services (including plain X-rays, ultrasounds, mammograms, MRIs, and CT scans). Our Nuclear Medicine services are through three outpatient sites in Gauteng offering advanced-technology medical scanning services for the detection and treatment of diseases, such as organ dysfunction and cancer. Each of the three Nuclear Medicine facilities has a triple modality nuclear scanner with the ability to perform SPECT, CT and PET-CT scans. These molecular imaging capabilities are particularly helpful in earlier and more accurate diagnosis of various cancers and this market segment is likely to see growth over the medium-term, particularly if supported by a more consistent supply of radioisotopes within South Africa, something that Life Healthcare is working to deliver through the ALISA JV and the establishment of a cyclotron-based radiopharmacy business. This will introduce the first vertically integrated molecular diagnostics service (ranging from producing isotopes to injecting and scanning patients) in southern Africa. The radiopharmacy business will begin commercial production H1 2025 calendar year. Intellectual property gained through our investment in AMG has significantly contributed to us being recognised as one of the leading companies in the oncology, imaging, nuclear and radiopharmacy space.

Healthcare Services Segment

The Healthcare Services segment represented 5.2% of Life Healthcare's revenue in the financial year ended 30 September 2024.

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

Life Nkanyisa offers specialised care for the most vulnerable people in the country, partnering with South Africa's provincial health and social development departments to provide comprehensive, long-term services for people requiring frail care, chronic mental healthcare, substance abuse and clinical care within a correctional services environment. Life Nkanyisa was impacted by the loss of the Shiluvana contract in Gauteng in April 2024 and the closure of two substance abuse recovery centres, in Randfontein and Witpoort, in July 2024 due to non-renewal of the contract by Gauteng Department of Social Development.

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

Life Nkanyisa[9]	2024	2023	2022
Facilities	7	9	10
Beds	2,308	3,118	3,181
PPDs	1,052,388	1,127,999	1,084,765

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

Life Health Solutions[10]	2024	2023	2022
Total enrolled employees	460,950	461,038	485,258
Occupational health clinics	253	256	250

3.4.2 **International**

LMI

LMI is a fully integrated research and development radiopharmaceutical company dedicated to developing and commercialising innovative molecular imaging agents (radiopharmaceuticals) for use in PET-CT scans. LMI globally supplies its patented radiopharmaceuticals with manufacturing partners. It is established in the EU, UK and US and has built relationships with manufacturers, hospitals, imaging centres and neurologists.

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

The acquisition of LMI in 2018 gave Life Healthcare access to NeuraCeq®, the flagship product of the company. NeuraCeq® is a US FDA, EU EMA and UK MHRA approved injectable F-18 labelled radiopharmaceutical used in PET-CT scans to detect beta-amyloid deposits in the brain. The detection of beta-amyloid deposits forms a key element of the diagnosis of Alzheimer's Disease. The global amyloid PET-CT market is forecast to be $2.5 billion[11] in 2029.

Research indicates that roughly one in nine people over the age of 65 in the US are affected by Alzheimer's, and estimates that over 37 million[12] people in the US, UK and EU suffer from possible Alzheimer's dementia. Prevalence is predicted to increase by around 40%[13] by 2030. Until recently there was minimal clinical need for PET-CT scans to diagnose Alzheimer's as there was no disease modifying treatment available. This has, however, changed in recent years, with significant progress being made with regards to drug treatment for Alzheimer's through DMD approvals, as well as reimbursement coverage for amyloid tracers. The following approvals and announcements have recently been made:

- **Leqembi® (*lecanemab-irmb*) (Eisai/Biogen):** Leqembi® treats Alzheimer's Disease by removing amyloid plaques from the brain. The FDA granted approval for Leqembi® on 6 July 2023. Leqembi® was approved in the UK on 22 August 2024, in the EU on 14 November 2024, and approvals are being sought in Japan, China and Canada.
- **Kisunla® (*donanemab-azbt*) (Eli Lilly):** Phase 3 trial results published in July 2023 demonstrated Kisunla®'s ability to reduce amyloid and slow down cognitive decline. The FDA granted approval for Kisunla® on 2 July 2024 for the treatment of symptomatic Alzheimer's Disease, and the MHRA approved Kisunla in the UK on 23 October 2024.
- **CMS reimbursement for amyloid tracers:** On 13 October 2023, the CMS lifted its national coverage decision on amyloid imaging, allowing unrestricted reimbursement for amyloid tracers.

9 Extracted from the Company's integrated annual report.
10 Extracted from the Company's integrated annual report.
11 Calculation based on assumptions on the AD and MCI population size, population eligible for PET-CT scan, and % referred for amyloid PET-CT scan and a price of $2,000 per dose.
12 Number of sufferers identified based on understanding of current Alzheimer's Disease ("**AD**") and Mild Cognitive Impairment ("**MCI**") prevalence within >65 YOA population. Refers to amyloid PET-CT scans.
13 World Health Organization, Ageing and Health Report 2022.

LMI intends to execute its strategy through three distinct pathways:

- **Pathway 1: Deliver NeuraCeq®**

  NeuraCeq®, used to help diagnose Alzheimer's Disease, is used by many reputable, global institutions and pharmaceutical companies. It delivers significant value by providing accurate and specific detection of amyloid plaques that aids in the diagnosis of Alzheimer's Disease. This diagnosis enables patients to access disease-modifying drugs and medical support to reduce symptoms and improve their condition. NeuraCeq® is well-placed to capitalise on the growing opportunity.

- **Pathway 2: Maximise product pipeline**

  This comprises multi-stage products which diversifies LMI into different diseases and into the therapeutics space, which include:

  – Late-stage products:

    – PI-2620, a late-stage product, that binds to tau depositions and is a complementary product to NeuraCeq®; and

    – CardioCeq, a late-stage product based on florbetaben F-18, used to identify Cardiac Amyloidosis, an underdiagnosed cause of heart failure.

  – Early-stage products:

    – GP1, an early-stage product, which can detect the presence and active accumulation of blood clots before downstream implications are detected, i.e. high blood pressure and ultimately strokes; and

    – DED, an early-stage product that detects neuroinflammation, a major driver of Alzheimer's Disease progression.

- **Pathway 3: Sustain R&D services**

  Providing R&D as a service delivers significant value for LMI as a consistent revenue stream that is less subjective to regulatory approvals, provides an ability to build new and expand existing relationships, as well as generate new opportunities for the pipeline of LMI.

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 DMDs mentioned above. Higher commercial sales of NeuraCeq®, 91.9%[14] rise in doses year-on-year, ongoing demand for LMI's radiopharmaceuticals in clinical trials, and R&D services for clinical research organisations coupled with the $36 million initial payout for RM2 out-licensing to the Purchaser, is largely responsible for increasing LMI revenue by 181.3% for the year ended 30 September 2024.

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

14 Life Healthcare integrated report for the year ended 30 September 2024.

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

Pipeline products	Brief description	Phase of development	Target approval	Product stage
PI-2620	Detection of **Alzheimer's Disease** ("**AD**"), **Progressive Supranuclear Palsy** ("**PSP**") and **Corticobasal Syndrome** ("**CBS**")"	**Phase 3**	**2027**	**Late-stage products** Next-generation radiotracers coming to market in the next 3 years
CardioCeq	Detection of **cardiac amyloidosis**	**Phase 3**	**2027**	
GP-1	Detection of **thrombus** and **strokes**	**Phase 1**	**2029+**	**Early-stage products** Longer term pipeline products across diagnostics and therapeutics
DED	Detection of **neuroinflammation** in AD and **other neurodegenerative** diseases	**Phase 1**	**2029+**	

3.5 **The prospects of the Group after completion of the Transaction**

3.5.1 ***Strategic positioning and investment case***

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

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

- **Leading South African market position in an attractive and defensive industry:** Life Healthcare is a leading private hospital operator in an attractive and defensive healthcare market. As at 30 September 2024, Life Healthcare is estimated to have held market share of approximately 23% of the private hospital beds in South Africa, with the Group operating from an extensive geographic network of 64 healthcare facilities, including 48 acute facilities. Life Healthcare is a cost-effective provider of healthcare and is the leading hospital operator for preferred provider agreements with medical healthcare funders. Life Healthcare's preferred provider status is demonstrated by being the #1 acute hospital network provider in South Africa, and remain the designated service provider for the major networks and is bolstered by the introduction of Life Healthcare's renal value-based care product including a strong pipeline of other value-based care products. In addition, Life Healthcare is one of the largest providers of contracted occupational healthcare in South Africa and operates the largest healthcare public-private partnership in South Africa in partnership with provincial departments of health and social development.
- **Clinical excellence with a focus on patient-centred care:** Life Healthcare has a strong track record of providing high-quality, cost-effective, and measurable healthcare. The Group maintains international quality certifications and benchmarking against global health and safety, clinical and nursing best practices. Quality is one of Life Healthcare's key strategic pillars and continually improving the safety and quality of care is core to the Group's culture. Striving to consistently improve patient outcomes, enhance the patient experience and work closely with doctors has been, and remains, at the epicentre of Life Healthcare's business, as evidenced by the Group's quality and patient safety outcomes.
- **Track record of operational performance, supported by a strong recovery following the COVID-19 pandemic:** Life Healthcare has an exceptional long-term track record of strong revenue and EBITDA growth in southern Africa, with compound annual growth rates ("**CAGR**") between 2010 and 2019 of 8.6% and 11.4% respectively. The COVID-19 pandemic during 2020 saw revenue decline by 6.6% and normalised EBITDA decline by 34.0%. However, by 30 September 2024, Life Healthcare's revenue had grown by 37.3% (from 30 September 2020) while normalised EBITDA had grown by 45.3% over the same period.

- **Life Healthcare is at the forefront of an evolving complementary services landscape in southern Africa:** Through various investments in high-quality, attractive, complementary businesses in recent years, Life Healthcare has accelerated its growth into non-acute services and advanced its strategy to establish market-leading positions across renal dialysis, acute rehabilitation, mental health, oncology, diagnostic and molecular imaging and radiopharmacy. The Group's growth in these services is central to its continued development as an integrated healthcare provider and is aligned with its focus on the development of value-based care products in South Africa. Revenue from complementary services increased to ZAR 2.05 billion reflecting a CAGR of 20.7% from 2021.
- **Established and growing integrated care platform, well positioned to deliver growth and quality across the continuum of care:** Several initiatives are currently underway to enhance Life Healthcare's integrated care model, including integration of recent acquisitions in renal, diagnostic imaging and nuclear medicine and ongoing investment in new value-based care products. In addition, the investment into building two cyclotrons in Gauteng through the ALISA JV will enhance the Group's molecular imaging (PET-CT and SPECT) capability while also bolstering the diagnostic capability of the Group's oncology services.
- **Experienced and dedicated management team, focused on delivering Life Healthcare's 2030 strategy:** The Group's management team has a proven track record of performance within the healthcare sector. The employment contracts of several critical Life Healthcare executive management team members currently have a minimum notice period of 12 months' and a further six months restraint of trade ensuring that critical skills are retained in the business going forward and that there is minimal disruption to the business.

3.5.2 ***Life Healthcare's strategic priorities***

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

The Group's vision to be the preferred healthcare provider and the best place to work will continue following the completion of the Transaction.

Informed by the Group's strategic pillars and capital allocation framework, Life Healthcare's key strategic priorities to deliver on its 2029 strategy include:

- Growing the core acute hospital business by becoming the preferred hospital group through the delivery of efficient, affordable, high-quality healthcare services;
- Enhancing and accelerating Life Healthcare's diversified and integrated offering in southern Africa, including the development of new care delivery models;
- As part of the Group's integrated strategy, developing a portfolio of value-based care products;
- Public-private partnerships and National Health Insurance opportunities;
- Investing in Life Healthcare's enablement strategy across people, sustainability and technology, data, and analytics; and
- Achieve improved returns on investment.

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

Grow the core acute hospital business

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

The acute hospital business has demonstrated a solid recovery following the impact of the COVID-19 pandemic in 2020. The network deals continue to drive additional patient volumes and activities into Life Healthcare's facilities and help to further improve the utilisation of these facilities.

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

Life Healthcare continues to engage and negotiate with medical insurance funders to optimise pricing arrangements and service offerings to remain a competitive provider in South Africa. Evidence of the success is through Life Healthcare being the number #1 acute hospital network provider in South Africa. The Group aims to enhance its operational capabilities through the expansion of facilities within existing hospitals (brownfield expansion) or greenfield expansion (new facilities) by adding additional beds, wards and/or operating theatres in hospitals where occupancies are high and where projects are expected to deliver strong returns. Several large capital projects are currently under way, including the refurbishment and upgrades to multiple facilities. Growth plans include 219 beds, with 79 beds being added in FY2025, and the commencement of a 140-bed hospital in the Western Cape.

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

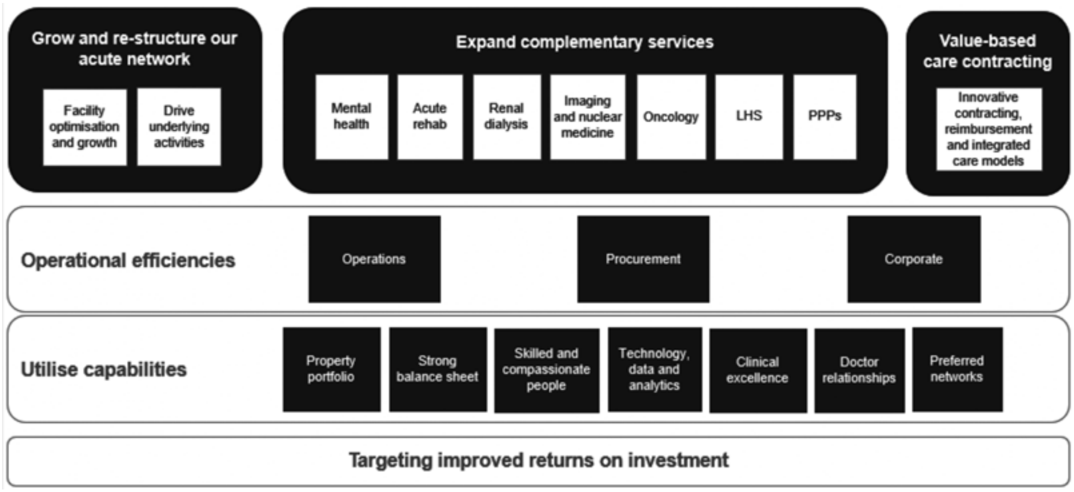
Growing the core acute hospital business through a combination of:

- Retaining and adding preferred provider networks;
- Doctor and specialist recruitment;
- Expansion of ICU, high care and general ward beds in hospitals with high occupancies;
- Expansion of key facilities, including additional cardiac catheterisation labs and vascular labs;
- Expansion or upgrades of emergency units; and
- Additional consulting rooms.

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

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

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



1 As part of the ALISA JV, two cyclotrons are being built at a facility in Gauteng. Completion was during 2024 and commercial production starts H2 2025.

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

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

- **Bolstering the renal dialysis footprint:** Life Healthcare concluded the acquisition of 41 FMC renal dialysis clinics in South Africa. As a result of the transaction, the Group has improved its countrywide footprint of renal dialysis clinics which have increased to 112, as well as the number of renal dialysis stations which have increased from 445 to 1,012. This transaction was effective 1 April 2024. The Namibian transaction effective date was 1 October 2024. The eSwatini leg of the transaction is on hold. The acquisition will significantly strengthen Life Healthcare's existing renal dialysis footprint and increase the scale of its integrated renal care product, as described further in paragraph 3.4.1.

- **Mental health:** Life Healthcare's objective in the medium-term is to enhance and bolster mental health services through expanding services to outpatient care, pre-hospitalisation management, and targeting interventions based on trigger events, such as trauma bereavement. Key to this strategy is working with industry, clinical role-players and practitioners on the care of a mental health patient and escalation and discharge protocols, proactive engagement with medical schemes on benefit models, and system and process upgrades to allow for clinical outcome metrics to be captured and overseen by Life Healthcare's teams and partners in psychiatry focused clinical management.
- **Acute rehabilitation:** Life Healthcare's medium-term expansion in acute care facilities over the next two years includes two additional acute rehabilitation facilities in different provinces with approximately 287 beds. Our strategy is continued evaluation and expansion through greenfield or brownfield sites.
- **Development of oncology centres of excellence:** In 2016, Life Healthcare took the strategic decision to drive change in the way cancer treatment is being delivered in South Africa with the aim of providing innovative treatment to improve outcomes, affordability, and increased access to the latest world-class treatment available. As described in paragraph 3.4.1, cancer is one of the fastest growing diseases and is increasing as a cause of deaths in South Africa. The number of cancer cases is expected to significantly increase by 2040, and yet the treatment of cancer continues to be delivered in a fragmented, non-integrated system with varying quality outcomes and with few pockets of excellence. As part of this strategy, Life Healthcare has developed Life Vincent Pallotti Hospital in Cape Town as a world-class oncology centre and recently installed a Varian Ethos™ machine, the first adaptive radiotherapy unit in South Africa, with the ability to deliver AI-assisted personalised radiotherapy for Life Healthcare's oncology patients. The Life Vincent Pallotti oncology service delivers world-class screening, diagnostics and novel treatment technologies, and is supported by a national network of units ensuring access to the best cancer care. Life Healthcare's go-forward oncology strategy is underpinned by a best-in-class approach to facilities, equipment, human resources and associations with the best oncology centres worldwide. Life Healthcare's integrated care products under development (including preventative screening, diagnostics, medical oncology, radiation oncology, clinical trials, research, and support care in the form of counselling and rehabilitation as well as palliative care) will deliver a holistic patient journey, supported by technology, data and analytics. The Group plans to extend the oncology offering to other major centres in South Africa and services will be significantly bolstered by the inclusion of PET-CT services following the TheraMed and PET Vision acquisitions and in the medium-term by the development of a vertically integrated radiopharmacy division in South Africa once the ALISA JV cyclotrons are commissioned. A PPP tender was awarded for oncology in the Gauteng province.
- **Growing the diagnostic and molecular imaging service offering and the provision of radiotracers within South Africa:** Global trends, including an ageing population and increasing burden of disease, underpin an increasing role for diagnostic imaging as part of early diagnosis techniques. Early diagnosis translates to better treatment, outcomes and lower cost of care[15]. Additional trends and advancements in technology, including population based diagnostic programmes, personalised therapy (including genomics and theranostics) and interventional radiology (minimally invasive, improved outcomes and shorter stays in hospital) are further supporting growth and long-term fundamentals for diagnostic imaging services. During 2022, Life Healthcare acquired the non-clinical assets of the East Coast Radiology and Eugene Marais Radiology practices, bringing the provision of diagnostic imaging into the complementary services division for the first time. In May 2023, Life Healthcare also announced the acquisition of the non-clinical operations of TheraMed in Gauteng. Subsequently, Life Healthcare also acquired the non-clinical assets of PET Vision. Life Healthcare completed a transaction to acquire the imaging equipment of an imaging practice located at Life Hilton Hospital and Hilton Health, effective 1 March 2024. These transactions further entrench Life Healthcare's commitment to investing in medical imaging in South Africa and extend Life Healthcare's capabilities into nuclear and molecular imaging. As part of this journey, Life Healthcare will drive improved accessibility for clinicians and their patients in earlier detection and more accurate treatment planning for cancer patients across the country. The acquisitions also complement the ALISA JV announced in 2021 to develop two cyclotrons

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

in South Africa, which will improve the stability of radioisotope supply, and serves to complement and support the expansion of the Group's molecular imaging and oncology services. Life Healthcare continues to explore additional acquisition opportunities within the diagnostic imaging market in South Africa.

The two cyclotrons being developed as part of the ALISA JV, will start commercial production in early 2025 and will increase radioisotope production capacity and introduce more consistent supply of the radioisotopes in southern Africa. This is expected to increase the usage of PET-CT scans, which require radioisotopes, as part of pathways designed to diagnose cancer patients at an earlier stage. These cyclotrons will complement both the oncology services and nuclear and molecular imaging services that form part of Life Healthcare's complementary services business. This will include other sought-after medical-grade isotopes for all PET-CT customers in southern Africa and access to isotopes for oncology, cardiovascular and neuro-degenerative diseases. This represents a significant advancement for patients in southern Africa, as the use of PET-CT imaging technology in diagnostics enables clinicians to diagnose diseases earlier and more accurately. Following international guidelines, PET-CT should be the preferred and recommended protocol in more than 40% of all cancer tumour cases. This pioneering joint venture will support South Africa's nuclear medicine community and paves the way for providing PET-CT scanning services and other opportunities for our Group across the region in the near future. Our experience in managing AMG bolsters our ability in the provision of these services across southern Africa. AMG currently provides consulting services to Life Healthcare to help establish and run diagnostic and molecular imaging and cyclotrons. AMG will continue to provide these services to Life Healthcare on an arms-length and contractual basis.

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

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

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

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

The Group sees significant value in the adoption and roll out of additional value-based care models, with this approach widely expected to reframe how all contracting with funders is structured. Having launched a renal dialysis value-based care product earlier in the year, Life Healthcare is currently developing a number of other value-based care products. These include a Maternity ICP, Private Fixed Fees and a Peri-Operative Product.

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

Public-private partnerships and National Health Insurance opportunities

Life Healthcare will continue to explore opportunities to partner with public health services in southern Africa. Whilst supporting the concept of universal healthcare access, the Group is of the view that the current NHI proposals in South Africa, that include creating a single fund that collects money and purchases services (from the public and private sectors) while at the same time restricting private health insurance coverage, will not result in improved healthcare access for all South Africans. It is crucial to identify practical and sustainable alternatives that provide wider healthcare access without destabilising the healthcare system. Private healthcare providers could play a bigger role in the delivery of public healthcare services, either through some form of NHI or through other public-private contracting partnerships, as is the case in the other markets where Life Healthcare has operated historically. The Group views potential public-private contracting opportunities as a means to improve the utilisation of the Group's existing facilities whilst also addressing the need for broader access to high-quality, accessible and affordable healthcare in South Africa.

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

Our commitment is rooted in the best interests of our doctors, nurses and – most importantly – our patients.

Sustainability

Sustainability is a key strategic focus for the long-term viability of the Group. Life Healthcare has been deliberate in integrating sustainability into the value creation strategy through appropriate investment and minimising our environmental impact while positively impacting the communities in which we operate.

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

Life Healthcare's current environmental targets include reducing non-healthcare-related waste to landfill by 2030 and net-zero emissions by 2050. Additional initiatives focus on the annual reduction of water consumption and the continued rollout of solar installations across the Group's hospitals. Life Healthcare is proud of its AAA MSCI ESG rating, as well as the 3 FTSE/JSE Responsible Investment Index score achieved and remains focused on maintaining and improving these ratings.

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

Life Healthcare maintained a Level 3 B-BBEE status in 2024 and this commitment, as well as its commitment to broader sustainability, will not be impacted by the Transaction. The positioning of Life Healthcare following the Transaction as a leading, diversified healthcare services provider in southern Africa will allow the Group to solidify its ESG agenda and continue to prioritise initiatives that advance South Africa's sustainability imperatives.

Technology, data and analytics

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

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

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

Life Healthcare achieved a major milestone in completing the IT network and infrastructure upgrades across its acute hospital and complementary facilities during 2023. This modernisation enables the exploitation of latest technology advances to improve care but also enables more efficient use of technology to reduce costs. The experience of patients, colleagues and doctors in the hospital and facilities is already showing significant improvement, with the foundation now laid further improvement. Cloud migration projects driving operational stability and enhanced information security and disaster recovery capabilities was completed. We have also completed our IMeds-Off project that improves efficiency and application stability with all functionalities now in Impilo.

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

3.5.3 ***Life Healthcare's capital allocation framework***

The Group typically converts more than 95% of EBITDA into cash. This cash from operations is available to service finance costs and pay tax. The Group then allocates cash for maintenance and replacement capital expenditure as determined by the individual business units and approved by the Board through the annual budget process. The free cash remaining after finance costs, tax, distributions to non-controlling interests and maintenance and replacement capital expenditure is then available for selected growth opportunities and distributions to shareholders. The Group will also fund growth opportunities through debt as long as gearing levels remain within acceptable levels.

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

As at 30 September 2024, the Group's net debt to normalised EBITDA was at 0.45 times and well within its bank net debt to normalised EBITDA covenant of 3.5 times.

3.5.4 ***Distributions to Shareholders***

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

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

4. TERMS OF THE TRANSACTION

4.1 Conditions Precedent

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

- An ordinary resolution in terms of section 9 of the JSE Listings Requirements to approve the Transaction having been passed by Shareholders at the General Meeting to be convened in accordance with the Notice of General Meeting;
- The parties having obtained antitrust approvals in the USA and the United Kingdom and foreign investment approval in Germany (together "**Regulatory Condition**");
- The SARB having granted approval in terms of the Exchange Control Regulations for the provision of a guarantee by Life Healthcare in favour of the Purchaser in support of a breach of one or more of the fundamental warranties provided by LMGL, the customary adjustments relating to the Upfront Payment and the indemnity for "specific" tax liabilities (as described in paragraph 4.4 below); and
- The purchaser of AMG having provided its consent, to the extent required pursuant to the sale and purchase agreement dated 5 October 2023 ("**AMG SPA**") between Alliance Medical Group Limited (now renamed LMGL), Life Healthcare and Andromeda Bidco Limited (as amended on 30 January 2024), and any conditions to the effectiveness of such consent having been fulfilled or waived (the "**AMG Condition**").

4.2 **Unconditional Date and Completion Date of the Transaction**

Subject to the fulfilment or waiver of the Conditions Precedent set out in paragraph 4.1 above, the Company expects the Completion Date of the Transaction to occur during 2025. The Sale and Purchase Agreement provides that the Conditions Precedent must be fulfilled or waived (to the extent possible) on or before the Long-stop Date.

4.3 **Sale and Purchase Consideration**

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

4.3.1 ***Upfront payment***

The purchase consideration comprises the Upfront Payment of an enterprise value of \$350 million (approximately ZAR 6,475 million[16]), on a cash free, debt free basis and further adjusted to reflect any surplus or deficit of working capital at the Completion Date compared to an agreed normalised level, payable in cash, to LMGL on the Completion Date, free of any lien, right of set-off, counterclaim or other analogous right and three types of potential earnout payments (collectively the "Earnouts") as follows.

4.3.2 ***Earnouts***

- **Earnout 1: Annual NeuraCeq® Net Sales Earnout Payments**

  An annual payment, in cash, for each of the 2027, 2028 and 2029 calendar years of an amount equal to 23% of NeuraCeq® net sales in the USA in that calendar year that exceed \$225 million, capped at \$225 million (approximately ZAR 4,163 million[16]) in aggregate for that three-year period.

- **Earnout 2: NeuraCeq® Net Sales Milestone Payment**

A one-time milestone payment of \$125 million (approximately ZAR 2,313 million[16]) payable in cash, if NeuraCeq® global net sales exceed \$1.25 billion in any single calendar year in the period from the Completion Date until 31 December 2034.

- **Earnout 3: Other Pipeline Assets Net Sales Milestone Payment**

  A one-time milestone payment of \$50 million (approximately ZAR 925 million[16]) payable in cash, if the aggregate net sales in the USA of three of LMI's pipeline products (being [^{18}F]PI-2620 (Tau), [^{18}F]GP-1 (GPIIbIIIa) and "[^{18}F]DED (MAO-B)) exceed \$500 million in any single calendar year in the period from the Completion Date until 31 December 2034.

In addition to the Purchase Consideration, Life Healthcare will retain the commercial benefits awarded to LMI under the sub-license agreement reached with the Purchaser's group in June 2024 for RM2, subject to agreeing upon the terms on which the net economic benefit of that RM2 sub-licence agreement will be delivered to Life Healthcare prior to Completion.

The RM2 sub-license agreement provides for milestone and royalty payments linked to the development, approval and sales of the RM2 early-stage novel diagnostic and therapeutic products. These products are at an early stage of development and therefore the majority of the milestone and royalty payments are not ascertainable at this stage.

4.4 **Other significant terms**

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

- the provision of warranties by LMGL in favour of the Purchaser, which warranties include:
  - warranties classified as "fundamental warranties", which relate to, *inter alia*, LMGL's title to the Sale Shares and shares in the LMI group companies, LMGL's capacity and authority to enter into the Sale and Purchase Agreement and the solvency of LMGL and the members of the LMI group;
  - other warranties which relate to, *inter alia*, the business of the LMI group, including in relation to its financial accounts, licences, compliance with laws, assets, employees and tax affairs;

16 Assuming an exchange rate of ZAR 18.5 / \$

- a tax covenant between LMGL and the Purchaser in terms of which LMGL undertakes to indemnify the Purchaser against certain "general" tax liabilities and costs related thereto, and a separate tax indemnity between LMGL and the Purchaser in terms of which LMGL undertakes to indemnify the Purchaser against certain "specific" tax liabilities and costs related thereto;

- provisions capping LMGL's liability and setting various time limits within which claims under the Sale and Purchase Agreement must be made. The key points of note in this regard include:
  – the non-fundamental warranties given by LMGL are covered by a warranty and indemnity insurance policy ("**W&I policy**") obtained by the Purchaser and as such (subject to the terms of the W&I policy), LMGL's liability in respect of such warranties is capped at $1;
  – the tax covenant given by LMGL is also covered by the W&I policy and LMGL's liability in respect of that is capped at $1;
  – LMGL's liability in respect of the indemnity for "specific" tax liabilities is capped at $10 million and time limited up to 1 January 2029;
  – LMGL's liability in respect of all claims under the Sale and Purchase Agreement (including in respect of the fundamental warranties and the indemnity for "specific" tax liabilities) shall not exceed the total proceeds paid by the Purchaser to LMGL in connection with the Transaction;
- Life Healthcare will provide a guarantee in favour of the Purchaser in relation to LMGL's obligations in the event of a breach of one or more of the fundamental warranties provided by LMGL, the customary adjustments relating to the Upfront Payment and the indemnity for "specific" tax liabilities;
- Lantheus Medical Imaging, Inc. (a wholly-owned Subsidiary of Lantheus) will provide a guarantee in favour of LMGL in relation to the Purchaser's obligations in the Sale and Purchase Agreement;
- customary non-compete and non-solicitation undertakings provided by LMGL and Life Healthcare in favour of Lantheus;
- the Purchaser will reimburse reasonable costs incurred by LMGL in connection with the regulatory clearances required in connection with the Regulatory Condition in excess of $1.5 million;
- if the Regulatory Condition is not fulfilled by the Long-stop Date, all other Conditions Precedent have been fulfilled or waived by the Long-stop Date and a party serves notice to terminate the Sale and Purchase Agreement in accordance with its terms, the Purchaser will pay a break fee of $20 million to LMGL unless the cause of the Regulatory Condition not being satisfied is a result of LMGL's breach of certain of its obligations in the Sale and Purchase Agreement relating to the Regulatory Condition;
- if the AMG Condition is not fulfilled by the Long-stop Date, all other Conditions Precedent have been fulfilled or waived by the Long-stop Date and a party serves notice to terminate the Sale and Purchase Agreement in accordance with its terms, LMGL will pay a break fee of $20 million to the Purchaser; and
- if the directors of the Company (a) do not recommend to the Shareholders of the Company, at the same time as the Circular is dispatched to them, the passing of the Resolutions or (b) withhold, withdraw, qualify of modify their recommendation, or approve or recommend a competing offer for LMI, and in each case the Resolution is not passed by the Shareholders, LMGL will pay a fee of $5 million to the Purchaser.

5. APPLICATION OF THE PURCHASE CONSIDERATION

As part of the original acquisition of LMI, the following arrangements were entered into:

- LMI Management Incentive Scheme
  – LMI's senior management team participates in a management incentive scheme ("**LMI Management Scheme**") which expires in June 2028. In terms of the scheme, LMI senior management shares in management EBITDA[17] over time calculated on a percentage which ranges between 4%–8% (depending on management EBITDA performance relative to the LMI business plan agreed in 2019) and subject to both cumulative management EBITDA and management EBITDA being positive, in any given year. In the event of a sale, net proceeds are added to management EBITDA when calculating any payments due to LMI management in any given year. In accordance with the terms of the LMI Management Scheme, an estimated payment of $18 million will be payable to LMI management from the Upfront Payment post Completion. No directors of Life Healthcare participate in the LMI Management Scheme.

17 Management EBITDA calculated as EBITDA less cash spend on fixed and intangible assets.

- Piramal Agreement
  - A profit-sharing arrangement is in place between LMGL and Piramal Enterprises Limited's group ("**Piramal**") ("**Piramal Agreement**"), one of the original investors in LMI. In terms of the agreement, from the date of Life Healthcare's acquisition in 2018 for a period of ten years (and with expiry in June 2028), deferred consideration becomes payable based on cumulative management EBITDA[18] performance, measured from the date of acquisition. Once LMI's cumulative management EBITDA position turns positive, Piramal earns 50% of management EBITDA in any given year up to June 2028, up to a maximum cumulative amount of $200 million. In the event of a sale, net proceeds (whether received by the Life Healthcare group before or after June 2028) are added to management EBITDA when calculating any deferred consideration due to Piramal in any given year ("**Piramal Contingent Consideration**"). The Piramal Contingent Consideration that will be payable to Piramal from the Transaction Upfront Payment is estimated to be $141 million.

Subject to Board approval, Life Healthcare intends to return the net proceeds from the Upfront Payment to Shareholders within 12 months of the Completion Date, following, *inter alia*:

- The settlement of Transaction costs;
- The settlement of incentives payable by LMI to LMI management as described above; and
- The settlement of Piramal Contingent Consideration in terms of the Piramal Agreement as set out more fully above.

Post Completion Date, the LMI Management Scheme will remain in place to the end of June 2028. Any net proceeds received by LMGL pursuant to the Earnouts prior to expiry of the LMI Management Scheme in June 2028 will be included in the calculation of management EBITDA. Payments due to LMI management based on the LMI Management Scheme will be paid to scheme participants by LMI over the scheme period.

Additionally, and in terms of the Piramal Agreement, post Completion Date Life Healthcare will continue to be liable for payments due to Piramal based on the management EBITDA performance of LMI to the end of June 2028 and any net proceeds received by Life Healthcare pursuant to the Earnouts (whether received by the Life Healthcare group before or after June 2028), up to the maximum aggregate payment to Piramal of $200 million.

In terms of the SPA, Life Healthcare and Lantheus will contribute equally to any annual payments due to LMI management in terms of the LMI Management Scheme and payments due to Piramal in terms of the Piramal Agreement following Completion (but in each case excluding amounts payable by Life Healthcare from the Upfront Payment), subject to Lantheus's total cumulative contribution being limited to $30 million.

The anticipated net proceeds payable to Life Healthcare post transaction costs, the LMI Management Scheme, Piramal Contingent Consideration, and Lantheus contribution to LMI Management and Piramal are set out below:

$'m	**Upfront Payment[1]**	**Potential Earnouts[2]**
	(Within 12 months of closing)	(Between 2026 and 2034)
Upfront payment	350	
Est. earnout 1 (NeuraCeq® USA sales)		225
Est. earnout 2 (NeuraCeq® global sales)		125
Est. earnout 3 (other pipeline products USA sales)		50
Total Lantheus payments	**350**	**400**
Cash and debt-like items (incl. net working capital adjustment and incentive schemes)	17	
Transaction costs	(11)	(2)
LMI Management Scheme	(18)	(1)
Piramal Contingent Consideration	(141)	(59)
Lantheus contribution to LMI Management and Piramal		30
Total net proceeds	**197**	**368**

Notes:

1. Net proceeds of the Upfront Payment are an estimate and are subject to finalisation at closing.
2. Represents potential earnouts and payments to LMI Management and Piramal. These are estimates which are subject to both business performance and the earnouts.

18 Management EBITDA calculated as EBITDA less cash spend on fixed and intangible assets, and post LMI management incentives.

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

6. CATEGORISATION OF THE TRANSACTION

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

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

7. OVERVIEW OF LANTHEUS

Lantheus is a leading radiopharmaceutical-focused company with proven expertise in developing, manufacturing, and commercialising pioneering diagnostic and therapeutic products and artificial intelligence ("**AI**") solutions. For more than 65 years, Lantheus has been advancing patient care by learning, adapting and making advancements across the healthcare spectrum. Lantheus has been an instrumental pioneer in the field of medical imaging and, today, it's reaching further still with novel therapeutics and AI technologies. Lantheus' portfolio consists of:

- **Precision Diagnostics** that Find and Follow diseases in non-oncologic conditions.
- **Radiopharmaceutical Oncology** diagnostic and therapeutic products that Find, Fight and Follow® cancer.
- **Strategic Partnerships** that empower precision medicine through the use of biomarkers and digital solutions.

Lantheus commercial products are used by nuclear medicine physicians, oncologists, radiologists, urologists, cardiologists, internal medicine physicians, sonographers and technologists working in a variety of clinical settings.

Lantheus is the beneficial owner of the Purchaser, is listed on the NASDAQ: LNTH and has offices located in Massachusetts, US, Canada and Sweden.

8. INTERESTS OF LANTHEUS

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

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

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

Life Healthcare holds no beneficial interest in Lantheus.

9. FINANCIAL INFORMATION

9.1 Historical financial information of Life Healthcare

The full audited consolidated annual financial statements of Life Healthcare for the financial years ended 30 September 2022, 2023 and 2024 can be accessed on the Company's website (https://www.lifehealthcare.co.za/investor-relations/results-and-reports), and will be made available for inspection by Shareholders at the registered office of Life Healthcare and can be made available through a secure electronic manner at the election of the Shareholder requesting inspection.

9.2 **Carve-Out historical consolidated financial information of LMI**

The audited Carve-Out Historical Consolidated Financial Information of LMI for the financial year ended 30 September 2024 and the reviewed Carve-Out Historical Consolidated Financial Information for the financial years ended 30 September 2023 and 2022 are set out in Annexure 1 of this Circular (the "**Carve-Out Historical Consolidated Financial Information**").

- The Carve-Out Historical Consolidated Financial Information comprises a detailed Carve-Out Consolidated Statement of Financial Position, Carve-Out Consolidated Statement of Profit or Loss, Carve-Out Consolidated Statement of Comprehensive Income, Carve-Out Consolidated Statement of Changes in Equity, Carve-Out Consolidated Statement of Cash Flows and notes to the Carve-Out Historical Consolidated Financial Information for the financial years ended 30 September 2022, 2023 and 2024 as set out in Annexure 1.

Shareholders are advised that:

- The book value of the net assets of LMI was $110 million (approximately ZAR 1,884 million) as at 30 September 2024, being the date of the latest audited published annual financial statements of the Group, which were prepared in accordance with IFRS; and
- The operating profits attributable from LMI were $31.6 million (approximately ZAR 583 million) for the year ended 30 September 2024, being the date of the latest audited annual financial statements of the Group which were prepared in accordance with IFRS.

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

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

9.3 ***Pro forma* financial information of the Transaction**

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

The Transaction *pro forma* financial information has been provided for illustrative purposes only, to provide information on how the Transaction may have affected the results and financial position of the Life Healthcare Group, assuming it was implemented for the financial year ended 30 September 2024. Because of its nature, the Transaction *pro forma* financial information may not fairly present Life Healthcare Group's financial position, changes in equity, results of operations or cash flows post the completion of the Transaction.

The Transaction *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors. The Transaction *pro forma* financial information has been prepared in accordance with the Listings Requirements, the Guide on *pro forma* Financial Information issued by the South African Institute of Chartered Accountants and the Life Healthcare Group's accounting policies. The accounting policies used in the preparation of the *pro forma* financial information are compliant with IFRS and is consistent with those applied in the audited consolidated annual financial statements of Life Health Care for the year ended 30 September 2024.

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

The table below shows the *pro forma* financial effects of the Transaction, based on the audited financial results for the financial year ended 30 September 2024 and on the assumptions that:

- for the purposes of calculating the NAV per Share and Tangible NAV per Share, the Transaction was effected on 30 September 2024; and
- for the purposes of calculating the attributable EPS and HEPS, the Transaction is assumed to have been effective on 1 October 2023.

	Before the Transaction(1)	*Pro forma* after the Transaction(2)	% Change between(1) and(2)
Basic earnings per share (cents)	328.8	460.0	39.9%
Diluted earnings per share (cents)	328.8	456.8	38.9%
Basic headline earnings per share (cents)*	152.9	(140.8)	(192.1%)
Diluted headline earnings per share (cents)*	152.9	(140.8)	(192.1%)
NAV per share (cents)	921.2	1,106.2	20.1%
Tangible NAV per share (cents)	677.8	930.1	37.2%
Weighted average number of Shares in issue (millions)	1,443.1	1,443.5	0.0%
Number of Shares in issue (millions)	1,467.3	1,467.3	0.0%
Weighted average diluted number of Shares in issue (millions)	1,453.0	1,453.7	0.0%

*In accordance with the rules of the Headline earnings per share ("**HEPS**") Circular, the profit on disposal is excluded from the calculation, but the transaction costs and fair value adjustment of the Piramal contingent consideration remain within HEPS, which have resulted in negative headline earnings. Refer annexure 3.

Notes and assumptions:

1. The financial information in the "Before" column has been extracted, without adjustment, from the audited published annual results of the Life Healthcare Group for the year ended 30 September 2024.
2. Represents the NAV, Tangible NAV, EPS and HEPS after the effects of the Transaction. Refer to Annexure 3 for detailed notes on the Transaction adjustments.
3. Represents the percentage movement as a result of the Transaction, being the percentage movement from column 1 to column 2.

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

10. INFORMATION RELATING TO LIFE HEALTHCARE

10.1 Share capital and share history

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

	Number of shares	Total value (ZAR)
Authorised		
Shares of ZAR 0.000001 each	4,149,980,000	4,150
Issued		
Shares of ZAR 0.000001 each		
Treasury shares	1,467,349,162	1,467,349
Treasury Shares before the Transaction		
Treasury Shares after the Transaction	25,255	505

10.2 Major Shareholders and interests

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

Shareholder	Number of Shares held	Percentage of issued Share capital
Government Employees Pension Fund (PIC)	225,577,871	15.4%
Allan Gray Proprietary Limited	141,818,400	9.7%
Lazard Asset Management LLC Group	129,888,233	8.9%
Ninety One SA Proprietary Limited	90,142,789	6.1%
Total	**587,427,293**	**40.1%**

10.3 **Material changes**

The Directors are not aware of any material changes in the financial or trading position of Life Healthcare or the Group and its Subsidiaries subsequent to the audited published Group annual results for the year ended 30 September 2024, other than the changes which are the subject of this Circular.

10.4 **Material loans**

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

10.5 **Material contracts**

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

11. INFORMATION RELATING TO THE DIRECTORS

11.1 **Directors' interests in Shares and the Purchaser**

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

Director	Direct beneficial	Indirect beneficial	Associate interest	Total	% of issued Shares
Executive Directors					
PG Wharton-Hood	1,879,701	2,362,984	–	4,242,685	0.2
PP van der Westhuizen	1,158,736	1,435,125	4,832	2,598,693	0.1
Non-executive Directors					
VL Litlhakanyane	10,000	–	–	10,000	0.001
PJ Golesworthy*	31,224	–	–	31,224	0.002
GC Solomon*	143, 612	–	–	143,612	0.010
Total	3,223,273	3,798,109	4,832	7,026,214	0.479

*PJ Golesworthy and GC Solomon resigned as non-executive directors in February 2024.

The Directors hold no beneficial interest in the Purchaser.

11.2 **Directors' interests in transactions**

Shareholders are advised that:

- Peter Wharton-Hood, who is a director of Life Healthcare, is a director of LMGL and LMI, which are parties to the Transaction; and
- Pieter van der Westhuizen, who is a director of Life Healthcare, is a director LMGL and LMI, which are parties to the Transaction.

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

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

11.3 **Directors' service contracts and remuneration**

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

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

The remuneration, fees earned, and any other benefits receivable by Directors, whether as executives or non-executives and prescribed officers, will not change as a direct consequence of the Transaction.

The role that executive Directors and prescribed officers played in relation to the Transaction (and any other transactions for that matter) and their performance in this regard will, however, be taken into account as part of the overall annual assessment of their performance for the year which, in turn, may have a bearing on the determination of their remuneration and benefits. This will be in line with a Board-approved Exceptional Personal Contribution multiplier within the Company's existing variable plan, to recognise outstanding individual contributions during extraordinary events.

Full details of the remuneration of the Board for the year ended 30 September 2024 are set out in the Company's annual financial statements which are available at https://www.lifehealthcare-online.co.za/annual-results-2024/pdf/life-healthcare-group-afs-2024-final.pdf and are incorporated by reference in terms of paragraph 23 of this Circular.

12. EXCHANGE CONTROL

In addition to the exchange control approval required as set out in paragraph 4.1 of this Circular, the exchange control matters associated with the Transaction are subject to the existing exchange control approval(s) in place for Life Healthcare and where applicable, the approval by Life Healthcare's Authorised Dealer (as defined in the Exchange Control Regulations or the Financial Surveillance Department of the SARB, as the case may be) as this relates to, payment of certain transaction-related fees and expenses and repatriation of net proceeds to South Africa. Life Healthcare will also make the required notifications to the Financial Surveillance Department as part of its normal reporting requirements post completion of the Transaction.

13. INFORMATION IN RESPECT OF VENDORS AND PROMOTERS

Save as otherwise disclosed in the Group's annual financial statements (including Life Healthcare's disposal of AMG details of which are set out in note 28 of the Life Healthcare 2024 annual financial statements which are available at: https://www.lifehealthcare-online.co.za/annual-results-2024/pdf/life-healthcare-group-afs-2024-final.pdf no assets that are material to the Group have been acquired, purchased or disposed of during the three years preceding the date of the Circular or proposed to be acquired, purchased or disposed of by Life Healthcare or by any of its Subsidiaries.

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

14. MATERIAL RISKS

The Group does not expect any new material risks to arise pursuant to the Transaction. The material risks as set out in the Group annual financial statements for the year ended 30 September 2024 are summarised below. The full details of these risks as well as the mitigants, as set out in the Group annual financial statements for the year ended 30 September 2024, are incorporated by reference in terms of paragraph 23 of this Circular.

14.1 **Human capital (people)**

People are Life Healthcare's most important asset and are key to its ongoing success. There is a global shortage of clinical and healthcare staff, including nurses and some medical specialists. The shortage of healthcare skills will continue to have an impact on the Group post the Transaction and will continue to affect Life Healthcare's ability to deliver quality care and services and, ultimately, the sustainability of its operations.

14.2 **Regulatory and health policy risk**

The Group is required to comply with all applicable laws and regulations of the countries in which it operates.

Changes in government policy, including new legislation such as the NHI Act, or changes in regulations without adequate consultation, can increase costs or decrease revenue and affect the sustainability of the business and undermine the provision of quality healthcare. Following the completion of the Transaction, the Group's proportionate exposure to South African regulatory and compliance related risks will increase.

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

14.3 **Macroeconomic risk**

The global economic outlook is uncertain, and geopolitical tensions remain a threat. A challenging economic environment in South Africa, characterised by slow economic growth, high interest rates and high unemployment, has increased cost pressure on consumers, negatively impacting demand for healthcare.

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

Following the completion of the Transaction, the Group will have less direct exposure to global macroeconomic risks, however, the proportionate exposure to South African macroeconomic risk will increase as the Group's operations will be almost wholly southern African.

14.4 **Business continuity and resilience risk**

Life Healthcare has an extensive and complex property portfolio. Global and country events pose varying and potentially significant business interruption risks. Following the completion of the Transaction, the Group must continue to ensure that it remains resilient and continues to deliver high-quality care and excellent patient experience. Effective processes and structures that enable Life Healthcare to anticipate disruptive events, respond quickly and precisely to challenges are critical to remain sustainable.

14.5 **IT systems, cyber-crime, and data security**

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

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

14.6 **Changing business environment risk**

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

This changing landscape requires Life Healthcare to deliver patient care that is patient centric. An increasingly competitive environment, changing demographics and the impact of health technology, requiring appropriate strategies to remain relevant and ensure sustainable growth, will continue following the completion of the Transaction.

14.7 **Clinical and patient safety risk**

The quality of healthcare services provided by the Group and the safety of healthcare professionals and patients is of utmost importance to Life Healthcare. Failure to consistently deliver safe, high-quality patient care could affect Life Healthcare's reputation and sustainability. This will continue following the completion of the Transaction.

14.8 **Reputational risk**

The Group's reputation and relationships with key stakeholders could be affected by adverse events that occur while employees or other healthcare professionals perform clinical procedures or other related activities. Furthermore, events outside of Life Healthcare's control can adversely affect its brand. This will continue following the completion of the Transaction.

15. WORKING CAPITAL STATEMENT

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

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

16. LITIGATION

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

17. ESTIMATED EXPENSES

The estimated costs of preparing and distributing this Circular, holding the General Meeting and implementing the Transaction, including the fees payable to professional advisers, are approximately ZAR 174,250,000 excluding VAT (approximately $9,418,919 excluding VAT*) and approximately ZAR 205,910,000 including VAT (approximately $11,130,270 including VAT*) and includes the following:

Description	**Entity Responsible**	**Amount (ZAR '000)**
Financial Adviser, Transaction Sponsor and Corporate Broker	Rand Merchant Bank	57,500
International Legal Adviser	Allen Overy Shearman Sterling	64,860^
South African Legal Adviser	CDH	1,725
Independent Reporting Accountant	Deloitte & Touche	1,495
International Accounting and Tax Adviser	PwC	33,840^
Circular	Ince	575
JSE documentation fees and rulings	JSE Issuer Regulation	230
Merger filing fee	Ropes & Gray and Allen Overy Shearman Sterling	33,840^
Other transaction costs#	Various	11,845
Total		**205,910**

Other transaction costs include the virtual data room, potential cost overruns, foreign exchange rate fluctuations and unforeseen expenses.

*Translated at an exchange rate of $1:ZAR 18.50.

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

18. GENERAL MEETING

The General Meeting will be held on Wednesday, 2 April 2025 at 11:30 SA time by way of electronic communication, to consider and, if deemed fit, to pass, with or without modification, the Resolution required to approve the Transaction.

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

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

19. OPINION AND RECOMMENDATION BY THE BOARD

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

20. DIRECTORS' RESPONSIBILITY STATEMENT

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

21. ADVISERS' CONSENTS

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

22. DOCUMENTS INCORPORATED BY REFERENCE

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

Document name	**Link**
The remuneration and benefits of Directors for the financial year ended 30 September 2024. Pages 77 to 79 of the annual financial statements for the year ended 30 September 2024.	https://www.lifehealthcare-online.co.za/annual-results-2024/pdf/life-healthcare-group-afs-2024-final.pdf
Details of the material risks and mitigants of the Group for the financial year ended 30 September 2024.	https://www.lifehealthcare.co.za/media/4041/life-healthcare-iar-2024_singles-final.pdf

23. DOCUMENTS AVAILABLE FOR INSPECTION

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

- the MOI of Life Healthcare and its major Subsidiaries;
- the full audited annual financial statements of Life Healthcare for the financial years ended 30 September 2022, 30 September 2023 and 30 September 2024;
- the Carve-Out Historical Consolidated Financial Information of LMI for the financial years ended 30 September 2022, 30 September 2023 and 30 September 2024, as included in Annexure 1 of this Circular;
- the signed report by the Independent Auditor on the Carve-out Historical Consolidated Financial Information of LMI for the financial years ended 30 September 2022, 30 September 2023 and 30 September 2024 as reproduced in Annexure 2 of this Circular;
- the *pro forma* financial information of Life Healthcare, as included in Annexure 3 of this Circular;
- the signed report by the Independent Auditor on the compilation of the *pro forma* financial information of Life Healthcare, as set out in Annexure 4 of this Circular;
- the signed written consents from each of the advisers, referred to in paragraph 21 of this Circular;
- a signed copy of this Circular and all annexures hereto; and
- a signed copy of the Sale and Purchase Agreement provided that the signed copy of the Sale and Purchase Agreement will only be made available for physical inspection during normal business hours at the registered office of Life Healthcare.

Signed at Johannesburg on Thursday, 27 February 2025 by Pieter van der Westhuizen on behalf of the Board, being duly authorised in terms of resolutions signed by each Director and in terms of a resolution signed by each Director of the Board.

Pieter van der Westhuizen

CARVE-OUT HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF LMI FOR THE THREE YEARS ENDED 30 SEPTEMBER 2024, 30 SEPTEMBER 2023, 30 SEPTEMBER 2022

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

The Carve-Out Historical Consolidated Financial Information in this Annexure 1 is prepared for the information of Shareholders in respect of the Transaction as consolidated financial statements were not prepared for LMI, during the period in question (being the three years ended 30 September 2024, 30 September 2023, 30 September 2022).

The Carve-Out Historical Consolidated Financial Information for the three years ended 30 September 2024, 30 September 2023 and 30 September 2022 is set out below, comprising the Carve-Out Historical Consolidated Statement of Profit or Loss, the Carve-Out Historical Consolidated Statement of Comprehensive Income, the Carve-Out Historical Consolidated Statement of Financial Position, the Carve-Out Historical Consolidated Statement of Changes in Equity, the Carve-Out Historical Consolidated Statement of Cash Flows, notes to the Carve-Out Historical Consolidated Financial Information and material accounting policies.

The Carve-Out Historical Consolidated Financial Information for the three years ended 30 September 2024, 30 September 2023, and 30 September 2022 is the responsibility of the Directors. The Independent Auditor's Report on the Carve-Out Historical Consolidated Financial Information for the three years ended 30 September 2024, 30 September 2023, and 30 September 2022 is set out in Annexure 2.

Commentary

LMI's NeuraCeq® remained 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 2023, and subsequent approval for reimbursement of both the drug and amyloid diagnostic testing needed prior to commencing treatment, were positive for LMI.

The business generated more than 100% growth in commercial volumes and sales of NeuraCeq® in FY2024 compared to the prior year, while NeuraCeq® volumes from ongoing clinical trials grew by 14.4%.

LMI's revenue grew 181.3% year-on-year driven by:

- continued demand for its pipeline of radioisotopes in ongoing clinical trials, as well as a greater contribution from commercial sales of NeuraCeq®; and
- sublicensing of LMI's RM2 product.

LMI's normalised EBITDA contribution was bolstered by the RM2 transaction referred to above. In 2023 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 disease modifying drugs in the US, and potential approvals in other geographies during FY2024.

Basis of preparation

The Carve-Out Historical Consolidated Financial Information of LMI and its Subsidiaries ("**LMI Group**") has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements. The additional disclosure required in terms of paragraph 8.12 (being the commentary) of the Listings Requirements has been included above in the Carve-Out Historical Consolidated Financial Information.

Presentation and functional currency

The Carve-Out Historical Consolidated Financial Information has been prepared in United States dollar ($) as the functional currency of LMI is $. This differs to the currency of Life Healthcare, which is South African Rand.

Rounding principles

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

Foreign currency transactions and balances

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

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

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

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

Historical financial information

The Carve-Out Historical Consolidated Financial Information has been extracted and compiled from the audited consolidated financial statements of Life Healthcare for the years ended 30 September 2024, 2023 and 2022 using historical results of operations, assets and liabilities attributable to the LMI Group. The accounting policies are consistent with the accounting policies applied in the preparation of the consolidated financial statements of Life Healthcare and have been applied consistently in respect of each period, except as otherwise disclosed.

The Life Healthcare directors have relied on the fact that the Carve-Out Historical Consolidated Financial Information, which has been extracted from the consolidated financial statements of Life Healthcare for the years ended 30 September 2024, 2023 and 2022, is free from material misstatement, whether due to fraud or error, and that the Life Healthcare directors were responsible for the compilation of Life Healthcare's audited consolidated financial statements for the years ended 30 September 2024, 2023 and 2022 and the internal controls as they determined are necessary to enable the preparation and presentation of the aforementioned consolidated financial statements.

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

	Notes	**Audited 2024 $'000**	Reviewed 2023 $'000	Reviewed 2022 $'000
Revenue	2	**99,936**	36,165	36,314
Employee benefits expense	3	**(24,008)**	(17,838)	(14,277)
Depreciation on property, plant and equipment		**(1,642)**	(1,195)	(947)
Amortisation of intangible assets		**(1,274)**	(1,303)	(1,153)
Repairs and maintenance expenditure on property, plant and equipment		**(139)**	(101)	(88)
Occupational expenses		**(376)**	(319)	(294)
Communication expenses		**(191)**	(178)	(146)
Radiopharmaceutical manufacturing and distribution expenses		**(18,373)**	(14,608)	(14,503)
Professional, legal and secretarial fees		**(15,691)**	(6,936)	(5,238)
Expected credit losses		**(645)**	555	(402)
Other expenses	5	**(5,850)**	(2,929)	(3,060)
Loss on disposal of property, plant and equipment	7	**(116)**	(54)	(1)
Operating profit/(loss)		**31,631**	(8,741)	(3,795)
Finance income	4	**191**	–	–
Finance cost	4	**(3,604)**	(3,038)	(1,761)
Profit/(loss) before tax	5	**28,218**	(11,779)	(5,556)
Tax credit/(charge)	6	**5,311**	6,195	(4,998)
Profit/(loss) after tax		**33,529**	(5,584)	(10,554)
Profit/(loss) after tax attributable to:				
Ordinary equity holders of the parent		**33,529**	(5,584)	(10,554)
Profit/(loss) after tax		**33,529**	(5,584)	(10,554)
Other comprehensive income				
Items that may be reclassified to profit or loss				
Movement in foreign currency translation reserve ("**FCTR**"), net of tax		**168**	(63)	(212)
Items that will not be reclassified to profit or loss		**–**	–	–
Total comprehensive income/(loss) for the year		**33,697**	(5,647)	(10,766)
Total comprehensive income/(loss) attributable to:				
Ordinary equity holders of the parent		**33,697**	(5,647)	(10,766)

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

	Notes	**Audited 2024 $'000**	Reviewed 2023 $'000	Reviewed 2022 $'000
ASSETS				
Non-current assets		**82,470**	68,167	53,041
Property, plant and equipment	7	**4,962**	4,691	4,136
Intangible assets	8	**57,759**	50,580	46,738
Deferred tax assets	9	**19,749**	12,896	2,167
Current assets		**59,733**	20,681	20,139
Cash and cash equivalents	10	**35,128**	4,128	4,535
Trade and other receivables	11	**23,718**	15,753	14,793
Inventories	12	**887**	800	811
Total assets		**142,203**	88,848	73,180
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	13	**179,684**	179,684	179,653
Reserves		**(135,477)**	(169,277)	(163,729)
Total equity		**44,207**	10,407	15,924
LIABILITIES				
Non-current liabilities		**2,159**	1,324	5,283
Trade and other payables	15	**2,159**	1,324	5,283
Current liabilities		**95,837**	77,117	51,973
Trade and other payables	15	**28,296**	20,486	12,210
Loans from group companies	16	**66,109**	56,300	39,395
Income tax payable		**1,432**	331	368
Total liabilities		**97,996**	78,441	57,256
Total equity and liabilities		**142,203**	88,848	73,180

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

	Stated capital $'000	Other reserves $'000	FCTR $'000	Retained earnings $'000	Reserves $'000	Total equity $'000
		Attributable to equity holders of LMI				
Balance at 1 October 2023	**179,684**	**(83,229)**	**417**	**(86,465)**	**(169,277)**	**10,407**
Total comprehensive income for the year	**–**	**–**	**168**	**33,529**	**33,697**	**33,697**
Profit for the year	**–**	**–**	**–**	**33,529**	**33,529**	**33,529**
Other comprehensive income	**–**	**–**	**168**	**–**	**168**	**168**
Long-term incentive share schemes	**–**	**103**	**–**	**–**	**103**	**103**
Balance at 30 September 2024	**179,684**	**(83,126)**	**585**	**(52,936)**	**(135,477)**	**44,207**
Note		14				
Balance at 1 October 2022	179,653	(83,328)	480	(80,881)	(163,729)	15,924
Allotment of stated capital	31	–	–	–	–	31
Total comprehensive loss for the year	–	–	(63)	(5,584)	(5,647)	(5,647)
Loss for the year	–	–	–	(5,584)	(5,584)	(5,584)
Other comprehensive loss	–	–	(63)	–	(63)	(63)
Long-term incentive share schemes	–	99	–	–	99	99
Balance at 30 September 2023	179,684	(83,229)	417	(86,465)	(169,277)	10,407
Note		14				
Balance at 1 October 2021	179,653	(83,526)	692	(70,327)	(153,161)	26,492
Total comprehensive loss for the year	–	–	(212)	(10,554)	(10,766)	(10,766)
Loss for the year	–	–	–	(10,554)	(10,554)	(10,554)
Other comprehensive loss	–	–	(212)	–	(212)	(212)
Transferred in terms of co-investment scheme (CIP)	–	107	–	–	107	107
Long-term incentive share schemes	–	91	–	–	91	91
Balance at 30 September 2022	179,653	(83,328)	480	(80,881)	(163,729)	15,924

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

	Notes	**Audited 2024 $'000**	Reviewed 2023 $'000	Reviewed 2022 $'000
Cash flows from operating activities				
Cash generated from/(utilised in) operations	18	**35,358**	(2,721)	(6,006)
Tax paid		**(468)**	(397)	(523)
Net cash generated from/(utilised in) operating activities		**34,890**	(3,118)	(6,529)
Cash flows from investing activities				
Purchase of property, plant and equipment		**(2,174)**	(1,659)	(1,937)
Purchase of intangible assets		**(7,714)**	(8,688)	(3,053)
Proceeds on disposal of property, plant and equipment	7	**–**	–	–
Net cash utilised in investing activities		**(9,888)**	(10,347)	(4,990)
Cash flows from financing activities				
Proceeds relating to loans from group companies		**6,350**	13,017	14,336
Net cash generated from financing activities		**6,350**	13,017	14,336
Net increase/(decrease) in cash and cash equivalents		**31,352**	(448)	2,817
Cash and cash equivalents – beginning of the year		**4,128**	4,535	1,617
Effect of foreign currency rate movements		**(352)**	41	101
Cash and cash equivalents at the end of the year	10	**35,128**	4,128	4,535

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

1.1 Going concern principles

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

Although the current liabilities exceed the current assets, the loans from group companies will be settled before the Completion Date.

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

1.2 Critical judgements, accounting estimates and assumptions

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

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

Impairment – goodwill

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

A level of judgement is required in estimating future activities and the related cash flows.

The recoverable amounts of the LMI Group was determined based on value-in-use.

For the LMI Group, the value-in-use calculation was determined by discounting the expected future cash flows over a period of 10-years. A 10-year period was used on the basis that the registered intellectual property for some products starts to expire after 2031, alongside the assumed level of growth being significant over the 10-year period both in NeuraCeq® and pipeline products. No terminal growth rate is applied for the LMI Group.

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

Average discount rates	The weighted average cost of capital ("**WACC**") was determined by considering the respective debt and equity costs and ratios. To determine the discount rates, the local risk-free rate was used based on the in-country government bond yield adjusted for a risk premium to reflect the increased risk of investing in equities. The discount rates used are pre-tax and reflect the specific risks relating to the industry and the countries in which the entities operate.
Growth rates in activities/ volumes	Based on historical experience, capacity availability and the expected developments in the market.
Tariff and inflation increases	Based on the latest available economic forecasts and management's expectations of the outcome of annual tariff negotiations.
Growth in overhead costs	Based on management knowledge, prior history or trends and latest available economic forecasts.
Terminal growth rates	These rates are country specific and determined based on the forecast market growth rates.

Key assumptions used in the value-in-use calculation include the probabilities of success of a Disease Modifying Drug ("**DMD**") gaining regulatory approval and reimbursement in Europe as well as growth in volumes and increase in price and cost per dose, which are reflective of new pharmaceutical products.

Key drivers:

	2024		2023	
	% chance	**Assumed year approval/ reimb-ursement obtained**	% chance	Assumed year approval/ reimb-ursement obtained
US				
Probability of success of a DMD gaining			100.0	
Regulatory approval	**approved during 2024**		100.0	2024
Reimbursement	**approved during 2024**		100.0	2024
Europe				
Probability of success of a DMD gaining	**75.0**		81.0	
Regulatory approval	**75.0**	**2026**	90.0	2024
Reimbursement	**100.0**	**2026**	90.0	2026

Other key assumptions are:

	2024 **%**	2023 %
Growth in overhead costs (due to volume increase)	**4.0**	4.0
Average discount rate[1]		
Pre-tax	**16.80**	18.76
Post-tax	**11.93**	13.9
Terminal growth rate	**n/a[2]**	n/a[2]

[1] The risk-free rate in the current year is lower than prior years largely due to the decrease in the reported equity risk premium metrics.

[2] 10-year time horizon is used in line with registered intellectual property expiry and to recognise the significant growth in cashflows in outer years.

Key assumptions used in the latest forecast also include a percentage of PET-CT adoption rate of 33%, increase in sales volumes as utilisation increases of 75% to 80% after reimbursement, and a corresponding annual reduction in price and cost per dose of -1.5%.

Sensitivity analysis

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

Territory	**Significant assumption**	**Impact**
LMI Group	Average discount rate.	If the average pre-tax discount rate increases to 59.78%, the carrying amount will exceed its recoverable amount.

Financial instruments

Impairment of financial assets

Trade receivables

The LMI Group uses a provision matrix to calculate expected credit losses ("**ECLs**") for trade receivables ("**ECL model**").

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

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

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

- Days past due ("**DPD**") are greater than 90 days;
- Default is considered likely, namely those accounts handed over to attorneys or under debt review or administration; or
- An account has been flagged as being high risk, but not yet formally handed over or placed under administration.

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

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

Information regarding the ECLs is disclosed in note 11, note 22 and schedule A – material accounting policies (section 1.8 financial instruments).

Other

Deferred tax assets

The LMI Group recognises the future benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of the deferred income tax assets requires the LMI Group to make estimates related to expectations in future taxable income. Estimates of future taxable income are based on five-year cash flow forecasts, assumptions regarding economic growth, interest rates, inflation rates and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the LMI Group to realise the deferred tax assets recorded at the reporting date could be impacted. The deferred tax asset is reviewed at the end of the reporting period and adjusted if required. Additionally, future changes in tax laws could limit the ability of the LMI Group to obtain tax deductions in future periods. Refer to note 9.

Uncertain tax position

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

2. REVENUE

The revenue note below disaggregates revenue based on primary geographical areas, type of customer and timing of revenue recognition that is applicable to the LMI Group. Management believes that the disaggregations depict how the nature, amount, timing and uncertainty of the LMI Group's revenue and cash flows are affected by economic factors.

	2024 $'000	2023 $'000	2022 $'000
Primary geographical areas			
UK	**542**	1,068	3,847
Europe	**3,800**	3,279	4,022
USA	**92,404**	29,876	26,400
Other	**3,190**	1,942	2,045
	99,936	36,165	36,314
Type of customer			
Contract from customers			
Corporate institutions	**99,936**	36,165	36,314
	99,936	36,165	36,314
Timing of revenue recognition			
Over time	**–**	–	–
At a point in time	**99,936**	36,165	36,314
	99,936	36,165	36,314

3. EMPLOYEE BENEFITS EXPENSE

	2024 $'000	2023 $'000	2022 $'000
Salaries	**15,355**	12,381	10,095
Short-term performance bonuses	**4,824**	2,993	2,063
Equity-settled share-based payment[1]	**103**	99	91
Social security costs	**1,296**	1,364	947
Other	**2,430**	1,001	1,081
	24,008	17,838	14,277

[1] Refer to statement of changes in equity.

4. FINANCE INCOME AND COST

	2024 $'000	2023 $'000	2022 $'000
Finance income	**(191)**	–	–
Interest revenue calculated using the effective interest rate method	**(191)**	–	–
Finance cost	**3,604**	3,038	1,761
Intercompany interest	**3,166**	2,360	1,647
Foreign exchange losses	**438**	678	114
Net finance cost	**3,413**	3,038	1,761

5. OTHER EXPENSES

	2024 $'000	2023 $'000	2022 $'000
The following items have been included as part of other expenses in arriving at profit before tax:			
Auditors' remuneration	**110**	69	87
Advertising and marketing expenses	**1,631**	300	171
Insurance premiums	**134**	55	36
Training and conferences expenses	**162**	–	–
Travelling and accommodation expenses	**1,667**	1,024	957
Other[1]	**2,146**	1,481	1,809
	5,850	2,929	3,060

[1] Other comprises mainly of general expenses and smaller overhead costs. Research and development expenses are included under radiopharmaceutical manufacturing and distribution expenses.

6. TAX EXPENSE

	2024 $'000	2023 $'000	2022 $'000
Current income tax			
Current year	**(1,853)**	(568)	(690)
Prior year underprovision	**285**	282	257
Deferred income tax			
Origination and reversal of temporary differences	**(2,644)**	3,738	(3,806)
Prior year underprovision	**(394)**	2,743	(759)
Benefit from previously unrecognised trading losses	**9,917**	–	–
Total tax credit/(charge)	**5,311**	6,195	(4,998)
Reconciliation of the tax rate	**%**	%	%
Tax rate	**25.00**	22.00	19.00
Adjustments for non-cash items:			
Expenses not deductible	**(1.79)**	(13.96)	(0.36)
Effect of conversion of international tax rates to UK normal tax rate	**(2.43)**	1.40	(3.16)
Change in tax rate	**–**	(8.94)	(16.39)
Prior year (over)/underprovision	**(3.86)**	18.45	(7.09)
Assessed losses derecognised in current year or previously not recognised	**(35.74)**	33.64	(81.95)
Effective rate	**(18.82)**	52.59	(89.95)

7. PROPERTY, PLANT AND EQUIPMENT

	Externally installed equipment $'000	Assets under construction (pipeline products) $'000	Total $'000
Carrying value at 1 October 2023	**3,885**	**806**	**4,691**
Additions[1]	**–**	**1,947**	**1,947**
Disposals, scrappings or derecognitions	**(116)**	**–**	**(116)**
Transfers	**2,510**	**(2,510)**	**–**
Depreciation	**(1,642)**	**–**	**(1,642)**
Effect of foreign currency movement	**68**	**14**	**82**
Carrying value at 30 September 2024	**4,705**	**257**	**4,962**
Comprising:			
Cost	**9,046**	**257**	**9,303**
Accumulated depreciation and impairment losses	**(4,341)**	**–**	**(4,341)**
	4,705	**257**	**4,962**
Carrying value at 1 October 2022	3,190	946	4,136
Additions	–	1,710	1,710
Disposals, scrappings or derecognitions	(54)	–	(54)
Transfers	1,857	(1,857)	–
Depreciation	(1,195)	–	(1,195)
Effect of foreign currency movement	87	7	94
Carrying value at 30 September 2023	3,885	806	4,691
Comprising:			
Cost	6,734	806	7,540
Accumulated depreciation and impairment losses	(2,849)	–	(2,849)
	3,885	806	4,691
Carrying value at 1 October 2021	2,639	338	2,977
Additions	1,393	960	2,353
Disposals, scrappings or derecognitions	(1)	–	(1)
Transfers	338	(338)	–
Depreciation	(947)	–	(947)
Effect of foreign currency movement	(232)	(14)	(246)
Carrying value at 30 September 2022	3,190	946	4,136
Comprising:			
Cost	5,093	946	6,039
Accumulated depreciation and impairment losses	(1,903)	–	(1,903)
	3,190	946	4,136

	2024 $'000	2023 $'000	2022 $'000
¹Reconciliation to statement of cash flows			
Additions per note	**1,947**	1,710	2,353
Non-cash items			
Movement in accruals	**227**	(51)	(416)
Purchases of property, plant and equipment per statement of cash flows	**2,174**	1,659	1,937

Proceeds on disposal of property, plant and equipment

	2024 $'000	2023 $'000	2022 $'000
Proceeds on disposal	**–**	–	–
Net book value property, plant and equipment disposed	**116**	54	1
Disposals, scrappings or derecognitions	**116**	54	1
Loss on disposal of property, plant and equipment	**(116)**	(54)	(1)

8. INTANGIBLE ASSETS

	Computer software $'000	Goodwill $'000	Intellectual property $'000	Total $'000
Carrying value at 1 October 2023	**34**	**10,993**	**39,553**	**50,580**
Additions[1]	**1,361**	**–**	**7,025**	**8,386**
Transfer	**17**	**–**	**–**	**17**
Amortisation	**(21)**	**–**	**(1,253)**	**(1,274)**
Effect of foreign currency movement	**49**	**–**	**1**	**50**
Carrying value at 30 September 2024	**1,440**	**10,993**	**45,326**	**57,759**
Comprising:				
Cost	**1,674**	**10,993**	**52,308**	**64,975**
Accumulated amortisation and impairment losses	**(234)**	**–**	**(6,982)**	**(7,216)**
	1,440	**10,993**	**45,326**	**57,759**

[1] Difference between additions and purchases of intangible assets per the statement of cash flows relates to the movement in accruals.

	Computer software $'000	Goodwill $'000	Intellectual property $'000	Total $'000
Carrying value at 1 October 2022	56	10,993	35,689	46,738
Additions	26	–	5,115	5,141
Amortisation	(52)	–	(1,251)	(1,303)
Effect of foreign currency movement	4	–	–	4
Carrying value at 30 September 2023	34	10,993	39,553	50,580
Comprising:				
Cost	236	10,993	45,283	56,512
Accumulated amortisation and impairment losses	(202)	–	(5,730)	(5,932)
	34	10,993	39,553	50,580

	Computer software $'000	Goodwill $'000	Intellectual property $'000	Total $'000
Carrying value at 1 October 2021	104	10,993	29,366	40,463
Additions	–	–	7,425	7,425
Disposals or scrappings	15	–	–	15
Amortisation	(51)	–	(1,102)	(1,153)
Effect of foreign currency movement	(12)	–	–	(12)
Carrying value at 30 September 2022	56	10,993	35,689	46,738
Comprising:				
Cost	197	10,993	40,168	51,358
Accumulated amortisation and impairment losses	(141)	–	(4,479)	(4,620)
	56	10,993	35,689	46,738

9. DEFERRED INCOME TAX

	2024 $'000	2023 $'000	2022 $'000
Deferred tax comprises:			
Deferred tax assets	**19,749**	12,896	2,167
Deferred tax liabilities	**–**	–	–
	19,749	12,896	2,167
The movement in the deferred tax account is as follows:			
Balance at 1 October	**12,896**	2,167	6,720
Current year charge through profit or loss	**6,853**	10,729	(4,553)
Carrying amount at 30 September	**19,749**	12,896	2,167
Deferred income tax assets and liabilities attributable to the following items:			
Employee benefit liabilities	**58**	12	–
Accelerated wear and tear for tax purposes on property, plant and equipment	**401**	326	305
Tax loss carried forward	**19,290**	12,558	1,862
	19,749	12,896	2,167

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

	Deferred tax assets		
	2024 $'000	2023 $'000	2022 $'000
Within 12 months	**58**	12	–
After more than 12 months	**19,691**	12,884	2,167
	19,749	12,896	2,167

Factors considered in assessing whether to raise deferred tax assets on unutilised tax losses include the entity's forecasted performance over a five-year period, past performance, any business reorganisations and efficiency programmes and general economic indicators relevant to the industry.

Deferred tax assets on unutilised tax losses are only raised where forecasts indicate a reasonable expectation that such losses may be utilised to reduce a potential future tax liability.

The Group has not recognised deferred tax assets, to the value of $nil in the current year (2023: $9,858 million; 2022: $13,631 million) relating to tax losses available to carry forward against future taxable income in these financial statements due to uncertainties regarding the utilisation of these losses in the foreseeable future. None of these losses are expected to expire.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

10. CASH AND CASH EQUIVALENTS

	2024 $'000	2023 $'000	2022 $'000
Bank accounts and petty cash	**4,978**	4,128	4,535
Deposits on call	**30,150**	–	–
Cash and cash equivalents as per the statement of cash flows	**35,128**	4,128	4,535

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

11. TRADE AND OTHER RECEIVABLES

	2024 $'000	2023 $'000	2022 $'000
Trade receivables	**18,083**	10,486	11,376
Less: Provision for ECL	**(1,010)**	(365)	(920)
Net trade receivables	**17,073**	10,121	10,456
Other receivables [1, 2]	**5,278**	2,983	3,431
Prepaid expenses	**1,367**	2,649	906
Balance at 30 September	**23,718**	15,753	14,793
Reconciliation of provision for ECL[3]			
Balance at 1 October	**(365)**	(920)	(518)
ECL raised	**(645)**	–	(402)
Utilised in the year	**–**	555	–
Balance at 30 September	**(1,010)**	(365)	(920)

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

2 Other receivables consist of a number of non-material balances.

3 Refer to note 22 – risk management (credit risk).

12. INVENTORIES

	2024 $'000	2023 $'000	2022 $'000
Radiopharmaceutical manufacturing costs	**887**	800	811
Less: Provision for obsolete stock		–	–
Balance at 30 September	**887**	800	811
"Radiopharmaceutical manufacturing costs" includes the cost of inventories recorded as an expense in the statement of profit or loss.			
The cost of inventories written off as expired stock is recognised as an expense and is included in "radiopharmaceutical manufacturing costs" in profit or loss. Inventories written off amounted to:	**–**	–	–

13. STATED CAPITAL

	2024 $'000	2023 $'000	2022 $'000
Stated capital comprises:			
Share capital	**124,123**	124,123	124,121
Share premium	**55,561**	55,561	55,532
	179,684	179,684	179,653
Reconciliation of number of shares			
Ordinary shares			
Authorised (Share capital of £1 each)	**88,980,619**	88,980,619	88,980,617
Issued and fully paid:			
Balance at 30 September	**88,980,619**	88,980,619	88,980,617

14. OTHER RESERVES

	2024 $'000	2023 $'000	2022 $'000
Long-term incentive share schemes (refer below)	**400**	297	198
Distributable reserves	**(83,526)**	(83,526)	(83,526)
	(83,126)	(83,229)	(83,328)

Long-term incentive share schemes

	2024 $'000	2023 $'000	2022 $'000
Balance at 1 October	**297**	198	–
Charge for the year	**103**	99	91
Transferred in terms of CIP	**–**	–	107
Balance at 30 September	**400**	297	198

	Special arrangement long-term incentive scheme – Life Healthcare Chief Executive	**Special arrangement long-term incentive scheme – Life Healthcare CFO**
Type	An equity-settled scheme	An equity-settled scheme
Background	During the 2021 financial year, Life Healthcare offered a once-off opportunity of Life Healthcare matched shares to the Chief Executive based on their investment. The intention of this offer is to retain the executive as well as to encourage shareholding in Life Healthcare thereby aligning to shareholder interests. In terms of this arrangement Life Healthcare matched a maximum investment of ZAR 5 million by the Chief Executive in Life Healthcare with a share purchase to a maximum value of ZAR 15 million in the market at the ruling market price (862,706 shares at ZAR 17.39).	During the 2021 financial year, Life Healthcare offered a once-off opportunity of Life Healthcare matched shares to the CFO based on their investment. The intention of this offer is to retain the executive as well as to encourage shareholding in Life Healthcare thereby aligning to shareholder interests. In terms of this arrangement Life Healthcare matched a maximum investment of ZAR 2 million by the CFO in Life Healthcare with a share purchase to a maximum value of ZAR 6 million in the market at the ruling market price (350,000 shares at ZAR 17.11).
Qualifying employees	Available to Life Healthcare Chief Executive	Available to Life Healthcare CFO

	Special arrangement long-term incentive scheme – Life Healthcare Chief Executive	Special arrangement long-term incentive scheme – Life Healthcare CFO
Vesting requirements	Life Healthcare matched shares will vest in equal tranches on 31 December 2023, 31 December 2024 and 31 December 2025 respectively and are subject to the following conditions: • Growth on total shareholder return (“**TSR**”) over predetermined thresholds relative to the TSR of listed comparator groups – In the case of unusual market conditions, the vesting will be subject to Board discretion • The employee will be required to retain a level of investment in Life Healthcare shares of at least the initial investment over the vesting period • To remain in service for at least five years and to groom a successor	Life Healthcare matched shares will vest in equal tranches on 31 December 2023, 31 December 2024 and 31 December 2025, respectively, and are subject to the following conditions: • Growth on TSR over predetermined thresholds relative to the TSR of listed comparator groups – In the case of unusual market conditions, the vesting will be subject to Board discretion • The employee will be required to retain a level of investment in Life Healthcare shares of at least the initial investment over the vesting period
Method of settlement	Shares	Shares
Leavers	If the employee leaves, other than as a good leaver, he will be entitled to all his co-investment shares but will forfeit the entire Life Healthcare matched shares that have not vested.	If the employee leaves, other than as a good leaver, he will be entitled to all his co-investment shares but will forfeit the entire Life Healthcare matched shares that have not vested.
2022-2024 granted shares	None	None
Forfeited (number of shares) in 2024	287,568 – due to performance condition not met	116,866 – due to performance condition not met
Exercised (number of shares)	None	None
Vested (number of shares)	None	None
Contribution	An annual contribution is made by each employer Life Healthcare in the Group for its qualifying employees. The charge and contribution reflected is for Life Healthcare's proportionate share only.	An annual contribution is made by each employer Life Healthcare in the Group for its qualifying employees. The charge and contribution reflected is for Life Healthcare's proportionate share only.

	Historical long-term incentive schemes (last allocation made in 2023)
Type	Equity-settled performance share schemes
Background	The value of awards will be tier-based and linked to individual performance. Each award will be converted into notional performance shares. In terms of the scheme, the value of the awards and the performance conditions for vesting will be approved by the Life Healthcare's remuneration and human resources committee. The value of the notional performance shares will be determined by the price of the Life Healthcare shares on the JSE using the 30-day VWAP. Life Healthcare shares will be purchased on vesting date, with the proceeds after tax. A modifier of between 0.5 and 2 for the 2023 scheme can be applied to the allocation for key talent retention. This is applicable to all participants at the discretion of Life Healthcare's Chief Executive. The employees are not entitled to any dividends declared on the shares underlying the awards over the period from the grant date to the vesting date.
Qualifying employees	Available to all executives and senior managers (2023 scheme).
Vesting requirements	Vesting in terms of this scheme takes place in three years from allocation. The vesting of the awards is subject to the following performance conditions:

	weighting %
	2023
Group executives:	
• Capital efficiency	n/a
• Normalised Group HEPS	60
• Life core purpose outcome	40
• Retention shares	n/a
Country executives:	
• Capital efficiency	n/a
• Normalised country EBIT	n/a
• Life core purpose outcome	40
• Normalised Group HEPS	60
Group senior managers:	
• Capital efficiency	n/a
• Normalised country EBIT	n/a
• Life core purpose outcome	40
• Normalised Group HEPS	60
Other senior managers:	
• Capital efficiency	n/a
• Normalised country EBIT	n/a
• Life core purpose outcome	40
• Normalised Group HEPS	60

	Historical long-term incentive schemes (last allocation made in 2023)
	Capital efficiency is measured as return on capital employed compared to WACC. Normalised Group HEPS is based on the three-year compound annual growth rate (2023 scheme). Normalised country EBIT is based on growth of EBIT in excess of CPI. Life core purpose outcomes is based on country-specific non-financial measures that drive long-term sustainability of the Group. Retention shares are not subject to performance conditions and will vest on the vesting date, subject to continued employment.
Method of settlement	Shares
Leavers	If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply: • Good leavers with a date of termination of employment: – that is more than one year before the vesting date of the grant, will retain a pro rata number of notional performance shares based on number of months' completed service relative to the vesting period of 36 months, the balance of notional performance shares shall be forfeited and cancelled for no consideration; or – that is one year or less before the vesting date of the grant, will retain all notional performance shares and he/she shall continue to be treated as a participant as if his/her employment had not been terminated. • Bad leavers with a date of termination of employment prior to vesting date, will result in all notional performance shares held by the participant being forfeited and cancelled for no consideration.
2023 granted shares	Life Healthcare shares will be purchased on vesting date
2024 granted shares	None – new scheme in place
Forfeited (number of shares)	None
Exercised (number of shares)	None
Vested	None
Contribution	An annual contribution is made by each employer company in the Group for its qualifying employees. The charge and contribution reflected is for Life Healthcare's proportionate share only.

	CIP
Type	Equity-settled performance share schemes
Background	In 2022, in response to the risk of Life Healthcare losing key personnel stationed throughout the Group and to align management interests with that of shareholders, Life Healthcare's Board of Directors has approved the introduction of a CIP. The once-off allocation was made to selected executives and senior managers who have been deemed critical to retain due to their ability to influence long-term performance and sustainability of the Group. During 2024, Life Healthcare's Board of Directors approved an additional nine participants onto the CIP scheme due to the need to retain their services in view of their valuable and significant contribution to the success of the Group. Participants are held to an extended notice period of 12-months, as well as a six months' international restraint of trade for the duration of the scheme. For the initial participants: The grant was made on 1 December 2021 (award date). Participants elected to defer 70% of their awarded short-term performance bonus relating to the 2021 financial year into shares in Life Healthcare (bonus shares). For the additional participants: The grant was made on 1 December 2022 (award date). Participants elected to defer 70% of their awarded short-term performance bonus relating to the 2022 financial year into shares in Life Healthcare (bonus shares). For each bonus share awarded Life Healthcare awarded three matching shares (matching shares). In addition, Life Healthcare awarded performance shares to the value of 75% of the participants annual guaranteed package (performance shares). The employees are entitled, to all dividends declared on the shares over the period from the grant date to the vesting date. Malus and clawback provisions are included.
Qualifying employees	Available to selected executives and senior managers in the Group.
Vesting requirements	Vesting in terms of this scheme takes place in four years from award date. The vesting of the awards is subject to the following market and non-market performance conditions:

Bonus shares	Matched shares	Performance shares
No vesting condition exists.	The vesting of the shares is subject to continued employment for the period vesting.	The vesting of the shares is subject to Life Healthcare achieving a TSR of at least 75% of the average TSR of two comparator companies over the vesting period.
Shares will be released on the expiry of the holding period.	Shares will vest to the participant upon fulfilment of the employment service condition.	Shares will vest to the participant when the below conditions are met: • the date on which the participant has fulfilled the employment service condition; and • the date on which the remuneration committee has determined that the performance conditions have been achieved.

	CIP		
Method of settlement	Shares	Shares	Shares
Leavers	If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply: • Good leavers: shares will be released to the participant. • Bad leavers: – the shares will not be forfeited but will only be released to the participant after the vesting period. – should a participant leave to be employed by a direct competitor then the bonus shares will be forfeited.	If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply: • Good leavers: – retirement/ redundancy: a pro rata number of shares will vest, based on the number of months of completed employment compared to the total number of months in the vesting period. The remaining shares will be forfeited. – death/disability: all unvested shares will vest. • Bad leavers: the shares will be forfeited.	If a participant ceases to be employed by the Group prior to the vesting of the grant, the following will apply: • Good leavers: a pro rata number of shares will vest, based on the number of months of completed employment compared to the total number of months in the vesting period and the extent to which the performance condition has been achieved between award date and termination date. The remaining shares will be forfeited. • Bad leavers: the shares will be forfeited.
2022 granted (number of shares)*	60,155	180,465	181,651
2023-2024 granted (number of shares)	None	None	None
Contribution	Participants elected to defer 70% of their awarded short-term performance bonus relating to the 2021 financial year into shares in Life Healthcare.	For each bonus share awarded, Life Healthcare awarded three matching shares.	Life Healthcare awarded performance shares to the value of 75% of the participants' annual guaranteed package.

* Shares reflected only relate to LMI's CEO. Remuneration information for Life Healthcare's Chief Executive and Life Healthcare's CFO is reflected per the consolidated financial statements of Life Healthcare (https://www.lifehealthcare.co.za/investor-relations/results-and-reports).

15. TRADE AND OTHER PAYABLES

	2024 $'000	2023 $'000	2022 $'000
Under current liabilities:			
Trade payables	**11,339**	4,159	4,486
Accruals	**12,020**	10,938	5,643
Employee-related payables	**4,937**	2,814	1,823
Value added tax	**–**	1	258
Other payables	**–**	2,574	–
Balance at 30 September	**28,296**	20,486	12,210
Under non-current liabilities:			
Accruals	**403**	568	4,392
Employee-related payables	**1,756**	756	891
	2,159	1,324	5,283

The employee-related payables mainly relate to performance bonuses and annual bonuses payable to employees in terms of their employment contracts.

16. LOANS FROM GROUP COMPANIES

Loans from holding companies	2024 $'000	2023 $'000	2022 $'000
Life Medical Group Limited The loan is unsecured, bears interest at 5% and is repayable on demand.	**66,109**	56,300	39,395
	66,109	56,300	39,395

17. FINANCIAL INSTRUMENTS BY CATEGORY

	2024 $'000	2023 $'000	2022 $'000
The following table summarises the LMI Group's classification of financial instruments:			
Assets			
Amortised cost			
Trade and other receivables	**22,351**	13,105	13,888
Cash and cash equivalents	**35,128**	4,128	4,535
Total assets	**57,479**	17,233	18,423
Liabilities			
Amortised cost			
Trade and other payables	**23,762**	18,240	14,521
Total liabilities	**23,762**	18,240	14,521

18. CASH GENERATED FROM/(UTILISED IN) OPERATIONS

	2024 $'000	2023 $'000	2022 $'000
Reconciliation of profit before tax to cash generated from operations			
Profit/(loss) before tax	**28,218**	(11,779)	(5,556)
Adjusted for:			
Depreciation on property, plant and equipment	**1,642**	1,195	947
Amortisation of intangible assets	**1,274**	1,303	1,153
Net finance costs (refer note 4)	**3,413**	3,038	1,761
Loss on disposal of property, plant and equipment	**116**	54	1
Share-based payment reserve charge	**103**	99	91
Provision for expected credit losses	**645**	(555)	402
Operating cash flow before working capital changes	**35,411**	(6,645)	(1,201)
Working capital changes:			
Inventories	**(87)**	11	(454)
Trade and other receivables	**(8,610)**	(405)	(5,121)
Trade and other payables	**8,644**	4,318	770
Cash generated from/(utilised in) operations	**35,358**	(2,721)	(6,006)

19. RELATED PARTIES

Subsidiary companies – refer to schedule B

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

Related-party transactions

Transactions between entities within the LMI Group and with fellow Subsidiaries of Life Healthcare.

Information management fees ("IM fees")	An IM fee is charged by Life Healthcare Subsidiaries to recover the cost incurred to run the IM infrastructure and services. The fee is based on a net cost recovery basis.
Other cost recharges	Life Healthcare Subsidiaries recharge certain other costs it incurs on a cost recovery basis without any margin.
Interest	Interest is charged on all inter-group balances at agreed-upon rates.

Key management

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

	2024 $'000	2023 $'000	2022 $'000
Remuneration			
Salaries	**4,980**	4,098	3,373
Share-based payment – long term incentive schemes	**961**	80	324
	5,941	4,178	3,697

20. COMMITMENTS AND CONTINGENCIES

	2024 $'000	2023 $'000	2022 $'000
Capital commitments			
Capital expenditure approved for property, plant and equipment	**3,186**	2,288	2,285

Funds to meet capital expenditure will be drawn from the LMI Group's available cash resources.

Contingent liabilities

No material contingent liabilities were noted.

21. EVENTS AFTER THE REPORTING PERIOD

The Board evaluated the proposal received by Lantheus and subsequently decided to invite Lantheus to submit a binding offer. After careful consideration, having understood the market potential and other means to maximise returns for Shareholders, the Board entered into the Sale and Purchase Agreement with the Purchaser in respect of the Transaction on 12 January 2025. The Transaction is subject to shareholder approval.

22. RISK MANAGEMENT

Overall risk management programme

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

Capital risk management

The LMI Group's capital structure is monitored and managed by Life Healthcare and borrows mostly at a Life Healthcare Group level. The objective when managing capital is to safeguard the LMI Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the LMI Group consists of debt (loans from group companies), cash and cash equivalents, and equity.

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

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

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

Financial risk

The LMI Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk, liquidity risk and fair value risk.

Market risk

Foreign exchange risk

Risk exposure	The LMI Group interacts with international suppliers and is exposed to foreign exchange risk arising from various currency exposures. The foreign currency transactions are mainly denominated in: European euro ("**EUR**"). The LMI Group's presentation currency is $, but as it operates internationally with investments in foreign operations, it is mainly exposed to the EUR.
How the risk arises	Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the LMI Group's functional currency and from net investments in foreign operations. These transactions include certain inter-company loans which expose the LMI Group to foreign exchange risk.
Objectives, policies and processes for managing the risk and methods used to measure risk	The LMI Group reviews its foreign currency exposure, including commitments, on an ongoing basis.
Concentration of risk	The LMI Group has investments in foreign operations in Europe and the US. The net assets of the foreign investments are exposed to foreign currency translation risk as the companies are Subsidiaries of the LMI Group.

Liquidity risk

Risk exposure	Those financial liabilities of the LMI Group with contractual cash flows and maturity dates are exposed to liquidity risk.
How the risk arises	Liquidity risk arises should the LMI Group not be able to meet its obligations as they become due.
Objectives, policies and processes for managing the risk and methods used to measure risk	Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed banking facilities and the ability to close out market positions. The LMI Group's liquidity risk is mitigated by the availability of funds to cover future commitments. The LMI Group manages liquidity risk through an ongoing review of future commitments and banking facilities. Due to the dynamic nature of the underlying businesses, Treasury maintains flexibility in funding by maintaining availability under committed credit lines through the LMI Group's holding company. The LMI Group has sufficient available funds that can be utilised to service short-term commitments. Refer to note 10. Cash forecasts are prepared and are monitored regularly. Longer-term cash flow forecasts are updated quarterly.
Concentration of risk	The table below analyses the LMI Group's financial liabilities into relevant maturity groupings, based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	2024 $'000	2023 $'000	2022 $'000
Trade and other payables	**23,762**	18,240	14,521
Less than one year	**23,359**	17,672	10,129
One to two years	**403**	568	4,392

Credit risk

Risk exposure	Credit risk arises mainly from cash and cash equivalents and trade and other receivables. Trade receivables comprise a widespread customer base.
How the risk arises	Credit risk is the risk of financial loss due to counterparties to financial instruments not meeting their contractual obligations.
Objectives, policies and processes for managing the risk and methods used to measure risk	The LMI Group evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. If there is no independent rating, the credit quality of the customer is evaluated, taking into account its financial position, past experience and other factors. Credit guarantee insurance is not purchased.
Concentration of risk	The maximum exposures to credit risk at the reporting date are cash and cash equivalents and the carrying value of each class of trade and other receivables. The LMI Group does not hold any collateral as security.
Maximum exposure to credit risk by class of financial instrument	Financial assets exposed to credit risk at year-end were as follows:

	2024 $'000	2023 $'000	2022 $'000
Trade and other receivables	**22,351**	13,105	13,888
Cash and cash equivalents	**35,128**	4,128	4,535

Cash and cash equivalents

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

	2024 $'000	2023 $'000	2022 $'000
British pound sterling	**363**	448	71
European euro	**2,558**	1,543	1,548
Polish zloty	**–**	1,475	–
Swiss franc	**–**	–	5
United States dollar	**32,207**	662	2,911
Balance at 30 September	**35,128**	4,128	4,535

Trade and other receivables

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

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events and current conditions. Trade receivables are written off when the LMI Group has exhausted all options regarding collection of the debt. Refer to section 1.2 judgements and schedule A – material accounting policies (section 1.8 financial instruments).

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

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

$'000	**Current**	**31 – 60 days**	**61 – 90 days**	**91 – 120 days**	**>120 days**	**Total**
2024						
Trade receivables: Corporate	**13,840**	**2,282**	**468**	**975**	**518**	**18,083**
ECL: Corporates	**284**	**30**	**120**	**70**	**506**	**1,010**
Weighted average ECL rate: Corporates[1]	**2%**	**1%**	**26%**	**7%**	**98%**	**6%**

[1] The higher ECL percentage in relation to previous years was due to an increase of receivables at risk, located in multiple aging buckets. Receivables from two specific customers in the US had been fully provided for, resulting in the higher ECL.

2023						
Trade receivables: Corporates	7,814	1,824	160	264	424	10,486
ECL: Corporates	111	31	7	22	194	365
Weighted average ECL rate: Corporates	1%	2%	4%	8%	46%	3%
2022						
Trade receivables: Corporates	5,842	2,426	756	860	1,491	11,376
ECL: Corporates	56	54	54	139	617	920
Weighted average ECL rate: Corporates	1%	2%	7%	16%	41%	8%

SCHEDULE A

1. **MATERIAL ACCOUNTING POLICIES**

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

<table>
<tr><th colspan="6">Summary of material accounting policies</th></tr>
<tr><th colspan="6">1.1 Revenue | Operating profit | Finance income| Finance cost</th></tr>
<tr><td colspan="2">1.1.1 Revenue from contracts with customers</td><td colspan="2">1.1.2 Operating profit</td><td>1.1.3 Finance income</td><td>1.1.4 Finance cost</td></tr>
<tr><th colspan="6">1.2 Employee benefits</th></tr>
<tr><td colspan="2">Short-term benefits</td><td colspan="2">Termination benefits</td><td colspan="2">Share-based payments (IFRS 2)</td></tr>
<tr><th colspan="6">Group Accounting</th></tr>
<tr><td colspan="3">1.3 Consolidation</td><td colspan="3">1.4 Translation of foreign operations</td></tr>
<tr><th colspan="6">Operating assets</th></tr>
<tr><td colspan="2">1.5 Property, plant and equipment</td><td colspan="2">1.6 Intangible assets</td><td colspan="2">1.7 Inventories</td></tr>
<tr><th colspan="6">1.8 Financial instruments</th></tr>
<tr><td>Initial recognition and measurement</td><td>Subsequent measurement</td><td colspan="2">Derecognition</td><td>Impairment of financial assets</td><td>Offsetting of financial instruments</td></tr>
<tr><th colspan="6">1.9 Capital and reserves</th></tr>
<tr><td colspan="6">Share capital and equity</td></tr>
<tr><th colspan="6">1.10 New and amended accounting standards adopted by the LMI Group</th></tr>
<tr><th colspan="6">1.11 New accounting standards, amendments and IFRIC interpretations
not yet effective and not early adopted</th></tr>
</table>

1.1 **Revenue | Operating profit | Finance income| Finance cost**

1.1.1 **Revenue from contracts with customers**

Recognition of revenue

The LMI Group is an integrated business contracting with a network of cyclotron-based radio pharmacies and imaging facilities. Revenue is measured at the amount which the LMI Group expects to become entitled to as a result of providing those goods or services under the specific contract.

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

Radiopharmaceutical products

Relates to newly developed and emerging products and services.

Revenue mainly consists of the sale of Neuraceq®, an approved product used in the diagnosis of Alzheimer's Disease, services for pharma companies as well as fees, milestone payments and royalties relating to the sublicence of one of LMIs early-stage novel radiotherapeutic and radio diagnostic products.

Revenue is provided on reaching contractual obligations or as a royalty percentage of sales of products for development activities.

Revenue on the sale of Neuraceq® is recognised at the point in time when the goods are dispatched or sold.

Revenue due to sublicensing

Upfront payment

Non-refundable, upfront fees relating to the sublicence are recognised as revenue when the licence is transferred to the customer and the customer is able to use and benefit from the licence.

Milestone payments

The receipt of milestone payments is contingent on meeting certain clinical, regulatory or commercial (net sales) targets, and is therefore considered variable consideration.

- At the inception of each arrangement that includes net sales milestone payments, the LMI Group evaluates whether the milestones are considered probable of being reached and estimates the amount to be included in the transaction price using the most likely amount method. If it is probable that a significant revenue reversal would not occur, the associated milestone value is included in the transaction price.
- Milestone payments that are not within the control of the LMI Group, such as development and regulatory approvals, are not considered highly probable of being achieved until those approvals are received.
- At the end of each subsequent reporting period, the LMI Group re-evaluates the probability of achievement of such milestones and any related constraint, and if necessary, adjusts its estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis, which would affect licence and royalty revenues and earnings in the period of adjustment.

Royalty revenue

For arrangements that include sales-based royalties, including milestone payments based on the level of sales, and the licence is deemed to be the predominant item to which the royalties relate, the LMI Group recognises revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which some or all of the royalty has been allocated has been satisfied (or partially satisfied).

Contract balances

Trade receivables

Where the LMI Group has established an unconditional right to receive consideration, a trade receivable is recognised. Thereafter, as the trade receivable is a financial asset, the recognition and measurement is as per the accounting policies detailed for financial assets (under 1.8).

1.1.2 **Operating profit**

Operating profit is the result generated from the LMI Group's revenue-producing activities (considered core operations), thus excluding finance income, finance cost and taxes.

1.1.3 **Finance income**

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

1.1.4 **Finance cost**

	Includes	Recognition	Measurement
Finance cost	Foreign exchange losses.	Recognised in profit or loss using the EIR method.	Refer to section 1.8 "Financial liabilities".

1.2 **Employee benefits**

Short-term employee benefits

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

Termination benefits

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

Shared-based payments (IFRS 2)

	Equity settled
Includes	***Long-term incentive schemes (including SIP and CIP)***
Accounting treatment	The LMI Group operates these incentive schemes as equity-settled and cash-settled share-based payment schemes. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the grant date. At the end of the reporting period, Life Healthcare revises its estimate of the number of awards that are expected to vest, based on the number of employees remaining in the scheme and it recognises the corresponding impact of the revision of original estimates, if applicable, in profit or loss with a corresponding adjustment to equity. Refer to note 14.

Group accounting

1.3 **Consolidation**

Subsidiaries

Initial recognition and measurement

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

Acquisition-related costs are expensed as incurred.

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

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

Inter-company transactions

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

Loss of control

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

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

1.4 Translation of foreign operations

Procedures followed to translate to presentation currency

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

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

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

Exchange differences on monetary items

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

Cash flows

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

Operating assets	
Useful lives and impairment for 1.5 property, plant and equipment and 1.6 intangible assets	
Useful lives	The LMI Group depreciates or amortises its assets over their estimated useful lives. The useful lives of assets are based on historic performance as well as expectations about future use and therefore requires a degree of judgement to be applied. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes. The useful lives are reviewed at each reporting date to assess whether useful life estimates need to be adjusted.
Impairment	The LMI Group assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the LMI Group estimates the recoverable amount of the asset. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Impairment indications include: **External sources of information:** • Significant adverse changes that have taken place or are expected in the near future in the technological, competitive market, economic or legal environment in which the LMI Group operates. • Increases in interest rates or other market rates of return that may materially affect the discount rate used in calculating the asset's recoverable amount. • The carrying amount of the LMI Group's net assets exceeds the LMI Group's market capitalisation. **Internal sources of information:** • Obsolescence or physical damage affecting the asset. • Idle or unutilised assets. • Plans to discontinue or restructure the operations to which the asset belongs or the asset's disposal. • Significant decline in management's forecasts of future net cash inflows.

1.5 **Property, plant and equipment**

Categories	Initial measurement and recognition	Subsequent measurement	Estimated useful life
Assets under construction	Cost	Cost less accumulated impairment losses.	Not depreciated.
Other equipment – owned	Cost	Cost less accumulated depreciation and impairment losses.	5 – 25 years.

1.6 **Intangible assets**

Categories	Initial measurement and recognition	Subsequent measurement	Estimated useful life
Goodwill	Excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired, and liabilities and contingent liabilities assumed.	Cost less accumulated impairment losses.	Not amortised.
Intellectual property ("IP")*	Cost represents the fair value as at the date of the business combination, valued on the royalty method or the multi-period earnings excess method ("**MEEM**").	Cost less accumulated amortisation and impairment losses.	Over the life of the relevant patent period.
Computer software	Cost	Cost less accumulated amortisation and impairment losses.	3 – 10 years.

* The intangible assets are the IP to NeuraCeq® as well as IP to products that are being developed. In portfolio LMI has six products in various stages of development (2024:$25,721,000; 2023:$17,289,000; 2022:$12,174,000) of which two products are actively being developed, which have been included in the annual impairment assessment.

Costs associated with the developing or maintaining of computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software and internally generated intangible assets in respect of product development costs controlled by the LMI Group that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets when the criteria per IAS 38 have been met. For the products in development, the expected approval success rate of each product is used. To determine this, industry guidance as to the likely success of a product ultimately moving from a Phase 3 clinical trial through to gaining market approval was used.

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

Goodwill

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

At acquisition date, goodwill is allocated to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. CGUs are defined as individual hospitals, individual complementary services facilities and healthcare services operating units in southern Africa. LMI is defined as a separate CGU.

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

1.7 **Inventories**

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

1.8 **Financial instruments**

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

Financial assets

The LMI Group has the following financial assets:

- Cash and cash equivalents
  - Consists of cash on hand and demand deposits immediately available
- Trade and other receivables

Initial recognition and measurement

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

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

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

On initial recognition:

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

Subsequent measurement

Financial assets are subsequently measured as either at amortised cost or at fair value through profit or loss.

Financial assets at amortised cost

The LMI Group's financial assets at amortised cost includes trade and other receivables and cash and cash equivalents.

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

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

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

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

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

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

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

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

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

Impairment of financial assets

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

Trade receivables

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

- Disclosures for critical judgements, accounting estimates and assumptions – refer to note 1.2.
- Risk management – credit risk relating to trade receivables (note 22).

For trade receivables, the LMI Group applies a simplified approach in calculating ECLs.

The LMI Group established an ECL model that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment affecting the ability of the customer to settle outstanding balances. For instance, if the forecast economic conditions (i.e. GDP, unemployment, repo rate) are expected to lead to an increased number of defaults, the historical default rates are adjusted. The LMI Group does not track significant increases in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The LMI Group considers a financial asset in default when contractual payments are past due (described under 1.2 Critical judgements relating to trade receivables). However, in certain cases, the LMI Group may also consider a financial asset to be in default when internal or external information indicates that the LMI Group is unlikely to receive the outstanding contractual amounts in full.

The LMI Group considers the following factors:

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

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

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

Financial liabilities

The LMI Group has the following financial liabilities:

- Loans from group companies
- Trade and other payables
  - These amounts represent liabilities for goods and services provided to the LMI Group prior to the end of the financial year, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.
  - Trade and other payables also include employee-related payables.

Initial recognition and measurement

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

On initial recognition:

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

Subsequent measurement

Financial liabilities are subsequently measured as either:

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

Financial liabilities at amortised cost

Within the LMI Group, this category applies to trade and other payables.

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

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

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

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

The LMI Group has not designated any financial liability at fair value through profit or loss.

Derecognition

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

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

Offsetting of financial instruments

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

1.9 Capital and reserves

Stated capital comprises ordinary share capital and share premium.

Share capital and equity

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

1.10 New and amended accounting standards adopted by the LMI Group

The LMI Group has applied the following standards, amendments and interpretations for the first time for their annual reporting period commencing 1 October 2023:

- Amendment to IAS 1 and IFRS Practice Statement 2 – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.
- Amendment to IAS 8 – the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates.
- Amendment to IAS 12 – the amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
- Amendment to IAS 12 – International Tax Reform – Pillar Two Model Rules.

The IASB amended the scope of IAS12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules. The amendments introduced a temporary exception to the accounting requirements for deferred taxes in IAS12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The LMI Group discloses that it has applied this exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes where applicable.

Impact

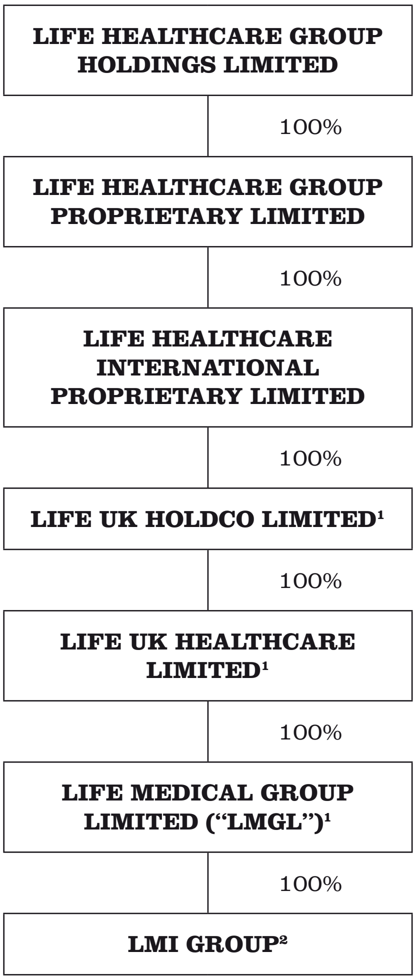
The implementation of these standards and amendments had no material financial impact on the LMI Group.

1.11 New accounting standards, amendments and IFRIC interpretations not yet effective and not early adopted (at September 2024)

Standard	Effective date for annual periods beginning on or after
Classification of Liabilities as Current or Non-current Liabilities with Covenants' (Amendments to IAS 1)	1 January 2024
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Presentation and Disclosure in Financial Statements (IFRS 18)	1 January 2027
Subsidiaries without Public Accountability Disclosures (IFRS 19)	1 January 2027

SCHEDULE B

SIMPLIFIED GROUP STRUCTURE FOR THE YEAR ENDED 30 SEPTEMBER 2024, 30 SEPTEMBER 2023 AND 30 SEPTEMBER 2022



All South African investments are unlisted and incorporated in the Republic of South Africa.

LMI investments are unlisted.

The shareholding percentages are the same for 2024, 2023 and 2022.

[1] Incorporated in England. The functional currency is pound sterling.

[2] Life Molecular Imaging Limited is incorporated in England and holds the investments in LMI Subsidiaries. The functional currencies used include United States dollar and euro.

INDEPENDENT AUDITOR'S REPORT ON THE CARVE OUT HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF LMI

The Directors
Life Healthcare Group Holdings Ltd
Oxford Parks
203 Oxford Road
Cnr Eastwood and Oxford Roads
Dunkeld
2196

Dear Sirs/Madams

INDEPENDENT AUDITOR'S REPORT ON THE AUDITED LIFE MOLECULAR ("LMI") CARVE-OUT HISTORICAL CONSOLIDATED FINANCIAL INFORMATION AND THE REVIEWED CARVE-OUT HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

Introduction

We have:

- audited the Carve-Out Historical Consolidated financial information of LMI in respect of the year ended 30 September 2024 as presented in Annexure 1 of the circular.
- reviewed the Carve-out Historical Consolidated financial information of LMI in respect of the years ended 30 September 2023 and 30 September 2022 as presented in Annexure 1 of the Circular.

Carve-Out Historical Consolidated Financial Information for the year ended 30 September 2024

Opinion

The Carve-Out Historical Consolidated Financial Information in respect of the year ended 30 September 2024 as presented in Annexure 1 of the Circular comprises the carve-out historical consolidated statement of financial position as at 30 September 2024, the carve-out historical consolidated statements of profit or loss, comprehensive Income, changes in equity and cash flows for the year then ended and the notes to the carve-out historical consolidated financial information, including a summary of material accounting policies.

In our opinion, the Carve-Out Historical Consolidated Financial Information presents fairly, in all material respects, the carve-out historical consolidated statement of financial position of LMI as at 30 September 2024, its carve-out historical consolidated statements of profit or loss and comprehensive Income, changes in equity and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") and the JSE Listings Requirements.

Basis for Opinion

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

Emphasis of matter-basis of accounting and restriction on use

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

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

The Company's directors are responsible for the preparation and fair presentation of the Carve-Out Historical Consolidated Financial information of LMI for the year ended 30 September 2024 in accordance International Financial Reporting Standards and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of the Carve-Out Historical Consolidated Financial Information that are free from material misstatement, whether due to fraud or error.

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

Reporting Accountant's Responsibilities for the Audit of the Carve-Out Historical Consolidated Financial Information for the year ended 30 September 2024

Our objectives are to obtain reasonable assurance about whether the Carve-Out Historical Consolidated Financial information for the year ended 30 September 2024 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

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

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

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

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

Carve-Out Historical Consolidated Financial Information for the years ended 30 September 2023 and 30 September 2022

We have reviewed the Carve-Out Historical Consolidated Financial Information of the LMI in respect of the years ended 30 September 2023 and 30 September 2022 set out on in Annexure 1 of the Circular, comprising the carve-out historical consolidated statements of financial position, the carve-out historical consolidated statements of profit or loss and comprehensive income, changes in equity and cash flows, including a summary of material accounting policies and selected explanatory notes.

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

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

Reporting Accountant's responsibility for the Reviews of the Carve-Out Historical Consolidated Financial Information for the years ended 30 September 2023 and 30 September 2022

Our responsibility is to express conclusions on the Carve-Out Historical Financial Information for the years ended 30 September 2023 and 30 September 2022. We conducted our review in accordance with International Standard on Review Engagements ("**ISRE**") 2400, (Revised), Engagement to Review Historical Financial Statement. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Carve-Out Historical Consolidated Financial Information are not prepared, in all material respects, in accordance with International Financial Reporting Standards and the JSE Listings Requirements. This standard also requires us to comply with relevant ethical requirements.

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

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

Conclusion on the Carve-Out Historical Consolidated Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Carve-Out Historical Consolidate Financial Information of LMI for the years ended 30 September 2023 and 30 September 2022 do not present fairly, in all material respects, the carve-out historical consolidated financial position of the LMI as at 30 September 2023 and 30 September 2022, its carve-out historical consolidated financial performance and carve-out historical consolidated cash flows for the years then ended, in accordance with the International Financial Reporting Standards and the JSE Listing Requirements.

Emphasis of Matter – Basis of Preparation

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

The purpose of our report

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

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

Deloitte & Touche
Registered Auditor
Per: JAR Welch
Partner

20 February 2025

5 Magwa Crescent
Waterfall City, Waterfall
Gauteng
2090

PRO FORMA FINANCIAL INFORMATION OF THE TRANSACTION

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

The *Pro Forma* Financial Information should be read in conjunction with the Independent Auditor's reasonable assurance report thereon, which is presented in Annexure 4 to this Circular.

The Transaction *pro forma* financial information is the responsibility of the Directors and has been prepared for illustrative purposes only to provide information about how the Transaction may have affected Life Healthcare's audited consolidated financial statements for year ended 30 September 2024 and, because of its nature, may not give a fair presentation of Life Healthcare's financial position, changes in equity, results of operations or cash flows after the Transaction.

The Transaction *pro forma* financial information has been prepared in accordance with the Listings Requirements, the Guide on *pro forma* Financial Information issued by the South African Institute of Chartered Accountants ("**SAICA**") and the Life Healthcare Group's accounting policies. The accounting policies used in the preparation of the *pro forma* financial information is compliant with IFRS Accounting Standards and are consistent with those applied in the audited annual financial statements of Life Healthcare for the year ended 30 September 2024.

Use of critical judgements, accounting estimates and assumptions

The preparation of the *Pro Forma* Financial Information requires the use of critical accounting estimates and assumptions and requires management to exercise judgements. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Life Healthcare makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. A description of the accounting estimates, assumptions and judgements that were critical to preparing specific financial statement items as well as the processes employed to do so, are set out in note 5 of the *pro forma* consolidated statement of financial position.

***Pro forma* consolidated statement of profit or loss for the year ended 30 September 2024**

	Last published Group results before the Transaction	Deconsolidation of LMI *Pro forma* entries	*Pro forma* entries	Notes	Group after deconsolidation before disposal entries	Adjustments relating to the Transaction: Disposal of LMI and related costs	Notes	*Pro forma* After the Transaction
Notes	**1**	**2**	**3**		**4**	**5**		**6**
ZAR million								
Continuing operations								
Revenue	25,519	(1,845)	–		23,674	–		23,674
Other income	292	–	–		292	–		292
Drugs and consumables	(6,370)	–	–		(6,370)	–		(6,370)
Employee benefits expense	(9,973)	443	(354)	3.1	(9,884)	–		(9,884)
Retirement benefit asset and post-employment medical aid income	36	–	–		36	–		36
Depreciation on property, plant and equipment	(1,096)	30	–		(1,066)	–		(1,066)
Amortisation of intangible assets	(178)	24	–		(154)	–		(154)
Repairs and maintenance expenditure on property, plant and equipment	(391)	3	–		(388)	–		(388)
Occupational expenses	(854)	7	–		(847)	–		(847)
Hospital service expenses	(1,002)	–	–		(1,002)	–		(1,002)
Communication expenses	(510)	4	–		(506)	–		(506)
Radiopharmaceutical manufacturing and distribution expenses	(339)	339	–		–	–		–
Professional, legal and secretarial fees	(684)	290	–		(394)	–		(394)
Expected credit losses	(318)	12	–		(306)	–		(306)
Other expenses	(1,115)	108	–		(1,007)	–		(1,007)
Exchange loss reclassified to profit or loss on disposal	–	–	–		–	(391)	5.1	(391)
Fair value adjustment to LMI management incentive liability	–	–	–		–	(19)	5.2	(19)
Fair value adjustments to contingent consideration	(63)	–	–		(63)	(3,147)	5.3	(3,210)

	Last published Group results before the Transaction	Deconsoli-dation of LMI *Pro forma* entries	*Pro forma* entries	Notes	Group after deconsoli-dation before disposal entries	Adjustments relating to the Transaction: Disposal of LMI and related costs	Notes	*Pro forma* After the Transaction
Notes	**1**	**2**	**3**		**4**	**5**		**6**
Fair value loss on financial instruments	(15)	–	–		(15)	–		(15)
Impairments of assets	(25)	–	–		(25)	–		(25)
Loss on disposal of property, plant and equipment	–	2	–		2	–		2
Profit on disposal of investment in subsidiary	–	–	–		–	6,522	5.4	6,522
Transaction costs relating to acquisitions and disposals	(15)	–	–		(15)	(206)	5.5	(221)
Operating profit	2,899	(583)	(354)		1,962	2,759		4,721
Finance income	346	(4)	–		342	116	5.6	458
Finance cost	(526)	67	(59)	3.2	(518)	(53)	5.7	(571)
Share of associates' and joint ventures' net profit after tax	8	–	–		8	–		8
Profit before tax	2,727	(520)	(413)		1,794	2,822		4,616
Tax expense	(538)	(99)	106	3.3	(531)	–		(531)
Profit after tax from continuing operations	2,189	(619)	(307)		1,263	2,822		4,085
Discontinued operations								
Loss from discontinued operations	2,758	–	–		2,758	–		2,758
Profit after tax	4,947	(619)	(307)		4,021	2,822		6.843
Profit after tax attributable to:								
Ordinary equity holders of the parent	4,827	(619)	(307)		3,901	2,822		6,723
Non-controlling interest	120	–	–		120	–		120
	4,947	(619)	(307)		4,021	2,822		6,843

***Pro forma* consolidated statement of comprehensive income for the year ended 30 September 2024**

	Last published Group results before the Transaction	**Deconsolidation of LMI *Pro forma* entries**	***Pro forma* entries**	**Notes**	**Group after deconsolidation before disposal entries**	**Adjustments relating to the Transaction: Disposal of LMI and related costs**	**Notes**	***Pro forma* After the Transaction**
Notes	**1**	**2**	**3**		**4**	**5**		**6**
Profit after tax	4,947	(619)	(307)		4,021	2,822		6,843
Other comprehensive income								
Items that may be reclassified to profit or loss								
Movement in foreign currency translation reserve (“**FCTR**”) of continuing foreign operations, net of tax	(354)	324	–		(30)	391		361
Movement in FCTR of discontinued operations, net of tax	395	–	–		395	–		395
Exchange gain reclassified to profit or loss on disposal of discontinued operation	(3,234)	–	–		(3,234)	–		(3,234)
Items that will not be reclassified to profit or loss								
Retirement benefit asset and post-employment medical aid income, net of tax	11	–	–		11	–		11
Total comprehensive income for the year	1,765	(295)	(307)		1,163	3,213		4,376
Total comprehensive income attributable to:								
Ordinary equity holders of the parent	1,661	(295)	(307)		1,059	3,213		4,272
Non-controlling interest	104	–	–		104	–		104
	1,765	(295)	(307)		1,163	3,213		4,376

	Last published Group results before the Transaction	Deconsolidation of LMI *Pro forma* entries	*Pro forma* entries	Notes	Group after deconsolidation before disposal entries	Adjustments relating to the Transaction: Disposal of LMI and related costs	Notes	*Pro forma* After the Transaction
Notes	**1**	**2**	**3**		**4**	**5**		**6**
Headline earnings reconciliation (ZAR'm)								
Profit from continuing operations attributable to ordinary equity holders	1,986[1]	(619)	(307)		1,060	2,822		3,882
Profit from discontinued operation attributable to ordinary equity holders	2,758	–	–		2,758	–		2,758
Adjustments, net after tax								
Impairment of assets from continuing operations	18	–	–		18	–		18
Loss on disposal of property, plant and equipment from LMI	–	(2)	–		(2)	–		(2)
Profit on disposal of LMI	–	–	–		–	(6,522)	5.4	(6,522)
Exchange (gain)/loss reclassified to profit or loss on disposal	(3,234)	–	–		(3,234)	391		(2,843)
Loss on disposal of discontinued operation (AMG)	142	–	–		142	–		142
Transaction costs relating to the disposal of AMG	532	–	–		532	–		532
Loss on disposal of property, plant and equipment from discontinued operations (AMG)	3	–	–		3	–		3
Headline earnings from continuing and discontinued operations	2,205	(621)	(307)		1,277	(3,309)		(2,032)

[1] Differs to the earnings from continuing operations attributable to ordinary equity holders of the parent due to the dividends distributed on unvested shares to participants of share schemes.

	Last published Group results before the Transaction	Deconsolidation of LMI *Pro forma* entries	*Pro forma* entries	Notes	Group after deconsolidation before disposal entries	Adjustments relating to the Transaction: Disposal of LMI and related costs	Notes	*Pro forma* After the Transaction
Notes	**1**	**2**	**3**		**4**	**5**		**6**
Normalised earning from continuing operations reconciliation (ZAR'm)								
Profit from continuing operations attributable to ordinary equity holders	1,986[1]	(619)	(307)		1,060	2,822		3,882
Adjustments, net after tax								
Retirement benefit asset and post-employment medical aid income	(26)	–	–		(26)	–		(26)
Fair value adjustment to LMI management incentive liability	–	–	–		–	19		19
Fair value adjustments to contingent consideration	63	–	–		63	3,147		3,210
Interest saving	(170)	–	–		(170)	–		(170)
Impairment of assets from continuing operations	18	–	–		18	–		18
Loss on disposal of property, plant and equipment from LMI	–	(2)			(2)	–		(2)
Profit on disposal of LMI	–	–	–		–	(6,522)	5.4	(6,522)
Transaction costs relating to the disposal of LMI	–	–	–		–	206		206
Exchange loss reclassified to profit or loss on disposal	–	–	–		–	391		391
Retrenchment costs	20	–	–		20	–		20
Transaction costs relating to acquisitions	15	–	–		15	–		15
Unwinding of the contingent consideration receivable	–	–	–		–	(116)		(116)
Unwinding of contingent consideration	78	–	–		78	53		131
Fair value loss on equity instrument	1	–	–		1	–		1
Special dividends distributed to participants in share schemes on unvested shares	77	–	–		77	–		77
Employee benefits expense	–	–	248	3.1 & 3.3	248	–		248
Deferred tax on losses previously not recognised (relating to LMI)	(153)	153	–		–	–		–
Normalised earnings from continuing operations	1,909	(468)	(59)		1,382	–		1,382

[1] Differs to the earnings from continuing operations attributable to ordinary equity holders of the parent due to the dividends distributed on unvested shares to participants of share schemes.

	Last published Group results before the Transaction	Deconsolidation of LMI *Pro forma* entries	*Pro forma* entries	Notes	Group after deconsolidation before disposal entries	Adjustments relating to the Transaction: Disposal of LMI and related costs	Notes	*Pro forma* After the Transaction
Notes	**1**	**2**	**3**		**4**	**5**		**6**
Weighted average number of shares in issue (million)	1,443.1		0.4	3.4	1,443.5			1,443.5
Diluted weighted average number of shares in issue (million)	1,453.0		0.7	3.4	1,453.7			1,453.7
From continuing and discontinued operations								
Earnings per share (cents)	328.8				264.5			460.0
Diluted earnings per share (cents)	328.8[2]				262.6			456.8
Headline earnings per share (cents)	152.9				88.5			(140.8)
Diluted headline earnings per share (cents)	152.9[2]				87.8			(140.8)[2]
From continuing operations								
Earnings per share (cents)	137.8				73.4			268.9
Diluted earnings per share (cents)	137.8[2]				72.9			267.0
Headline earnings per share (cents)	139.0				74.5			(154.7)
Diluted headline earnings per share (cents)[2]	139.0[2]				74.0			(154.7)[2]
Normalised earnings per share (cents)	132.3				95.7			95.7

[2] The diluted EPS and diluted HEPS for the current year is equal to the basic EPS and basic HEPS, as the potential ordinary shares outstanding do not have a dilutive effect on earnings per share.

All US Dollar denominated adjustments have been converted to Rand at the average exchange rate for the year ended 30 September 2024 of $1 :ZAR 18.56, except where stated otherwise.

1. Extracted, without adjustment, from the published audited consolidated annual financial statements of Life Healthcare for the year ended 30 September 2024.

2. Extracted, without adjustment in US Dollar, from audited carve-out historical consolidated financial information of LMI for the year ended 30 September 2024 as presented in Annexure 1 to the Circular. To give effect to the Transaction, assuming the disposal of LMI occurs on 1 October 2023, the information extracted from Annexure 1 is converted from US Dollars to Rands using the average foreign exchange rate of ZAR 18.56 (which is the same as used in the published audited consolidated annual financial statements of Life Healthcare) and rounded to the nearest Rand million. Rounding differences may arise from translating US Dollar thousand, as per the historical financial information disclosed in Annexure 1, to the nearest Rand million.

3. *Pro forma* entry represents:

3.1 Represents total charges of ZAR 354 million to be recognised just before the disposal, split as follows:

- the accelerated charge of ZAR 13 million ($0.7 million) relating to the settlement of the existing incentive schemes for the LMI employees as per the rules of the existing schemes. The impacted employees will be afforded good leaver status in respect of all these schemes. This will not have a continuing effect.
- an additional charge of ZAR 341 million ($18 million) relating to the LMI management Incentive Scheme (refer to section 5 of the Circular). In terms of the scheme, LMI senior management shares in management EBITDA over time calculated on a percentage which ranges between 4%-8% (depending on management EBITDA performance relative to the LMI business plan agreed in 2019) and subject to both cumulative management EBITDA and management EBITDA being positive, in any given year. In the event of a sale, net proceeds are added to management EBITDA when calculating any payments due to LMI management in any given year. In accordance with the terms of the LMI management incentive scheme, an estimated payment of $18 million will be payable to LMI management from the Upfront Payment post Completion. Further potential future payments from the cumulative annual EBITDA and future earnouts may occur to LMI management as an when the future earnouts becomes payable (refer to note 5.2 below). This will not have a continuing effect.

3.2 The adjustment to remove the finance cost of $3.2 million (ZAR 59 million) on the inter-group loan. This is due to the capitalisation of LMGL's inter-group loan with LMI in exchange for the issuance of two ordinary shares at a premium before the Transaction. This will not have a continuing effect.

3.3 Represents the tax impact (at 30%) on note 3.1 above.

3.4 The vesting of 392,271 shares in Life Healthcare that are held for the purpose of a LMI executive who is a participant of the CIP scheme. These shares will not form part of Life Healthcare's treasury shares going forward, as these shares will vest on disposal date.

4. Represents the *pro forma* Group after deconsolidation of LMI but before the financial impact as a result of the disposal illustrated in column 5.

5. Column 5 represents the following:

5.1 A FCTR loss of ZAR 391 million is realised on the disposal of LMI based on the spot rate as at 30 September 2024 of $1: ZAR 17.07. This will not have a continuing effect.

5.2 Represents the additional estimated LMI management incentive liability after disposal (refer to note 3.1 above) taken into account the probability of future earnout payments.

The fair value of the LMI management incentive liability was calculated using the income approach. Expected cash inflows are estimated based on LMI's business plan, taking into account how the current economic environment is likely to impact it. The present value was determined using a discount rate of 5.4%.

This will have a continuing effect.

Sensitivity:

– Adjusting EBITDA upwards by 45%* results in an increase in the fair value of $2.1 million (ZAR 39 million). Adjusting the EBTIDA downwards by 45%* results in a decrease in the fair value of $1.3 million (ZAR 24 million).

* It is expected for companies in the radiopharmaceutical industry to achieve strong growth in earnings should product develop prove to be successful.

5.3 A contingent consideration payable exists relating to an amount payable to the previous owners of LMI that was acquired during June 2018 (Piramal agreement – refer to section 5 of the Circular). The contingent consideration is payable based on cumulative management EBITDA, measured from the date of acquisition. Once LMI's cumulative management EBITDA position turns positive, Piramal earns 50% of management EBITDA in any given year up to a maximum cumulative amount of $200 million. In the event of a sale, net proceeds are added to management EBITDA when calculating any contingent consideration due to Piramal in a given year. Due to the Transaction, an initial payment of $141 million will be made with receipt of the Upfront Payment with further future payments as and when the potential earnout payments to Life Healthcare realise.

		Future payments					
	Upfront payment	FY2026	FY2027	FY2028	Total in $'m	ZAR'm	$1:ZAR at 1 Oct 2023
Piramal contingent consideration payments	141	5	27	27	200		
Less: discounting impact of potential future payments[1]	–	(1)	(4)	(5)	(10)		
Total estimated present value of contingent consideration	141	4	23	22	190		
Accrual as at 1 October 2023					(24)		
Additional fair value adjustment to the contingent consideration					166	3,147	18.96

[1] The estimated future payments in FY2026 to FY2028 were discounted to present value using a pre-tax discount rate of 5.4%. The estimated future payments to Piramal were calculated using the income approach, taken into consideration the potential earnout receipts (refer to note 5 in the statement of financial position).

The fair value adjustment is a permanent difference between tax and accounting and therefore has no cash tax or deferred tax impact.

This adjustment will have a continuing effect.

Sensitivity:

– The Piramal contingent consideration is capped to a maximum of $200 million. Future EBITDA earnings would need to decrease by at least 5.5% to impact fair value. An increase in EBITDA would have no impact on the fair value of the obligation.

– An increase in the discount rate of 1% results in a decrease of the fair value of $0.8 million (ZAR 15 million). A decrease in the discount rate of 1% results in an increase in the fair value of $2.3 million (ZAR 44 million).

5.4 The once-off profit on disposal before the fair value adjustment, reclassification of FCTR, transaction and other costs is ZAR 6.5 billion. The profit is based on the US Dollar cash consideration plus the present value of the estimated contingent consideration receivable less the US Dollar carrying value of LMI in the Life Healthcare accounts. This will not have a continuing effect.

	$'m	**ZAR'm**	**$1:ZAR at 1 Oct 2023**
Proceeds per note 5 to *pro forma* Statement of Financial Position	436		
Pro forma net asset value, taking into account the inter-group loan capitalisation and additional accruals relating to the existing incentive schemes and the LMI management EBITDA scheme (refer notes 3.2 and 3.3 to *pro forma* Statement of Financial Position	(92)		
Profit on disposal	344	6,522	18.96

No capital gains tax is expected to be paid in South Africa and in the United Kingdom. In the United Kingdom the profit is exempted from tax in terms of the Substantial Shareholding Exemption ("**SSE**"), subject to certain conditions being met. Future potential earnouts and milestone payments that exceed the value exempted in the SSE analysis on the date of sale, will be subject to tax at the prevailing UK tax rate on the date of receipt.

5.5 Non-recurring transaction costs of ZAR 206 million which relate directly to the Transaction have been expensed. These transaction costs are not deductible for tax purposes. This adjustment will not have a continuing effect.

5.6 Represents the unwinding of the contingent consideration receivables as presented in note 5 to *pro forma* Statement of Financial Position. This adjustment will have a continuing effect.

5.7 Represents the unwinding of the Piramal contingent consideration for the year. Refer to note 5.3 above. This adjustment will have a continuing effect.

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

***Pro forma* consolidated statement of financial position as at 30 September 2024**

					Adjustments relating to the Disposal					
	Last published Group results before the Transaction	**Deconsolidation of LMI *Pro forma* entries**	***Pro forma* entries**	**Notes**	**Group after deconsolidation before disposal entries**	**Proceeds from disposal of shares in LMI**	**Notes**	**Application of consideration and adjustment to LMI management incentive liability**	**Notes**	***Pro forma* after the Transaction**
Notes	**1**	**2**	**3**		**4**	**5**		**6**		
ZAR million										
ASSETS										
Non-current assets	16,809	(1,408)	–		15,401	1,486		–		16,887
Property, plant and equipment	10,765	(85)	–		10,680	–		–		10,680
Intangible assets	3,570	(986)	–		2,584	–		–		2,584
Investment in associates and joint ventures	104	–	–		104	–		–		104
Employee benefit assets	349	–	–		349	–		–		349
Deferred tax assets	1,835	(337)	–		1,498	–		–		1,498
Contingent consideration receivable	–	–	–		–	1,486	5.2	–		1,486
Other assets	186	–	–		186	–		–		186
Current assets	7,292	(1,020)	92		6,364	5,957		(2,613)		9,708
Cash and cash equivalents	2,462	(600)	–		1,862	5,957	5.1	(2,613)	6.1	5,206
Trade and other receivables	4,157	(405)	–		3,752	–		–		3,752
Inventories	466	(15)	–		451	–		–		451
Income tax receivable	77	–	92	3.4	169	–		–		169
Other assets	130	–	–		130	–		–		130
Assets held for sale	243	–	–		243	–		–		243
Total assets	24,344	(2,428)	92		22,008	7,443		(2,613)		26,838
EQUITY AND LIABILITIES										
Capital and reserves										
Stated capital	13,375	–	–		13,375	–		–		13,375
Reserves	(836)	(756)	(4,058)		(5,650)	7,750		(223)	6.2	1,877
Non-controlling interest	975	–	–		975	–		–		975
Total equity	13,514	(756)	(4,058)		8,700	7,750		(223)		16,227

					Adjustments relating to the Disposal					
	Last published Group results before the Transaction	Deconsolidation of LMI *Pro forma* entries	*Pro forma* entries	Notes	Group after deconsolidation before disposal entries	Proceeds from disposal of shares in LMI	Notes	Application of consideration and adjustment to LMI management incentive liability	Notes	*Pro forma* after the Transaction
Notes	**1**	**2**	**3**		**4**	**5**		**6**		
LIABILITIES										
Non-current liabilities	5,560	(37)	308		5,831	–		17		5,848
Interest-bearing borrowings	3,394	–			3,394	–		–		3,394
Deferred tax liabilities	1,492	–	–		1,492	–		–		1,492
Trade and other payables	49	(37)	–		12	–		–		12
Provisions	6	–	–		6	–		–		6
Contingent consideration liabilities	599	–	308	3.1	907	–		–		907
Other liabilities	20	–	–		20	–		17	6.3	37
Current liabilities	5,255	(1,635)	3,842		7,462	(307)		(2,407)		4,748
Trade and other payables	3,910	(483)	307	3.2	3,734	(307)	5.3	–		3,427
Interest-bearing borrowings	1,027	–	–		1,027	–		–		1,027
Loans from group companies	–	(1,128)	1,128	3.3	–	–		–		–
Provisions	143	–	–		143	–		–		143
Contingent consideration liabilities	34	–	2,407	3.1	2,441	–		(2,407)	6.1	34
Income tax payable	98	(24)	–		74	–		–		74
Other liabilities	43	–	–		43	–		–		43
Liabilities directly associated with assets classified as held for sale	15	–			15	–		–		15
Total liabilities	10,830	(1,672)	4,150		13,308	(307)		(2,390)		10,611
Total equity and liabilities	24,344	(2,428)	92		22,008	7,443		(2,613)		26,838
Number of shares in issue (million)	1,467				1,467					1,467
Net asset value per share (cents)	921.2				593.1					1,106.2
Net tangible asset value per share (cents)	677.8				417.0					930.1

Notes to the *pro forma* statement of financial position

All dollar denominated adjustments have been converted to Rand at the spot exchange rate on 30 September 2024 of $1:ZAR 17.07 except where stated otherwise.

1. Extracted, without adjustment, from the published audited consolidated annual financial statements of Life Healthcare for the year ended 30 September 2024.

2. Extracted, without adjustment in US Dollars, from the audited carve-out historical consolidated financial information of LMI for the year ended 30 September 2024 as presented in Annexure 1 to the Circular. To give effect to the Transaction, assuming the disposal of LMI occurs on 30 September 2024, the information extracted from Annexure 1 is converted from US Dollars to Rands using the spot foreign exchange rate of ZAR 17.07 (which is the same as used in the published audited consolidated annual financial statements of Life Healthcare) and rounded to the nearest Rand million. Rounding differences may arise from translating Pounds thousand, as per the historical financial information disclosed in Annexure 1, to the nearest Rand million.

3. *Pro forma* entries represent:

3.1 an adjustment of ZAR 2.7 billion ($159 million) to the Piramal contingent consideration due to the receipt of the Upfront Payment with further payments in the future as and when the potential earnout payments to Life Healthcare realise.

	$'m	**ZAR'm**	**$1:ZAR at 30 Sep 2024**
Total estimated present value of Piramal contingent consideration – refer to note 5.3 to *pro forma* consolidated statement of profit or loss	190	3,249	
Accrual as at 30 September 2024 included under non-current liabilities	(31)	(534)	
Additional fair value adjustment to the contingent consideration	159	2,715	17.07

	Non-current liabilities in ZAR'm	**Current liabilities in ZAR'm**	**Total in ZAR'm**
Accrual as at 30 September 2024	534	–	534
Additional fair value adjustment to the contingent consideration	308	2,407	2,715
	842	2,407	3,249

3.2 Pursuant to the Transaction, LMI management will be entitled to an initial payment of $18 million from the Upfront Payment (refer to note 3.1 to pro forma Statement of profit or loss), resulting in an accrual raised for ZAR 307 million (calculated using the spot rate at 30 September 2024 of ZAR 17.07).

3.3 The capitalisation of LMGL's inter-group loans with LMI in exchange for the issuance of two ordinary shares at a premium subsequent to 30 September 2024.

3.4 Represents the tax impact (at 30%) on note 3.2 above.

4. Represents the *pro forma* Group after deconsolidation of the Transaction but before the adjustments for the total proceeds and use thereof in columns 5 and 6.

5. Total proceeds in terms of the Sale and Purchase Agreement:

	Notes	$'m	ZAR'm
Total consideration for acquisition of LMI shares by purchaser			
Cash consideration	5.1	349	5,957
Estimated consideration[1]		367	6,264
Initial payment to LMI management in respect of LMI management Incentive Scheme	5.3	(18)	(307)
Present value of contingent consideration receivables	5.2	87	1,486
Contingent consideration receivable (potential earnouts 1-3)[2]		39	666
RM2 potential milestone receivable[2]		23	393
Lantheus contribution to LMI Management incentive and Piramal liability[3]		25	427
Total proceeds		436	7,443

1 The Transaction illustrates the possible financial effects as if the Transaction had taken place on 30 September 2024. This presents the upfront payment less the estimated Net Debt and working capital adjustments. The cash consideration will be finalised based on the actual position on the Completion Date of the Transaction.

2 This represents the present value of the potential future earnouts and RM2 receipts as described in section 4.3.2 of the Circular.

The judgements and estimates used in determining the fair values of the financial instruments that have been measured at fair value through profit or loss are described below. The various financial instruments have been categorised as level 3 in the fair value hierarchy of IFRS 13.

A number of different valuation methodologies have been followed in determining the fair value of the financial instruments:

– Monte Carlo simulations: to account for inherent uncertainties and variability of future financial performance
– Income approach: discounted forecasts based on management's business plans for the underlying entities

Financial Assets at fair value through profit or loss	**Expected year of receipt**	**Discount rate**	**Discount rate (%)**	**Description**	**IFRS 13 hierarchy**	**Valuation technique**
Earnout 1	Dec'27-Dec'29	Lantheus cost of debt	5.8%	Revenue based earnout	Level 3	Monte Carlo
Earnout 2	Dec'28-Dec'34	Lantheus cost of debt	6.1%	Revenue based earnout	Level 3	Monte Carlo
Earnout 3	Dec'34	Risk adjusted cost of debt	11.7%	Revenue based earnout	Level 3	Income approach
RM2 milestones	Dec'25 and Dec'29-Dec'34	Risk adjusted cost of debt	11.7%	Revenue based earnout	Level 3	Income approach

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements (see page 92 for the valuation techniques adopted) and how a reasonable change in the input would affect the fair value:

Financial assets at fair value through profit or loss	Unobservable Inputs*	Inputs (range where applicable)	Fair value at 30 Sep 2024 in $ (and ZAR)	Relationship of unobservable inputs to fair value
Earnout 1	Revenue volatility	20.0%	$36.0 million (ZAR 615 million)	An increase in volatility of 5% results in an increase in the fair value of $4.3 million (ZAR 73 million). A decrease in volatility of 5% results in a decrease in the fair value of $3.9 million (ZAR 67 million)
Earnout 2	Revenue volatility	20.0%	$2.2 million (ZAR 38 million)	An increase in volatility of 5% results in an increase in the fair value of $3.8 million (ZAR 65 million). A decrease in volatility of 5% results in a decrease in the fair value of $2.0 million (ZAR 34 million)
Earnout 3	Risk adjusted discount rate	11.4% to 12.0%	$0.3 million (ZAR 5 million)	Discount rates used at both the higher and lower ends of the range result in negligible differences to the fair value.
	Probability of technical and regulatory success ("**PTRS**")	0% to 50%		PTRS percentages used at both the higher and lower ends of the range result in negligible differences to the fair value.
RM2 milestones	Probability of technical and regulatory success ("**PTRS**")	10.0%	$23 million (ZAR 393 million)	A PTRS percentage used at the higher end of the range (13%) results in an increase in the fair value of $4.2 million (ZAR 72 million). A PTRS percentage used at the lower of the range (5%) results in a decrease in fair value of $7.6 million (ZAR 130 million)

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Valuation processes

The valuations are performed by valuation specialists with input from management for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer ("**CFO**") and the audit committee. Discussions of valuation processes and results are held between the CFO, audit committee and the valuation team at least semi-annually, in line with the group reporting requirements.

Fair value measurements

The main level 3 inputs used by the group are derived and evaluated as follows:

- Expected cash inflows are estimated based on LMI's business plan, taking into account how the current economic environment is likely to impact it.
- Revenue volatility – the expected volatility reflects management's best estimate of future fluctuations in revenue. Management's estimate is based on expected sales volatility of neurological products over a twenty-year period as well as consideration of the impact from certain forecast assumptions.
- The probability of technical and regulatory success was estimated based on market research performed, considering the phase of development of the products under development subject to the specific earnout.

The contingent consideration receivable will be remeasured at fair value at each reporting date and subsequent changes in fair value will be recognised in profit or loss. Future potential earnout payments that exceed the value exempted in the SSE analysis on the date of sale, will be subject to tax at the prevailing UK tax rate on the date of receipt.

[3] In terms of the SPA, Life Healthcare and Lantheus will contribute equally to any annual payments due to LMI management in terms of the LMI Management incentive scheme and payments due to Piramal in terms of the Piramal Agreement following Completion (but in each case excluding amounts payable by Life Healthcare from the Upfront Payment), subject to Lantheus's total cumulative contribution being limited to $30 million. The estimated contribution from Lantheus has been determined as $30 million, discounted using a discount rate of 5.4% to a present value of $25 million.

6.1 The Purchase Consideration will be utilised by Life Healthcare to:

	Notes	$'m	ZAR'm	$1:ZAR
Proceeds	5	436	7,443	17.07
Outflow relating to application of consideration	6.1	(152)	(2,613)	
Settle transaction costs		(11)	(206)	
Settle portion of contingent consideration (Piramal settlement)	6.1	(141)	(2,407)	17.07
Net total proceeds		284	4,830	
Less: Anticipated potential future earnouts	5.2	(87)	(1,486)	17.07
Net cash proceeds*		197	3,344	

* The residual cash remaining will be repatriated back to South Africa and is assumed to be held in a short-term liquid investment portfolio at financial institutions. Subject to Board approval and receipt of SARB and all other requisite approvals, Life Healthcare intends to return the net proceeds of the Transaction to Shareholders within 12 months of closing.

6.2 The reserve adjustment consists of transaction costs settled of ZAR 206 million (note 6.1) and ZAR 17 million relating to the fair value adjustment relating to the additional estimated LMI management incentive liability (note 6.3).

6.3 Represents the additional estimated LMI management incentive liability after disposal (refer to note 5.2 per statement of profit or loss).

7. Presents the *pro forma* Consolidated Statement of Financial Position of the Life Healthcare Group subsequent to the Transaction.

8. There are no material subsequent events that require adjustments to the *pro forma* financial information.

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

The Directors
Life Healthcare Group Holdings Ltd
Oxford Parks
203 Oxford Road
Cnr Eastwood and Oxford Roads
Dunkeld
2196

Dear Sirs/Madams

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

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Life Healthcare Group Holdings Limited ("**Company**") by the directors. The *pro forma* financial information, as set out in paragraph 9.3 and Annexure 3 of the circular ("the circular"), to be dated on or about 27 February 2025, consists of *Pro forma* consolidated statement of financial position, *Pro forma* consolidated statement of profit or loss, *pro forma* consolidated statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("**JSE**") Listings Requirements and described in paragraph 9.3 and Annexure 3.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Paragraph 1 of the circular, on the Life Healthcare Group Holdings Limited's financial position as at 30 September 2024, and the Company's financial performance for the year then ended, as if the corporate action or event had taken place at 1 October 2023 and for the period then ended. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's audited consolidated financial statements for the year ended 30 September 2024.

Directors' Responsibility for the Pro Forma Financial Information

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

Our Independence and Quality Management

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

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

Reporting Accountant's Responsibility

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

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

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

The purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2024 would have been as presented.

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

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

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

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

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

Opinion

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

Deloitte & Touche
Registered Auditor
Per: JAR Welch
Partner

20 February 2025

5 Magwa Crescent
Waterfall City, Waterfall
Gauteng
2090

MATERIAL LOANS OF THE LIFE HEALTHCARE GROUP

Life Healthcare Group Proprietary Limited

Lenders' names	Full facility amount	Amount outstanding as at 29 January 2025	Type of facility	How the borrowing arose	Repayment/renewal terms	Interest rate	Source of funds for repayments within 12 months
Investec Bank	ZAR 750 million	ZAR 750 million	Term loan	Funding for general corporate purposes	ZAR 750 million in June 2027	3-month JIBAR +1.15%	No repayments due within 12 months
Rand Merchant Bank	ZAR 1,500 million	ZAR 448 million	General Banking Facility	Funding for working capital	Renewable 365-day facility	Varies according to bank overnight borrowing rates	Cash resources
Investec Bank	ZAR 250 million	NIL	General Banking Facility	Funding for working capital	Renewable 365-day facility	Varies according to bank overnight borrowing rate	N/A
ABSA Bank	ZAR 500 million	NIL	General Banking Facility	Funding for working capital	Renewable 365-day facility	Varies according to bank overnight borrowing rates	N/A

Life Healthcare Funding Limited

Lenders' names	Program size	Amount outstanding as at 29 January 2025	Type of facility	How the borrowing arose	Repayment/renewal terms	Interest rate	Source of funds for repayments within 12 months
Fixed Income Investors	ZAR 7,000 million	ZAR 2,500 million	Domestic Medium Term Note Program	Funding for general corporate purposes	ZAR 500 million bullet payment on 19 July 2025 ZAR 500 million bullet payment on 19 July 2027 ZAR 725 million bullet payment on 12 April 2027 ZAR 330 million bullet payment on 12 April 2029 ZAR 445 million bullet payment on 30 June 2029	3-month JIBAR + 1.54%, 1.15%, 1.32% and 1.32% respectively	No repayments due within 12 months

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

Guarantees and Security for the Senior Debt and Domestic Medium Term Note Program

The guarantors of the Senior Facilities are set out below:

Name of Guarantor	Registration number (or equivalent, if any) Original jurisdiction
Life UK Holdco Limited	10478866
Life Healthcare Group Holdings Limited	2003/002733/06
Life Healthcare Group Proprietary Limited	2003/024367/07
Life Healthcare International Proprietary Limited	2005/037973/07
Life Healthcare Funding Limited	2016/273566/06

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

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

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

Notice is hereby given in terms of section 62(1) of the Companies Act No 71 of 2008, as amended (the Companies Act) that the General Meeting of Shareholders will be held by way of electronic communication on Wednesday, 2 April 2025 at 11:30 SA time, or any adjournment or postponement thereto, to:

(i) consider, and if deemed fit, to pass the ordinary resolution set out below, with or without modification/s; and

(ii) deal with such other business as may be dealt with at the General Meeting.

ORDINARY RESOLUTION

Approval of the Transaction in terms of the Listings Requirements

"**RESOLVED AS AN ORDINARY RESOLUTION THAT**, the Transaction, being the disposal by LMGL, a wholly owned indirect Subsidiary of Life Healthcare, of the entire issued share capital of LMI to the Purchaser for the Purchase Consideration pursuant to the terms of the Sale and Purchase Agreement, be and is hereby approved as a Category 1 Transaction in terms of Section 9 of the Listings Requirements."

Voting in respect of the ordinary resolution

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

Reason and effect

The reason for the ordinary resolution is that the Transaction constitutes a Category 1 Transaction in terms of the Listings Requirements and therefore requires Shareholders to approve the Transaction by way of an ordinary resolution in terms of Section 9 of the Listings Requirements.

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

SALIENT RECORD DATES

The record date in terms of section 59 of the Companies Act for Shareholders to be recorded on the securities register of the Company in order to receive notice of General Meeting is Friday, 21 February 2025.

The last day to trade in the Company's shares in order to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the General Meeting is Tuesday, 25 March 2025.

The record date in terms of section 59 of the Companies Act for Shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the General Meeting is Friday, 28 March 2025.

QUORUM REQUIREMENTS

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

VOTING AND PROXIES

Voting

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

Certificated Shareholders and Own-Name Dematerialised Shareholders

Shareholders who have certificated shares or have dematerialised their shares through a CSDP/Broker with "own name" registrations are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies to attend, participate in, speak and vote at the General Meeting in their stead. The person so appointed as a proxy need not be a Shareholder. It is requested for administrative purposes only, that forms of proxy be completed and forwarded to The Meeting Specialist by Monday, 31 March 2025 at 11:30 SA time, via one of the following channels:

– Post: PO Box 62043, Marshalltown, 2017, South Africa

– Email: proxy@tmsmeetings.co.za

Please refer to the paragraph entitled "Certificated Shareholders and Own-Name Dematerialised Shareholders" on page 9 of the Circular in this regard.

Dematerialised Shareholders who are not Own-Name Dematerialised Shareholders

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

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

Please refer to the paragraph entitled "Dematerialised Shareholders who are not Own-Name Dematerialised Shareholders" on page 8 of the Circular in this regard.

Identification

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

Electronic participation by shareholders

Please refer to the Electronic Participation Meeting Guide set out on page 64 and the Registration Form to participate in the General Meeting by way of electronic communication set out on page 64.

Proxies

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

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

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

By order of the Board

Joshila Ranchhod
Group Company Secretary

Dunkeld
27 February 2025

ELECTRONIC PARTICIPATION GENERAL MEETING GUIDE

How to access the virtual meeting

1. In order to participate and vote in the meeting, each electronic participant must have an internet-enabled device (phone, laptop, desktop) capable of browsing to a regular website (in order to vote and participate).
2. As articulated in the Registration form on page 69 of this Circular, Shareholders or their proxies who wish to participate in the General Meeting via the virtual platform MUST register with the Company's meeting scrutineers. Please do so by emailing the signed application form to The Meeting Specialist at proxy@tmsmeetings.co.za by latest Monday, 31 March 2025 at 11:30 SA time, provided that any Forms of Proxy not delivered to The Meeting Specialist by this time may be provided to The Meeting Specialist electronically (who will provide same to the chairman) at any time before the proxy exercises any rights of the Shareholder.
3. Closer to the meeting date or on the day of the virtual meeting, you will receive a registration link to allow you to register for the virtual meeting.
4. Once you have completed the registration form and our moderators have approved your registration, you will receive an email invitation to the meeting, which contains the meeting ID and password.
5. Click on the Link and you will be directed to the meeting platform.
6. An additional unique link will be sent, individually, to each shareholder who has made contact with The Meeting Specialist on proxy@tmsmeetings.co.za and who has successfully been validated to vote at the meeting.

Navigating the meeting platform

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

How to exercise your votes

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

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

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

FORM OF PROXY – GENERAL MEETING OF SHAREHOLDERS

For use only by Certificated Shareholders, nominee companies of CSDPs, Brokers' nominee companies and Own-Name Dematerialised Shareholders at the General Meeting to be held on Wednesday, 2 April 2025 at 11:30 SA time via electronic communication.

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

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

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

I/We (Full name in print)

of (address)

Telephone: (work) area code (   )

Telephone: (home) area code (   )

Cell phone number: E-mail address:

being the holder of ______ Shares, hereby appoint:

1. or failing him/her

2. or failing him/her

3. the chairman of the General Meeting,

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

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

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

Signed at: on 2025

Signature:

Capacity of signatory (where applicable)

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

Telephone number: Cellphone number:

Assisted by me (where applicable)

Full name

Capacity

Signature

Please read the notes on the reverse side hereof.

Notes to the form of proxy

1. Shareholders are advised that the Company has appointed The Meeting Specialist as its proxy receiving agent.
2. Proxy appointment must be in writing, dated and signed by the Shareholder.
3. Forms of Proxy must be presented for administrative purposes via email to The Meeting Specialist at proxy@tmsmeetings.co.za to be received on or before Monday, 31 March 2025 at 11:30 SA time.
4. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the holder's choice in the space provided, with or without deleting "the Chairman of the meeting". Any such deletion must be initialed by the Shareholder.
5. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant percentage of voting rights exercisable by that holder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the meeting, as they deem fit, in respect of all the Shareholder's voting rights exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
6. A Shareholder or their proxy is not obliged to use all the voting rights exercisable by the Shareholder or by their proxy, but the total of the voting rights cast and in respect whereof abstention is recorded may not exceed the total of the voting rights exercisable by the Shareholder or by their proxy.
7. A Shareholder's authorisation to the proxy, including the Chairman of the meeting, to vote on their behalf, shall be deemed to include the authority to vote on procedural matters at the meeting.
8. The completion and lodging of this Form of Proxy *(blue)* will not preclude the relevant Shareholder from attending the meeting and speaking and voting in person thereat and the exclusion of any proxy appointed in terms hereof should such Shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing this Form of Proxy *(blue)* in a representative capacity must be attached to this form. Without limiting the generality hereof, the Company will accept a valid identity document, a valid driver's license or a valid passport as satisfactory identification.
10. Any alteration to this form must be initialed by the signatory(ies).
11. A Shareholder may revoke the proxy appointment by:
    (i) cancelling it in writing with a copy to the Group Company Secretary, or making a later inconsistent appointment of a proxy; and
    (ii) delivering a copy of the revocation instrument to proxy@tmsmeetings.co.za to be received before the replacement proxy exercises any rights of the Shareholder, or any adjournment(s) thereof.
12. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's/proxies' authority to act on behalf of the Shareholder as of the later of:

(i) the date stated in the revocation instrument, if any; or

(ii) the date on which the revocation instrument was delivered as required in paragraph 11.

13. The chairperson of the General Meeting may reject or accept any Form of Proxy *(blue)* which is not completed and/or received in accordance with the Circular and the instructions set out herein.

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

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

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

To be held on Wednesday, 2 April 2025 at 11:30 SA time

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

- Shareholders or their proxies who wish to participate in the General meeting via electronic communication ("Participants"), must register with the Company's meeting scrutineers to do so by emailing the signed form below ("the application") to The Meeting Specialist at email proxy@tmsmeetings.co.za by no later than Monday, 31 March 2025 at 11:30 SA time.
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with 'own name' registration, should contact their Central Securities Depository Participant ("CSDP") or broker in the manner and time stipulated in their Custody Agreement with their CSDP or Broker:
  - to furnish them with their voting instructions; and
  - in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Participants will be able to vote during the General Meeting through an electronic participation platform. Such Participants, should they wish to have their vote counted at the General Meeting, must provide The Meeting Specialist with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted by Monday, 31 March 2025 at 11:30 via email/mobile with a unique link to allow them to participate in the virtual General Meeting.
- The Participant's unique access credentials will be forwarded to the email/cell number provided below.

APPLICATION FORM

Name and surname of shareholder	
Name and surname of shareholder representative (If applicable)	
ID number of shareholder or representative	
Email address	
Cell number	
Telephone number	
Name of CSDP or Broker (If shares are held in dematerialised format)	
SCA number/Broker account number or own name account number	
Number of shares	
Signature	
Date	

- The cost of dialing in using a telecommunication line/webcast/web-streaming to participate in the General meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming are provided by a third and indemnifies Life Healthcare Group Holdings Limited, and The Meeting Specialist (virtual platform service provider) and/or its third party service providers against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines/webcast/web-streaming, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else.

In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against Life Healthcare Group Holdings Limited, The Meeting Specialist and/or its third party service providers, whether for consequential damages or otherwise, arising from the use of the telecommunication lines/webcast/web-streaming or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming and connections linking the telecommunication lines/webcast/web-streaming to the General Meeting.

- Participants will be able to vote during the General Meeting through an electronic participation platform. Such Participants, should they wish to have their vote counted at the General Meeting, must act in accordance with the requirements set out above.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and emailed to The Meeting Specialist at proxy@tmsmeetings.co.za.

By signing this registration form, I agree and consent to the processing of my personal information above for the purpose of participation in the General Meeting.

Shareholder name ______________________

Signature ______________________

Date ______________________