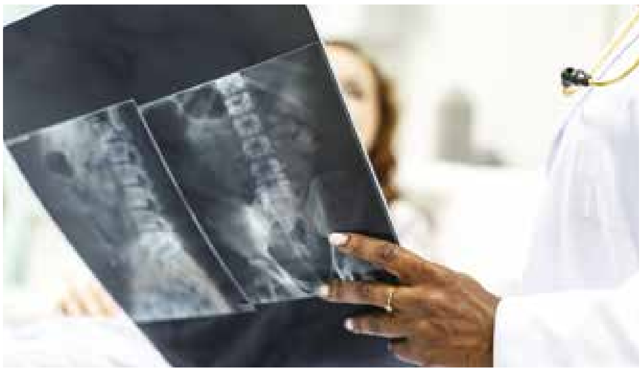
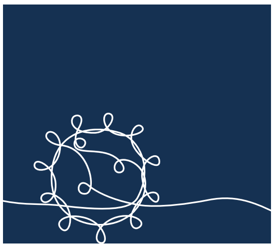




# Notice of annual general meeting **26 January 2022**

Life Healthcare

# Notice of annual general meeting


**In this report**



**Life Healthcare Group Holdings Limited**
Registration number: 2003/002733/06
Share code: LHC
ISIN: ZAE000145892
("Life Healthcare" or the "Company")

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 annual general meeting (AGM) of shareholders of Life Healthcare will be on **Wednesday, 26 January 2022, at 11:30**, or any adjournment or postponement thereto, to (i) consider, and if deemed fit to pass the following ordinary and special resolutions with or without modification/s; and (ii) deal with such other business as may be dealt with at the AGM.

For the safety of our stakeholders, the national restrictions regarding public gatherings and measures for social distancing will be applied to the forthcoming AGM, with proceedings being held through electronic communications as permitted by the JSE Limited, the provisions of the Companies Act and the Company's Memorandum of Incorporation. The virtual AGM will be hosted on an interactive electronic platform, in order to facilitate voting and remote participation by shareholders. Further details, including how to submit votes by proxy before the meeting, are contained in this notice of the virtual AGM.

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take, consult your broker, central securities depository participant (CSDP), banker, financial adviser, accountant or other professional adviser immediately. The notice of AGM is only available in English, and copies may be obtained from the registered office of the Company and the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196.

## REGISTERED AND CORPORATE OFFICE

Building 2, Oxford Parks, 203 Oxford Road, Cnr Eastwood and Oxford Roads, Dunkeld, 2196. Private Bag X13, Northlands, 2116
Telephone 011 219 9000

Included in this document are the following:

- The notice of AGM setting out resolutions to be proposed at the meeting, with explanatory notes.
- A proxy form for completion, signature and submission to the transfer secretaries by shareholders holding the Company's ordinary shares in certificated form or recorded in sub-registered electronic form in "own name".



## 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 annual general meeting is Friday, 10 December 2021.

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 annual general meeting is Tuesday, 18 January 2022.

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 annual general meeting is Friday, 21 January 2022.

## PRESENTATION TO SHAREHOLDERS

### Presentation of the audited annual financial statements

The audited annual financial statements of the Company and the Group for the year ended 30 September 2021 (as approved by the Board of directors of the Company), incorporating the external auditor, Audit Committee and Directors' reports, are presented to shareholders in terms of section 30(3) of the Companies Act.

A summary of the audited annual financial statements is contained herein as **ANNEXURE 4**. The complete audited annual financial statements appear on the Company's website at **www.lifehealthcare.co.za**

### Presentation of the Social, Ethics and Transformation Committee report

To present the report of the Social, Ethics and Transformation Committee of the Group for the year ended 30 September 2021, in terms of Regulation 43 of the Companies Regulations 2011 (the Regulations). The report is available on the Company's website at **www.lifehealthcare.co.za**

## ORDINARY RESOLUTIONS

### Percentage of voting rights – ordinary resolutions

Ordinary resolutions numbered 1 to 4 contained in this notice of AGM, require the approval of a minimum of 50% plus 1 vote of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolutions to be adopted.

## 1. ORDINARY RESOLUTION NUMBER 1

### Appointment of independent external auditors

To re-appoint Deloitte & Touche (Deloitte) as independent external auditors of the Company, and James Andrew Robb Welch as the individual designated auditor, to hold office until the conclusion of the next AGM in terms of section 90(1) of the Companies Act.

The Audit Committee has evaluated the independence and experience of both Deloitte and James Andrew Robb Welch and has concluded that both the firm and the individual designated auditor are independent of the Company in accordance with section 94(8) of the Companies Act. In compliance with the JSE Listings Requirements (paragraph 3.84(g)(iii), the Audit Committee obtained and considered all information listed in paragraph 22.15(h) of the Listings Requirements of the JSE in its assessment of the suitability of Deloitte, as well as James Andrew Robb Welch, for appointment.

There are no current, pending or finalised legal or disciplinary processes which affect the suitability of Deloitte or James Andrew Robb Welch for appointment as the Company's external auditors and individual designated auditor. Further information on the execution of the duties of the Audit Committee is set out in the Audit Committee report, contained in the annual financial statements.

### Ordinary resolution number 1

"RESOLVED that Deloitte & Touche and James Andrew Robb Welch be and are hereby appointed as independent external auditors and individual designated auditor of the Company, to hold office until the conclusion of the next AGM in 2023 in terms of section 90(1) of the Companies Act."

# Notice of annual general meeting continued

## 2. ORDINARY RESOLUTION NUMBER 2

(Comprising separate ordinary resolutions numbered 2.1 to 2.8)

### Rotation of directors

To re-elect, by way of separate resolutions, the following directors, each of whom retires in terms of the provisions of the Memorandum of Incorporation (MoI) of the Company, and, each being eligible, offer themselves for re-election:

2.1 Peter Golesworthy**
2.2 Joel Netshitenzhe**
2.3 Malefetsane Ngatane**
2.4 Garth Solomon**
2.5 Royden Vice*
2.6 Marian Jacobs*

To confirm the appointment of:
2.7 Caroline Henry

who was appointed with effect from 1 September 2021.

Shareholders are requested to consider and, if deemed fit, to re-elect these retiring directors as members of the Board of the Company and confirm the appointment of the new director, by way of passing the separate ordinary resolutions set out below. Brief résumés in respect of each director offering themselves for re-election as directors of the Company and confirmation of the appointment of the new director, are attached hereto as **ANNEXURE 1**.

### Ordinary resolution number 2.1

"RESOLVED that Peter Golesworthy be and is hereby re-elected as an independent non-executive director of the Company with effect from 26 January 2022."

### Ordinary resolution number 2.2

"RESOLVED that Joel Netshitenzhe be and is hereby re-elected as an independent non-executive director of the Company with effect from 26 January 2022."

### Ordinary resolution number 2.3

"RESOLVED that Malefetsane Ngatane be and is hereby re-elected as an independent non-executive director of the Company with effect from 26 January 2022."

### Ordinary resolution number 2.4

"RESOLVED that Garth Solomon be and is hereby re-elected as an independent non-executive director of the Company with effect from 26 January 2022."

### Ordinary resolution number 2.5

"RESOLVED that Royden Vice be and is hereby re-elected as an independent non-executive director of the Company with effect from 26 January 2022."

### Ordinary resolution number 2.6

"RESOLVED that Marian Jacobs be and is hereby re-elected as an independent non-executive director of the Company with effect from 26 January 2022."

### Ordinary resolution number 2.7

"RESOLVED that Caroline Henry be and is hereby confirmed as an independent non-executive director of the Company with effect from 26 January 2022."

* *Retiring as a result of exceeding 70 years of age.*
** *Routine re-election as per the MoI, and being longest in office since their last election.*

## 3. ORDINARY RESOLUTION NUMBER 3

(Comprising separate ordinary resolutions numbered 3.1 to 3.4)

### Election of Audit Committee members

To elect, by way of separate ordinary resolutions, the Audit Committee consisting of independent non-executive directors in terms of section 94(4) of the Companies Act and appointed in terms of section 94(2) of the Companies Act to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and other duties described in the Audit Committee's terms of reference which are available on the Company's website, www.lifehealthcare.co.za. In terms of Regulation 42 of the Act, at least one-third of the members of the Company's Audit Committee must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

The Board has determined that each of the members standing for election is independent, and that they possess the required qualifications, skills and experience as contemplated in Regulation 42 of the Act and collectively, they have sufficient qualifications and experience to fulfil their duties as contemplated in section 94(7) of the Companies Act.

The following independent non-executive directors, each being eligible, offer themselves for election/re-election:

3.1 Peter Golesworthy*
3.2 Caroline Henry*
3.3 Audrey Mothupi
3.4 Royden Vice*

* *Subject to re-election/confirmation of appointment.*

The resolutions pertaining to the re-election of the members of the Audit Committee are to be voted on individually.

Brief résumés in respect of each independent non-executive director offering themselves for election as members of the Audit Committee are attached hereto as **ANNEXURE 1.**

### Ordinary resolution number 3.1

"RESOLVED that Peter Golesworthy, who is an independent non-executive director, be and is hereby re-elected, with effect from 26 January 2022, as a member and the Chairman of the Audit Committee."

### Ordinary resolution number 3.2

"RESOLVED that Caroline Henry, who is an independent non-executive director, be and is hereby elected, with effect from 26 January 2022, as a member of the Audit Committee."

### Ordinary resolution number 3.3

"RESOLVED that Audrey Mothupi, who is an independent non-executive director, be and is hereby re-elected, with effect from 26 January 2022, as a member of the Audit Committee."

### Ordinary resolution number 3.4

"RESOLVED that Royden Vice, who is an independent non-executive director, be and is hereby re-elected, with effect from 26 January 2022, as a member of the Audit Committee."

## 4. ORDINARY RESOLUTION NUMBER 4

### Authorisation to sign documents to give effect to resolutions

"RESOLVED that any one director of the Company and/or the Group Company Secretary be and are hereby authorised to do all such things and sign all such documents and take all such actions as they consider necessary to give effect to the resolutions set out in this notice of AGM."

# Notice of annual general meeting continued

## 5. NON-BINDING ADVISORY ENDORSEMENT

### Approval of the remuneration policy

In accordance with the King Code of Governance Principles for South Africa 2016TM (King IV), shareholder approval is sought for the Company's remuneration policy and implementation thereof by way of separate non-binding advisory votes. The non-binding votes enable shareholders to express their views on the Company's remuneration policy and on the implementation thereof. The detailed remuneration report, for which approval is being sought, is available on the Company's website at **www.lifehealthcare.co.za** and is also available for inspection at the Company's registered offices.

In the event that the remuneration report or the implementation report, or both have been voted against by 25% or more of the voting rights exercised by shareholders in the non-binding advisory vote, the Board will delegate representatives to actively engage with the dissenting shareholders to address and conciliate the substantiating objections and concerns and to ameliorate the policy and/or report as appropriate, taking cognisance of the shareholder feedback and proposals resulting from the engagement and as approved by the Board.

### Non-binding Advisory Endorsement number 5.1

"RESOLVED that the Company's remuneration policy be and is hereby approved by way of a non-binding advisory vote, as recommended in King IV."

### Non-binding Advisory Endorsement number 5.2

"RESOLVED that the Company's implementation report be and is hereby approved by way of a non-binding advisory vote, as recommended in King IV."

## SPECIAL RESOLUTIONS

### Percentage of voting rights – special resolutions

Special resolutions numbered 1 to 3, contained in this notice of AGM, require approval of a minimum of 75% of the votes exercised on the resolutions by the shareholders present or represented by proxy at the AGM in order for the resolutions to be adopted.

## 6. SPECIAL RESOLUTION NUMBER 1

### Remuneration payable to non-executive directors and the Chairman

In terms of sections 66(8) and 66(9) of the Companies Act and on recommendation of the Human Resources and Remuneration Committee, the Company wishes to remunerate its non-executive directors and Chairman of the Board for their services as directors and/or pay any fees related thereto as detailed in the table below, which reflects that the directors' fees be increased by an aggregate 6.30% on the fees paid in the previous year, provided that the aforementioned authority to remunerate directors shall be valid until the annual general meeting of the Company in 2023.

### Special Resolution 1.1 Board fees

1.1 "RESOLVED that the determination of the Chairman's Board fees and the Board member's fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act."

| | 2021 | | | **2022** | | | |
|---|---|---|---|---|---|---|---|
| **Board** | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Chairman | 653 856 | 435 900 | 1 089 756 | **702 900** | **468 596** | **1 171 496** | **7.5** |
| Board member | 181 260 | 120 276 | 301 536 | **194 856** | **129 296** | **324 152** | **7.5** |

## Special Resolution 1.2 Lead Independent Director

1.2 "RESOLVED that the determination of the Lead Independent Board member board fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act."

| | 2021 | | | **2022** | | | |
|---|---|---|---|---|---|---|---|
| | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Lead independent | 271 380 | 180 072 | 451 452 | **284 952** | **189 076** | **474 028** | **5.0** |

## Special Resolution 1.3 Audit Committee fees

1.3 "RESOLVED that the determination of the Audit Committee Chairman fees and Committee member fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act."

| | 2021 | | | **2022** | | | |
|---|---|---|---|---|---|---|---|
| **Audit Committee** | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Chairman | 179 832 | 119 760 | 299 592 | **188 820** | **125 748** | **314 568** | **5.0** |
| Committee member | 100 860 | 67 240 | 168 100 | **105 900** | **70 604** | **176 504** | **5.0** |

## Special Resolution 1.4 Human Resources and Remuneration Committee fees**

1.4 "RESOLVED that the determination of the Human Resources and Remuneration Committee Chairman fees and Committee member fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act."

** *FY2021 fees inclusive of one additional meeting held, which will continue from FY2022 onwards.*

| | 2021 | | | **2022** | | | |
|---|---|---|---|---|---|---|---|
| **Human Resources and Remuneration Committee** | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Chairman | 141 252 | 92 745 | 233 997 | **150 928** | **100 619** | **251 547** | **7.5** |
| Committee member | 70 692 | 48 910 | 119 602 | **77 143** | **51 429** | **128 572** | **7.5** |

# Notice of annual general meeting continued

**Special Resolution 1.5 Nominations and Committee fees**

1.5 "RESOLVED that the determination of the Nominations and Governance Committee Chairman fees and Committee member fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act."

| | 2021 | | | 2022 | | | |
|---|---|---|---|---|---|---|---|
| **Nominations and Governance Committee** | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Chairman | 93 768 | 125 088 | 218 856 | **137 880** | **91 920** | **229 800** | **5.0** |
| Committee member | 48 972 | 64 788 | 113 760 | **71 664** | **47 780** | **119 444** | **5.0** |

**Special Resolution 1.6 Risk, Compliance and IT Governance Committee fees**

1.6 "RESOLVED that the determination of the Risk, Compliance and IT Governance Committee Chairman fees and Committee member fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act."

| | 2021 | | | 2022 | | | |
|---|---|---|---|---|---|---|---|
| **Risk, Compliance and IT Governance Committee** | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Chairman | 117 384 | 104 336 | 221 720 | **139 680** | **93 128** | **232 808** | **5.0** |
| Committee member | 61 200 | 54 400 | 115 600 | **72 828** | **48 552** | **121 380** | **5.0** |

**Special Resolution 1.7 Investment Committee fees**

1.7 "RESOLVED that the determination of the Investment Committee Chairman fees and Committee member fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act."

| | 2021 | | | 2022 | | | |
|---|---|---|---|---|---|---|---|
| **Investment Committee** | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Chairman | 148 800 | 99 200 | 248 000 | **156 240** | **104 160** | **260 400** | **5.0** |
| Committee member | 78 144 | 52 092 | 130 236 | **82 056** | **54 696** | **136 752** | **5.0** |

### Special Resolution 1.8 Clinical Committee fees

1.8 "RESOLVED that the determination of the Clinical Chairman fees and Committee member fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act."

| | 2021 | | | 2022 | | | |
|---|---|---|---|---|---|---|---|
| **Clinical Committee** | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Chairman | 124 188 | 82 792 | 206 980 | **130 392** | **86 932** | **217 324** | **5.0** |
| Committee member | 67 500 | 45 000 | 112 500 | **70 872** | **47 252** | **118 124** | **5.0** |

### Special Resolution 1.9 Social, Ethics and Transformation Committee fees

1.9 "RESOLVED that the determination of the Social, Ethics and Transformation Committee Chairman fees and Committee member fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act.

| | 2021 | | | 2022 | | | |
|---|---|---|---|---|---|---|---|
| **Social, Ethics and Transformation Committee** | Retainer per annum | Total meeting fees per annum | Current annual cost | **Proposed retainer per annum** | **Proposed meeting fees per annum** | **Proposed annual cost** | **% Increase in rate** |
| Chairman | 109 932 | 73 284 | 183 216 | **115 428** | **76 947** | **192 375** | **5.0** |
| Committee member | 53 712 | 35 814 | 89 526 | **56 400** | **37 605** | **94 005** | **5.0** |

### Special Resolution 1.10 Ad hoc material Board and Committee meetings

*(Refers to any substantive meetings that are held in addition to the scheduled meetings and at which meetings, material decisions and discussions, outside the approved work-plans take place)*

1.10 "RESOLVED that the determination of the ad hoc material Board and Committee meetings fees for the financial year ending 30 September 2022, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act.

| **Committee** | | 2021 Fee per meeting | **2022 Fee per meeting** |
|---|---|---|---|
| Main Board | Chairman | 30 000 | **31 500** |
| | Board member | 20 000 | **21 000** |
| All other Committees | Chairman | 15 000 | **15 750** |
| | Committee member | 10 000 | **10 500** |

The proposed fees per annum are based on a comprehensive benchmarking exercise conducted by an independent remuneration consultant against other industry sector companies (our peer group, consisting of direct and indirect competitors), and other similar-sized JSE listed companies. In line with the Board succession strategy, a process is underway to identify and potentially recruit an internationally based director. The Board has agreed that a differentiated payment structure will be applied to any such appointment. The Company will seek approval for this remuneration at the annual general meeting in 2023.

**Reason and effect**

In terms of sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to members of the Board for their services as directors in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of the Company's MoI. Therefore, the reason for and effect of special resolution number 1 is for the Company to obtain the approval of shareholders for the payment of annual and ad hoc remuneration to its non-executive directors, as detailed above, for their services to the Company until the annual general meeting of the Company in 2024 in accordance with section 66 of the Companies Act. Shareholders are advised that should the need arise to increase directors' fees in 2023, the Company will table a special resolution to this effect at the annual general meeting of the Company in 2023.

## 7. SPECIAL RESOLUTION NUMBER 2

**Approval for the granting of financial assistance in terms of sections 44 and 45 of the Companies Act**

"RESOLVED that, to the extent required by the Companies Act, the Board of directors of the Company may, subject to compliance with the requirements of the Company's MoI, the Companies Act and the Listings Requirements of the JSE, each as presently constituted and as amended from time to time, authorise the Company to provide direct or indirect financial assistance as contemplated in section 44 and/or section 45 of the Companies Act, by way of loan, guarantee, the provision of security or otherwise, to:

- any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company, for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company as contemplated under section 44 of the Companies Act; and/or
- to any person who is a participant in any of the share or other employee incentive schemes of the Company, for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or a related or interrelated company, where such financial assistance is provided in terms of any such scheme that does not constitute an employee share scheme that satisfies the requirements of section 97 of the Companies Act

Such authority to endure for two years, until the annual general meeting of the Company in 2024.

**Reason and effect**

Notwithstanding the title of section 45 of the Companies Act, being 'Loans or other financial assistance to directors', on a proper interpretation, the body of the section may also apply to financial assistance (as such term is defined therein) provided by a company to related or interrelated companies and corporations, including, inter alia, its subsidiaries, for any purpose.

Furthermore, section 44 of the Companies Act may also apply to financial assistance provided by the Company to related or interrelated companies, in the event that the financial assistance is provided for the purposes of, or in connection with, the subscription of any options, or any securities, issued or to be issued by the Company or a related or interrelated company, or for the purchase of any securities of the Company or related or interrelated company.

Both section 44 and section 45 of the Companies Act provide, inter alia, that the particular financial assistance must be provided pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and that the Board of directors must be satisfied that (i) immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test; and (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The reason for and effect of special resolution number 2 is to grant the directors of the Company the authority until the annual general meeting of the Company in 2024 to provide financial assistance, when the need arises, in accordance with the provisions of sections 44 and 45 of the Companies Act. This means that the Company is authorised, among other things, to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

The Board undertakes that, insofar as the Companies Act requires, it will not adopt a resolution to authorise such financial assistance, unless the directors are satisfied that:
- immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test as contemplated in the Companies Act; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

As part of the authority above, the Company will not provide financial assistance to directors, prescribed officers or 'any person'. The Company also notes the obligation to send a letter to shareholders and trade unions as per section 45(5) of the Companies Act within 10 business days after the Company's Board adopted the resolution if the total value of the financial assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds one-tenth of 1% of the Company's net worth at the time of the resolution; or within 30 business days after the end of the financial year, in any other case.

## 8. SPECIAL RESOLUTION NUMBER 3

### General authority to repurchase shares

"RESOLVED that the Board of directors of the Company be and is hereby authorised, by a way of a renewable general authority, to approve the repurchase by the Company or by any of its subsidiaries of any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Board of directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MoI of the Company and the Listings Requirements of the JSE, including, inter alia, that:
- the general repurchase of the shares may only be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited)
- this general authority shall only be valid until the next AGM of the Company, provided that it shall not extend beyond 15 months from the date of this resolution
- the general repurchase by the Company shall not, in the aggregate in any one financial year exceed 5% of the Company's issued share capital of that class in any one financial year
- an announcement must be published as soon as the Company has repurchased shares constituting, on a cumulative basis, 3% of the number of shares in issue as at the date that this special resolution number 3 is passed, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares repurchased thereafter. Such announcement will be made as soon as possible and, in any event, by not later than 08:30 on the second business day following the day on which the 3% threshold is reached or exceeded
- a resolution has been passed by the Board of directors of the Company, approving the purchase, that the Company has satisfied the solvency and liquidity test as defined in the Companies Act, and that since the solvency and liquidity test was applied there have been no material changes to the financial position of the Company or the Group
- repurchases may not be made at a price more than 10% above the weighted average of the market value for the shares for five business days immediately preceding the date on which the transaction is effected. The JSE should be consulted for a ruling if the Company's securities have not traded in such five business day period
- the Company may at any point in time only appoint one agent to effect any repurchase(s) on the Company's behalf
- any such general repurchases are subject to exchange control regulations and approval at that point in time
- the Company or its subsidiaries may not effect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(h) of the Listings Requirements of the JSE, where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation), and full details thereof have been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent party which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.

### Reason and effect

The reason for and effect of special resolution number 3 is to grant the Board of directors a general authority in terms of the Listings Requirements of the JSE, up to and including the date of the following AGM of the Company (provided it shall not extend beyond 15 months from the date the resolution is passed) to authorise the Company and any of its subsidiary companies to repurchase the Company's issued shares on such terms, conditions and in such amounts as determined from time to time by the directors of the Company subject to the limitations set out above. In terms of the Company's MoI, the repurchase of securities must be undertaken in accordance with the Listings Requirements of the JSE.

In special resolution number 3, reference is made to sections 46 and 48 of the Companies Act. Section 46 regulates the making of 'distributions' by a company, which includes the transfer by a company of money or other property of a company, other than its own shares, to or for the benefit of one or more holders of any of the shares, or to the holder of a beneficial interest in any such shares, of that company or of another company within the same group of companies, as consideration for the acquisition (i) by a company of any of its shares, as contemplated in section 48 of the Companies Act; or (ii) by any company within the same group of companies, of any shares of a company within that group of companies. Section 46 of the Companies Act prohibits the making of such a distribution unless (a) the distribution is pursuant to an existing legal obligation of the Company, or a court order or the Board of the Company, by resolution, has authorised the distribution; (b) it reasonably appears that the Company will satisfy the solvency and liquidity test immediately after completing the proposed distribution; and (c) the Board of directors of the Company has, by resolution, acknowledged that it has applied the solvency and liquidity test, as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test after completing the proposed distribution.

Section 48 of the Companies Act regulates the acquisition by a company of its own shares and the acquisition by a subsidiary company of shares in its holding company. Section 48(8) sets out those circumstances in which a special resolution of shareholders is required under the Companies Act for such acquisitions. Section 48(8) also requires compliance with sections 114 and 115 of the Companies Act if the acquisition considered alone, or together with other transactions in an integrated series of transactions, involves the acquisition by the Company of more than 5% of the issued shares of any particular class of the Company's shares. Sections 114 and 115 of the Companies Act regulate schemes of arrangement.

At the present time the directors have no specific intention with regard to the utilisation of this authority, which will only be used if the circumstances are appropriate. The Company wishes to confirm that any repurchase of shares, if implemented, will only be dealt with via the formal JSE trading system.

## DISCLOSURES/INFORMATION REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS OF THE JSE

For the purposes of considering special resolution number 3 and in compliance with the Listings Requirements of the JSE, the following information is provided:

### Directors' statement after considering the effect of a repurchase pursuant to a general authority

The directors of the Company agree that they will not undertake any repurchase, as contemplated in special resolution number 3 above, unless:

- the Company and the Group will be able to repay their debts in the ordinary course of business for a period of 12 months after the date of the repurchase
- the assets of the Company and the Group, being fairly valued in accordance with International Financial Reporting Standards, are in excess of the liabilities of the Company and the Group for a period of 12 months after the date of the repurchase. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual Group financial statements
- the share capital and reserves of the Company and the Group are adequate for ordinary business purposes for a period of 12 months after the date of the repurchase
- the available working capital of the Company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the general repurchase
- a resolution has been passed by the Board of directors that it has authorised the repurchase, that the Company and the Group have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the Group.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of directors of the Company, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 3 and certify that to the best of their knowledge and belief there are no 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 resolution contains all information required by the Listings Requirements of the JSE.

### No material changes

Other than the facts and developments reported on in the Company's integrated report for 2021, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the audit report and the date of this notice.

The following further disclosures required in terms of the Listings Requirements of the JSE are set out in Annexure 2 and 3, attached hereto:

- major shareholders of the Company
- share capital of the Company

## VOTING AND PROXIES

Members who have dematerialised their shares or who have dematerialised their shares with 'own name' registration 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 AGM in their stead. The person so appointed as a proxy need not be a member. It is requested for administrative purposes only, that forms of proxy be completed and forwarded to The Meeting Specialists Proprietary Limited (TMS) by 11:30 on Monday, 24 January 2022, via one of the following channels:

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

Any forms of proxy not received by this date must be emailed to TMS at proxy@tmsmeetings.co.za. immediately prior to the proxy exercising a shareholder's rights at the meeting. Forms of proxy must only be completed by members who have dematerialised their shares or who have dematerialised their shares with 'own name' registration.

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 AGM. 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.

This notice of AGM includes the attached form of proxy. The attention of members is directed to the additional notes and instructions relating to the attached form of proxy, which notes and instructions are set out in the form of proxy. On a show of hands, every member of the Company present in person or represented by proxy shall have one vote only. On a poll, every member of the Company shall have one vote for every share held in the Company by such member.

Members who have dematerialised their shares, other than those members 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 agreement:

¬ 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.

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

By order of the Board.

**Joshila Ranchhod**
*Group Company Secretary*

Dunkeld

15 December 2021

# Notice of annual general meeting continued

## VIRTUAL MEETING GUIDE FOR SHAREHOLDERS

### How to access the virtual meeting.

1. In order to participate and vote in the meeting, each user 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 15 of the Notice, shareholders or their proxies who wish to participate in the annual general meeting via the virtual platform **MUST** register with the Company's meeting scrutineers. Please do so by emailing the signed application form to TMS at **proxy@tmsmeetings.co.za** by latest 11:30, Monday, 24 January 2022.
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 (Pty) Ltd on **proxy@tmsmeetings.co.za** and who has successfully been validated to vote at the meeting.
7. Guests will only be allowed to observe and listen to the proceedings of the meeting.

### Navigating the meeting platform.

1. Shareholders who would like to pose questions, please click on the Q & A icon on the bottom of your screen, to ask your question.
2. If you have a question on a particular resolution, please type the resolution number, followed by 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 chairperson 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 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 all the resolutions 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 all the resolutions which have been published in the notice of meeting, with your votes automatically defaulted to Abstain.
5. Please note – Once you click submit, your votes cannot be retracted and re-voted.
6. You may vote on all the resolutions simultaneously by defaulting all your votes 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 may also indicate your votes individually, per resolution, by selecting the relevant option (For, Against or Abstain), on a resolution by resolution basis.
8. Once you have voted on all the resolutions, scroll down to the bottom of the page and click submit.
9. You will receive a message on your screen confirming that your votes have been received.
10. Once again, please ensure that you have selected the correct option on a 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.

# Form of proxy

**Life Healthcare Group Holdings Limited**
Registration number: 2003/002733/06
Share code: LHC
ISIN: ZAE000145892
("Life Healthcare" or the "Company")

This proxy form is not for completion by those shareholders who have dematerialised their shares (other than those whose shareholding is recorded in their own name in the sub-register maintained by their CSDP or broker). Such shareholders should provide their CSDP or broker with their voting instructions.

I/We (please print name in full)

of (address) contact number

being the holder(s) of ordinary shares in the Company, do hereby appoint

or, failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held through electronic communication on Wednesday, 26 January 2022, at 11:30 and at any adjournment thereof.

I/We wish to vote as follows:

| Voting instructions | | For | Against | Abstain |
|---|---|---|---|---|
| **Ordinary business** | | | | |
| 1. | Appointment of independent external auditors | | | |
| 2. | Re-election of directors | | | |
| 2.1 | Peter Golesworthy | | | |
| 2.2 | Joel Netshitenzhe | | | |
| 2.3 | Malefetsane Ngatane | | | |
| 2.4 | Garth Solomon | | | |
| 2.5 | Royden Vice | | | |
| 2.6 | Marian Jacobs | | | |
| 2.7 | Caroline Henry | | | |
| 3. | Re-election of audit committee members: | | | |
| 3.1 | Peter Golesworthy (Chairman) (subject to re-election as per 2.1) | | | |
| 3.2 | Caroline Henry (subject to re-election as per 2.7) | | | |
| 3.3 | Audrey Mothupi | | | |
| 3.4 | Royden Vice (subject to re-election as per 2.5) | | | |
| 4. | Authority to sign documents to give effect to resolutions | | | |
| 5. | Non-Binding Advisory endorsement of the Group's remuneration policy and implementation report: | | | |
| 5.1 | Non-binding Advisory endorsement: The Group's remuneration policy | | | |
| 5.2 | Non-binding Advisory endorsement: The Group's remuneration implementation report | | | |
| **Special resolutions** | | | | |
| 1. | Approval of non-executive directors' remuneration | | | |
| 1.1 | Board Fees | | | |
| 1.2 | Lead Independent Director | | | |
| 1.3 | Audit Committee Fees | | | |
| 1.4 | Human Resources and Remuneration Committee Fees | | | |
| 1.5 | Nominations and Governance Committee Fees | | | |
| 1.6 | Risk, Compliance and IT Governance Committee Fees | | | |
| 1.7 | Investment Committee Fees | | | |
| 1.8 | Clinical Committee Fees | | | |
| 1.9 | Social, Ethics and Transformation Committee Fees | | | |
| 1.10 | Ad hoc material Board and Committee meetings | | | |
| 2. | General authority to provide financial assistance in terms of sections 44 and 45 of the Companies Act | | | |
| 3. | General authority to repurchase Company shares | | | |

Signed this day of 2021/2022

Signature

# Notes to the form of proxy

1. Shareholders are advised that the Company has appointed The Meeting Specialists (Pty) Ltd ("TMS") 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 TMS at **proxy@tmsmeetings.co.za** to be received on or before 11:30 on **Monday, 24 January 2022.**
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 initialled 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 he deems fit, in respect of all the Shareholder's voting rights exercisable thereat, but where the proxy is the chairman, failure to comply will be deemed to authorise the proxy to vote in favour of the resolution.
6. A Shareholder or their proxy is not obliged to use all the voting rights exercisable by the Shareholder or by their proxy, but the total of the voting rights cast and in respect whereof abstention is recorded may not exceed the total of the voting rights exercisable by the Shareholder or by their proxy.
7. A Shareholder's authorisation to the proxy, including the chairman of the meeting, to vote on their behalf, shall be deemed to include the authority to vote on procedural matters at the meeting.
8. The completion and lodging of this Form of Proxy 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 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 licence or a valid passport as satisfactory identification.
10. Any alteration to this form must be initialled 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.

**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 AGM 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 AGM. 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 AGM.
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 Memorandum of Incorporation 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 virtual annual general meeting

**To be held on 26 January 2022 at 11:30**

**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 annual general meeting via electronic communication ("**Participants**"), must register with the Company's meeting scrutineers to do so by emailing the signed form below ("**the application**") to The Meeting Specialists (Pty) Ltd ("TMS") at email **proxy@tmsmeetings.co.za** by no later than **11:30 on Monday, 24 January 2022**.
- 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 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 annual general meeting through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the annual general meeting, must provide TMS with the information requested below.
- Each shareholder, who has complied with the requirements below, will be contacted between **24 and 26 January 2022** via email/mobile with a unique link to allow them to participate in the virtual general meeting.
- The cut-off time, for administrative purposes, to participate in the meeting will be at **11:30 on Monday, 24 January 2022**.
- 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 dialling 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 party and indemnifies Life Healthcare Group Holdings Limited, the Johannesburg Stock Exchange Limited ("**JSE**"), The Meeting Specialists (Pty) Ltd ("**TMS**") (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 JSE, TMS 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(s) 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 TMS 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 annual general meeting.

Shareholder name

Signature

Date

# Annexure 1: Board of directors' résumés

## RÉSUMÉS OF DIRECTORS STANDING FOR RE-ELECTION

**Peter Golesworthy**[2]

**Lead independent non-executive director**

**Qualifications**
BA (Hons) (first class), Accountancy Studies, CA

**Age** 63

**Appointed**
10 June 2010

Peter Golesworthy graduated from Exeter University in the UK and qualified as a chartered accountant with the Institute of Chartered Accountants of Scotland. He currently serves as a member of various investment committees in the Old Mutual group, covering credit, private equity, hybrid equity, affordable housing and retirement accommodation. He was previously the Finance Director of Old Mutual (South Africa), and prior to joining Old Mutual was a Finance Manager in the corporate and international finance department of Anglo American Corporation of South Africa Limited. He is also a non-executive director of Oceana Group Limited.

**Joel Netshitenzhe**[1]

**Independent non-executive director**

**Qualifications**
MSc (University of London, School of Oriental and African Studies), PGDip (Economic Principles), Dip (PolSci)

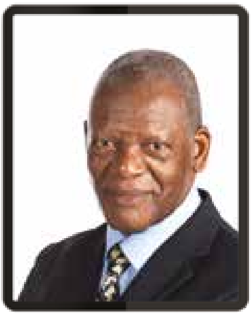
**Age** 64

**Appointed**
30 November 2010

Joel Netshitenzhe is the Executive Director and Board Vice-Chairperson of the Mapungubwe Institute for Strategic Reflection (MISTRA), a research institute dealing with strategic issues facing South Africa. Joel is a member of the Board of the Council for Scientific and Industrial Research (CSIR). He served as a member of the National Planning Commission (2010 – 2015) and is a member of the ANC National Executive Committee. Before joining the Government Communication and Information System (GCIS) as CEO in 1998, Mr Netshitenzhe was Head of Communication in President Nelson Mandela's office. In addition to being GCIS CEO, he was appointed Head of the Policy Co-ordination and Advisory Services (PCAS) in The Presidency in 2001. He headed the PCAS on a full-time basis from 2006 until his retirement in 2009.

He was appointed to the Life Healthcare board of directors in 2010.

[1] *South African.*
[2] *British.*



**Dr Malefetsane Ngatane[1]**

**Independent non-executive director**

**Qualifications**
BSc, MBChB, FCOG

**Age** 67

**Appointed**
10 June 2010

Dr Malefetsane Ngatane is a specialist obstetrician and gynaecologist. He has served as a consultant obstetrician and gynaecologist, as well as superintendent of the Chris Hani Baragwananth Hospital. He also served as the head of obstetrics and gynaecology at Natalspruit Hospital. He is currently in private practice.

Malefetsane serves on the boards of Boxing South African (BSA), the World Boxing Council in Mexico and is the vice-president of the African Boxing Union based in Tunisia. He serves as treasurer for the International Planned Parenthood Federation in Nairobi and is a trustee of the Commonwealth Boxing Council based in London. He was appointed to the Life Healthcare board of directors in 2007.

**Garth Solomon[1]**

**Independent non-executive director**

**Qualifications**
CA(SA)

**Age** 54

**Appointed**
10 June 2010

Garth Solomon completed his articles with Deloitte & Touche, thereafter he served in various commercial and corporate finance roles with the South African Revenue Service, Group Five Properties and African Harvest Limited before joining Old Mutual Private Equity in 2003. He was appointed head of Private Equity in 2012, and was a member of the Old Mutual Private Equity team until 2013. In this capacity, he was involved in numerous investments and served on the Boards and subcommittees of a number of large private businesses including Air Liquid, Metro Cash & Carry, the Tourvest Group and Liberty Star Consumer Holdings. Garth is currently the co-owner and a director of Evolve Capital, an investment trust that invests in small and medium-sized businesses.

# Annexure 1: Board of directors' résumés continued

**Royden Vice**[1]
**Independent non-executive director**

**Qualifications**
CA(SA)

**Age** 74

**Appointed**
1 January 2014

Royden Vice is the Chairman of the Board of Waco International Holdings Proprietary Limited since retiring in July 2011 after 10 years as the Company's CEO. The Waco group of companies has subsidiaries in the UK, USA, Australia, New Zealand, Chile and southern Africa. Prior to this, Royden was CEO of Industrial and Special Products of the UK-based BOC Group, responsible for operations in over 50 countries and revenue of USD4 billion. He was also Chairman of African Oxygen Limited (Afrox) from 1994 to 2001 and Afrox Healthcare, which successfully listed in 1999. He previously served on the Board of Murray & Roberts Holdings and was the Chairman of Hudaco. Royden retired as the governor of Rhodes University and was also the Chairman of the Nelson Mandela University Trust. He has extensive global leadership experience, having lived on three continents – America (New York), Africa (Johannesburg) and Europe (London).

**Prof Marian Jacobs**[1]
**Independent non-executive director**

**Qualifications**
MBChB (UCT), Diploma in Community Medicine (UCT), Fellow of the College of South Africa (paediatrics)

**Age** 73

**Appointed**
1 January 2014

Marian Jacobs retired as Dean of the Faculty of Health Sciences at the University of Cape Town in 2012 and holds the position of Emeritus Professor, Paediatrics and Child Health at that institution. Previous positions of employment include: Professor of Child Health and Director of the Children's Institute at the University of Cape Town, where she was also employed as a community pediatrician in a joint position with the Provincial Health Department, and earlier, as a community (public) health lecturer and specialist. Her global experience includes service as Chair of the Boards of governance of the Medical Research Council in South Africa; the Centre for Health Research in Bangladesh; the Council for Health Research and Development in Geneva, Switzerland; and the African Population and Health Research Centre in Nairobi, Kenya. Marian has served as convenor and a member of the scientific committee of many national and international scientific congresses in the global health arena and has also co-authored a number of key publications over the course of her academic career. Marian is a Trustee of the Discovery Foundation and Co-Chair of the Ministerial Advisory Committee on COVID-19 in South Africa.

[1] *South African.*
[2] *British.*

## RÉSUMÉ OF NEW DIRECTOR APPOINTMENT

**Caroline Henry**[1]

**Independent non-executive director**

**Qualifications**
CA(SA)

**Age** 54

**Appointed**
1 September 2021

Caroline is a Chartered Accountant with more than 25 years of experience in finance. After serving articles at Coopers & Lybrand (PwC) in 1993 she spent 22 years at Eskom, culminating in leading the Treasury function and gaining invaluable experience in debt capital markets, asset/liability management, risk and treasury. Caroline has had exposure to a wide variety of market sectors, business transactions and stakeholder interaction, both domestically and internationally. Caroline also serves on the board of Sun International Limited, is chairman of the Eskom Pension and Provident Fund and has recently been appointed to the Board of the South African National Blood Service.

# Annexure 1: Board of directors' résumés continued

## RÉSUMÉS OF AUDIT COMMITTEE MEMBERS STANDING FOR RE-ELECTION

**Peter Golesworthy**[2]

**Lead independent non-executive director**

**Qualifications**

BA (Hons) (first class), Accountancy Studies, CA

**Age** 63

**Appointed**

10 June 2010

Peter Golesworthy graduated from Exeter University in the UK and qualified as a chartered accountant with the Institute of Chartered Accountants of Scotland. He currently serves as a member of various investment committees in the Old Mutual group, covering credit, private equity, hybrid equity, affordable housing and retirement accommodation. He was previously the Finance Director of Old Mutual (South Africa), and prior to joining Old Mutual was a Finance Manager in the corporate and international finance department of Anglo American Corporation of South Africa Limited. He is also a non-executive director of Oceana Group Limited.

**Caroline Henry**[1]

**Independent non-executive director**

**Qualifications**

CA(SA)

**Age** 54

**Appointed**

1 September 2021

Caroline is a Chartered Accountant with more than 25 years of experience in finance. After serving articles at Coopers & Lybrand (PwC) in 1993 she spent 22 years at Eskom, culminating in leading the Treasury function and gaining invaluable experience in debt capital markets, asset/liability management, risk and treasury. Caroline has had exposure to a wide variety of market sectors, business transactions and stakeholder interaction, both domestically and internationally. Caroline also serves on the board of Sun International Limited, is chairman of the Eskom Pension and Provident Fund and has recently been appointed to the Board of the South African National Blood Service.

[1] *South African.*
[2] *British.*

## Audrey Mothupi[1]

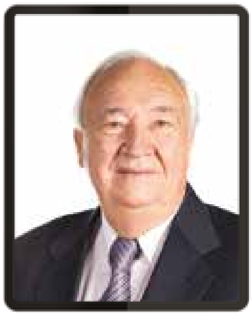
**Independent non-executive director**

**Qualifications**
BA (Hons), (PolSci), Trent University, Canada

**Age** 51

**Appointed**
3 July 2017

Audrey Mothupi, is the Chief Executive Officer of SystemicLogic Group, a global financial innovation, data and technology disruptor, specialising in emergent business models. Audrey's experience spans across various business domains including group strategy, talent design, marketing and communication as well as data, technology and innovation. Prior to SystemicLogic, Audrey was head of inclusive banking at the Standard Bank Group. Audrey serves as independent Non-Executive Director on the boards of Pick 'n Pay and Altona Plc. She is the Chairman of Roedean School (SA) and was Chairperson of Orange Babies of South Africa, as well as sitting on the boards of Nordic Female Business Angel Network and the Numeric Board of South Africa. Audrey is a Fellow of the Africa Leadership Initiative (ALI), a member of the International Women's Forum (IWF) and a board member of the International Women's Forum South Africa (IWFSA). She has been named one of Africa's 1 000 most powerful women.



## Royden Vice[1]

**Independent non-executive director**

**Qualifications**
CA(SA)

**Age** 74

**Appointed**
1 January 2014

Royden Vice is the Chairman of the Board of Waco International Holdings Proprietary Limited since retiring in July 2011 after 10 years as the Company's CEO. The Waco group of companies has subsidiaries in the UK, USA, Australia, New Zealand, Chile and southern Africa. Prior to this, Royden was CEO of Industrial and Special Products of the UK-based BOC Group, responsible for operations in over 50 countries and revenue of USD4 billion.
He was also Chairman of African Oxygen Limited (Afrox) from 1994 to 2001 and Afrox Healthcare, which successfully listed in 1999.
He previously served on the Board of Murray & Roberts Holdings and was the Chairman of Hudaco. Royden retired as the governor of Rhodes University and was also the Chairman of the Nelson Mandela University Trust. He has extensive global leadership experience, having lived on three continents – America (New York), Africa (Johannesburg) and Europe (London).

# Annexure 2: Shareholder distribution

## SHAREHOLDER DISTRIBUTION

### 1. Analysis of registered shareholders and Company schemes

**Registered shareholder spread**

In accordance with the JSE Listings Requirements, the following table confirms the spread of registered shareholders as detailed in the annual report and accounts dated 24 September 2021 was:

**Registered shareholder spread**

| Shareholder spread | Number of holders | % of total shareholders | Number of shares | % of issued capital |
|---|---|---|---|---|
| 1 – 1 000 shares | 9 230 | 68.30 | 1 408 255 | 0.10 |
| 1 001 – 10 000 shares | 2 423 | 17.90 | 8 221 244 | 0.50 |
| 10 001 – 100 000 shares | 1 072 | 7.90 | 39 466 711 | 2.70 |
| 100 001 – 1 000 000 shares | 619 | 4.60 | 206 311 562 | 14.10 |
| 1 000 001 shares and above | 174 | 1.30 | 1 211 941 390 | 82.60 |
| **Total** | **13 518** | **100.0** | **1 467 349 162** | **100.0** |

**Public and non-public shareholdings**

| Shareholder type | Number of holders | % of total shareholders | Number of shares | % of issued capital |
|---|---|---|---|---|
| **Non-Public shareholders*** | **12** | **0.09** | **14 237 685** | **0.97** |
| Directors and associates | 8 | 0.05 | 1 032 986 | 0.07 |
| Life Healthcare employees share trust | 1 | 0.01 | 10 920 609 | 0.74 |
| Life Healthcare Provident Fund | 1 | 0.01 | 7 449 | 0.00 |
| Life Healthcare Deposit A/C | 1 | 0.01 | 18 692 | 0.00 |
| Life Healthcare Group Proprietary Limited | 1 | 0.01 | 2 257 949 | 0.16 |
| **Public Shareholders** | **13 506** | **99.91** | **1 453 111 477** | **99.03** |
| **Total** | **13 518** | **100.00** | **1 467 349 162** | **100.00** |

* *Includes directors, pension/retirement funds and treasury shares.*

## 2. Substantial investment management and beneficial interests

### Substantial investment management and beneficial interests above 3%

Through regular analysis of STRATE registered holdings, and pursuant to the provisions of section 56 of the Companies Act, the following shareholders held directly and indirectly equal to or in excess of 3% of the issued share capital as at 24 September 2021:

**Investment management shareholdings**

| Investment manager | Total shareholding | % |
|---|---|---|
| Allan Gray Proprietary Limited | 232 755 824 | 15.9 |
| Government Employees Pension Fund (PIC) | 217 941 951 | 14.9 |
| Lazard Asset Management LLC Group | 75 124 187 | 5.1 |
| Ninety One SA Proprietary Limited | 73 158 916 | 5.0 |
| Industrial Development Corporation (IDC) | 69 867 972 | 4.8 |
| Old Mutual Limited | 65 479 745 | 4.5 |
| The Vanguard Group Inc | 48 041 245 | 3.3 |
| **Total** | **782 369 840** | **53.5** |

| Beneficial shareholdings | Total shareholding | % |
|---|---|---|
| PIC | 266 781 726 | 18.2 |
| Allan Gray Balanced Fund | 92 755 088 | 6.3 |
| IDC | 69 867 972 | 4.8 |
| Alexander Forbes Investments | 49 527 819 | 3.4 |
| **Total** | **478 932 605** | **32.7** |

**Previously disclosed holdings**

**Investment managers now holding below 3%**

| Investment manager | Total shareholding | % | Previous % |
|---|---|---|---|
| BlackRock Inc | 40 150 130 | **2.7** | 4.1 |

**Beneficial owners now holding below 3%**

| | Total shareholding | % | Previous % |
|---|---|---|---|
| Old Mutual Life Insurance Company Limited | 38 748 561 | **2.6** | 3.2 |

# Annexure 2: Shareholder distribution continued

**SHAREHOLDER DISTRIBUTION** continued

### 3. Geographic split of investment managers and Company-related holdings

| Region | Total shareholding | % of issued capital |
|---|---|---|
| South Africa | 1 087 881 267 | 74.1 |
| United States of America and Canada | 248 630 423 | 17.0 |
| UK | 44 602 635 | 3.0 |
| Rest of Europe | 33 567 131 | 2.3 |
| Rest of World[1] | 52 667 706 | 3.6 |
| **Total** | **1 467 349 162** | **100.0** |

Geographic split of beneficial shareholders

| Region | Total shareholding | % of issued capital |
|---|---|---|
| South Africa | 1 009 760 376 | 68.8 |
| United States of America and Canada | 234 750 100 | 16.0 |
| UK | 22 222 564 | 1.5 |
| Rest of Europe | 96 639 168 | 6.6 |
| Rest of World[1] | 103 976 954 | 7.1 |
| **Total** | **1 467 349 162** | **100.00** |

[1] *Represents all shareholdings except those in the above regions.*

## 4. Shareholder categories

An analysis of beneficial shareholdings, supported by the section 56 enquiry process, confirmed the following beneficial shareholder types:

| **Category** | Number of shareholdings | Total shareholding | % of issued capital |
|---|---|---|---|
| Pension funds | 235 | 508 772 981 | 34.7 |
| Unit trusts | 316 | 430 285 898 | 29.3 |
| Mutual fund | 118 | 117 503 424 | 8.0 |
| Insurance companies | 22 | 65 833 967 | 4.5 |
| Private investor | 229 | 54 773 071 | 3.7 |
| Sovereign wealth | 13 | 40 392 502 | 2.8 |
| Trading position | 29 | 35 863 119 | 2.4 |
| Exchange-traded fund | 35 | 17 075 030 | 1.2 |
| Hedge fund | 10 | 13 853 359 | 0.9 |
| Custodians | 27 | 7 177 586 | 0.5 |
| University | 10 | 6 207 198 | 0.4 |
| Medical aid scheme | 8 | 5 804 034 | 0.4 |
| American depository receipts | 1 | 5 016 868 | 0.3 |
| Corporate holding | 2 | 3 067 544 | 0.2 |
| Charity | 11 | 2 578 700 | 0.2 |
| Local authority | 3 | 2 381 446 | 0.2 |
| Foreign government | 4 | 1 439 349 | 0.1 |
| Investment trust | 2 | 816 124 | 0.1 |
| Black economic empowerment | 2 | 421 515 | 0.0 |
| Other managed funds | 2 | 384 931 | 0.0 |
| Remainder | 12 439 | 147 700 516 | 10.1 |
| **Total** | **13 518** | **1 467 349 162** | **100.0** |

# Annexure 3: Share capital

| | 2021 R'm | 2020 R'm |
|---|---|---|
| **STATED CAPITAL** | | |
| **Stated capital comprises:** | | |
| Share capital | **10 507** | 10 507 |
| Share premium | **3 373** | 3 373 |
| Treasury shares | **(315)** | (349) |
| | **13 565** | 13 531 |
| **Reconciliation of number of shares** | | |
| **Ordinary shares** | **'000** | '000 |
| Authorised (Share capital of R0.000001 each) | **4 149 980** | 4 149 980 |
| Total value = R4 149 (2020: R4 149) | | |
| Issued and fully paid:<br>Balance at 30 September | **1 467 349** | 1 467 349 |
| Total value = R1 467 (2020: R1 467) | | |

| | Number of shares | | Value of shares | |
|---|---|---|---|---|
| | **2021 '000** | 2020 '000 | **2021 R'm** | 2020 R'm |
| **Treasury shares** | | | | |
| Balance at 1 October | **13 613** | 12 856 | **(349)** | (365) |
| Granted | **1 399** | 2 536 | **(31)** | (44) |
| Forfeited | **–** | (112) | **–** | 3 |
| Transferred | **–** | 112 | **–** | (3) |
| Vested | **(1 907)** | (1 779) | **65** | 60 |
| Balance at 30 September | **13 105** | 13 613 | **(315)** | (349) |

Treasury shares are shares in Life Healthcare Group Holdings Limited that are held for the purpose of the staff benefit schemes (Life Healthcare employee share trust and long-term incentive schemes).

# Annexure 4: Summarised audited consolidated annual financial results

## Summarised consolidated statement of profit or loss

for the year ended 30 September 2021

| | Notes | 2021 R'm | Change % | 2020[1] R'm |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| Revenue | | **26 885** | 12.7 | 23 851 |
| Other income and retirement benefit asset and post-employment medical aid income | | **286** | | 217 |
| Operating expenses | | **(24 191)** | | (21 947) |
| **Operating profit before items below** | | **2 980** | 40.5 | 2 121 |
| Fair value gain/(loss) on financial instruments | | **32** | | (5) |
| Gain on derecognition of lease asset and liability | | **–** | | 75 |
| Impairment of assets and investments | | **(14)** | | (5) |
| Profit on remeasuring previously held interest in associate to fair value | | **28** | | – |
| Loss on disposal of property, plant and equipment | | **(17)** | | (6) |
| Transaction costs relating to acquisitions and disposals | | **(3)** | | (8) |
| Finance income | | **169** | | 85 |
| Finance cost | | **(791)** | | (878) |
| Share of associates' and joint ventures' net profit after tax | | **25** | | 14 |
| **Profit before tax** | | **2 409** | 72.9 | 1 393 |
| Tax expense | | **(642)** | | (556) |
| **Profit after tax from continuing operations** | | **1 767** | >100 | 837 |
| **Discontinued operation** | | | | |
| Profit/(loss) from discontinued operation | 2 | **87** | | (799) |
| **Profit after tax** | | **1 854** | >100 | 38 |
| **Profit after tax attributable to:** | | | | |
| Ordinary equity holders of the parent | | **1 754** | >100 | (93) |
| Non-controlling interest | | **100** | | 131 |
| | | **1 854** | >100 | 38 |
| **Earnings/(loss) per share (cents)** | | | | |
| From continuing operations | | | | |
| Basic | | **114.6** | 136.3 | 48.5 |
| Diluted | | **114.3** | 136.2 | 48.4 |
| From continuing and discontinued operations | | | | |
| Basic | | **120.6** | >100 | (6.4) |
| Diluted | | **120.3** | >100 | (6.4) |

[1] *Prior period re-presented. Scanmed S.A. (Scanmed) was disposed of on 26 March 2021 and is included under discontinued operation. Refer note 2.*

# Annexure 4: Summarised audited consolidated annual financial results continued

## Summarised consolidated statement of comprehensive income

for the year ended 30 September 2021

| | 2021 R'm | Change % | 2020 R'm |
|---|---|---|---|
| **Profit after tax** | **1 854** | >100 | 38 |
| **Other comprehensive income** | | | |
| **Items that may be reclassified to profit or loss** | | | |
| Movement in foreign currency translation reserve (FCTR) of continuing foreign operations | **(765)** | | 1 668 |
| Movement in FCTR of discontinued operation, net of tax (refer note 2) | **(143)** | | 165 |
| **Items that will not be reclassified to profit or loss** | | | |
| Retirement benefit asset and post-employment medical aid, net of tax[1] | **44** | | (13) |
| **Total comprehensive income for the year** | **990** | (46.7) | 1 858 |
| **Total comprehensive income attributable to:** | | | |
| Ordinary equity holders of the parent | **918** | (46.3) | 1 708 |
| Non-controlling interest | **72** | | 150 |
| | **990** | (46.7) | 1 858 |
| **Total comprehensive income attributable to ordinary equity holders of the parent arises from:** | | | |
| Continuing operations | **974** | (58.4) | 2 342 |
| Discontinued operation | **(56)** | | (634) |
| | **918** | (46.3) | 1 708 |

[1] *Includes tax of R17 million*

## Headline earnings per share

for the year ended 30 September 2021

| | 2021 | Change % | 2020 |
|---|---|---|---|
| Weighted average number of shares in issue (million) | **1 454** | (0.1) | 1 455 |
| From continuing and discontinued operations | | | |
| Headline earnings per share (cents) | **111.1** | 128.1 | 48.7 |
| Diluted headline earnings per share (cents) | **110.7** | 128.2 | 48.5 |
| **Headline earnings (R'm)** | | | |
| Profit/(loss) attributable to ordinary equity holders | **1 754** | | (93) |
| Adjustments (net of tax): | | | |
| Exchange gain reclassified to profit or loss on disposal of discontinued operation | **(147)** | | – |
| Impairment of assets and investments from continuing operations | **14** | | 5 |
| Impairment of investment from discontinued operation | **–** | | 793 |
| Profit on remeasuring previously held interest in associate to fair value | **(28)** | | – |
| Loss on disposal of property, plant and equipment | **10** | | 3 |
| Loss on disposal of discontinued operation (after withholding tax) | **12** | | – |
| **Headline earnings from continuing and discontinued operations** | **1 615** | 128.1 | 708 |

## Summarised consolidated statement of financial position

as at 30 September 2021

| | Notes | 2021 R'm | 2020 R'm |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | **33 367** | 35 328 |
| Property, plant and equipment | | **14 695** | 15 361 |
| Intangible assets[1] | | **16 383** | 18 238 |
| Deferred tax assets | | **1 698** | 1 162 |
| Other non-current assets | 4 | **591** | 567 |
| **Current assets** | | **7 414** | 7 377 |
| Cash and cash equivalents | | **2 672** | 2 279 |
| Other current assets | | **4 742** | 5 098 |
| **Total assets** | | **40 781** | 42 705 |
| **EQUITY AND LIABILITIES** | | | |
| **Capital and reserves** | | | |
| Stated capital | | **13 565** | 13 531 |
| Reserves | | **4 501** | 3 527 |
| Non-controlling interest | | **1 105** | 1 220 |
| **Total equity** | | **19 171** | 18 278 |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | **13 723** | 14 535 |
| Interest-bearing borrowings | 3 | **10 914** | 12 034 |
| Deferred tax liabilities | | **1 730** | 1 450 |
| Other non-current liabilities | 4 | **1 079** | 1 051 |
| **Current liabilities** | | **7 887** | 9 892 |
| Bank overdrafts | | **325** | 2 181 |
| Interest-bearing borrowings | 3 | **1 811** | 2 180 |
| Other current liabilities | 4 | **5 751** | 5 531 |
| **Total liabilities** | | **21 610** | 24 427 |
| **Total equity and liabilities** | | **40 781** | 42 705 |
| **GBP:ZAR** | | **20.35** | 21.81 |

[1] *Intangible assets decreased mainly as a result of a R1.2 billion foreign currency movement and the disposal of Scanmed (refer to note 2).*

# Annexure 4: Summarised audited consolidated annual financial results continued

## Summarised consolidated statement of changes in equity

for the year ended 30 September 2021

| | Total capital and reserves R'm | Non-controlling interest R'm | Total equity R'm |
|---|---|---|---|
| **Balance at 1 October 2020** | **17 058** | **1 220** | **18 278** |
| Total comprehensive income for the year | **918** | **72** | **990** |
| Profit for the year | **1 754** | **100** | **1 854** |
| Other comprehensive loss | **(836)** | **(28)** | **(864)** |
| Transactions with non-controlling interests | **14** | **(16)** | **(2)** |
| Net movement in treasury shares for staff benefit schemes | **(20)** | **–** | **(20)** |
| Distributions to shareholders | **–** | **(171)** | **(171)** |
| Share-based payment charge for staff benefit schemes | **96** | **–** | **96** |
| **Balance at 30 September 2021** | **18 066** | **1 105** | **19 171** |
| **Balance at 1 October 2019**[1] | 16 188 | 1 303 | 17 491 |
| Total comprehensive income for the year | 1 708 | 150 | 1 858 |
| (Loss)/profit for the year | (93) | 131 | 38 |
| Other comprehensive income | 1 801 | 19 | 1 820 |
| Transactions with non-controlling interests | (108) | (34) | (142) |
| Net movement in treasury shares for staff benefit schemes | (40) | – | (40) |
| Distributions to shareholders | (778) | (199) | (977) |
| Share-based payment charge for staff benefit schemes | 88 | – | 88 |
| **Balance at 30 September 2020** | 17 058 | 1 220 | 18 278 |

[1] *There was no net impact on retained earnings on 1 October 2019 as a result of adopting IFRS 16.*

## Summarised consolidated statement of cash flows

for the year ended 30 September 2021

| | Notes | 2021 R'm | Change % | 2020 R'm |
|---|---|---|---|---|
| Cash generated from operations | | **5 687** | 24.7 | 4 562 |
| Transaction costs paid relating to acquisitions and disposals | | **–** | | (17) |
| Finance income received | | **169** | | 93 |
| Tax paid | | **(714)** | | (597) |
| **Net cash generated from operating activities** | | **5 142** | 27.2 | 4 041 |
| Capital expenditure | | **(1 899)** | | (1 964) |
| Acquisition of subsidiaries (net of cash acquired) and contingent considerations paid | 2 | **(167)** | | (43) |
| Proceeds from disposal of discontinued operation (net of cash disposed) | 2 | **573** | | – |
| Other | | **23** | | 13 |
| **Net cash utilised in investing activities** | | **(1 470)** | | (1 994) |
| Proceeds from interest-bearing borrowings | | **5 221** | | 12 766 |
| Repayment of interest-bearing borrowings | | **(5 568)** | | (13 525) |
| Contingent considerations paid | | **–** | | (37) |
| Dividends paid to Company's shareholders | | **–** | | (778) |
| Finance cost paid | | **(710)** | | (823) |
| Other | | **(198)** | | (381) |
| **Net cash utilised in financing activities** | | **(1 255)** | | (2 778) |
| Net increase/(decrease) in cash and cash equivalents | | **2 417** | | (731) |
| Cash and cash equivalents – beginning of the year | | **98** | | 677 |
| Effect of foreign currency rate movements | | **(168)** | | 152 |
| **Cash and cash equivalents at the end of the year[1]** | | **2 347** | | 98 |

[1] *Cash and cash equivalents at the end of the year are net of bank overdrafts.*

For cash flows of discontinued operation refer to note 2.

# Annexure 4: Summarised audited consolidated annual financial results continued

## Segmental information

for the year ended 30 September 2021

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

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

In southern Africa, the hospitals and complementary services segment comprises all the acute hospitals and complementary services which include mental health, acute rehabilitation, renal dialysis and oncology. The healthcare services segment comprises Life Esidimeni and Life Employee Health Solutions.

International comprises diagnostic services (Alliance Medical Group (AMG)) across Europe and the United Kingdom (UK). The international healthcare services (Scanmed) segment was sold effective from 26 March 2021. The segment information that follows does not include any amounts for Scanmed, which is treated as a discontinued operation. Information about this discontinued segment is provided in note 2.

Growth initiatives include the new outpatient business model, developing the imaging services opportunity, investing in data analytics and clinical quality products within South Africa and product development (LMI) internationally.

The corporate segment is a non-operating segment.

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

Inter-segment revenue of R27 million (2020: R5 million) is eliminated of which R6 million relates to revenue between Life Employee Health Solutions and the southern Africa business and R21 million between LMI and AMG.

| | **2021 R'm** | 2020 R'm |
|---|---|---|
| **Revenue**[1] | | |
| **Southern Africa** | | |
| Hospitals and complementary services | **17 567** | 15 899 |
| Healthcare services | **1 456** | 1 346 |
| **International** | | |
| Diagnostic services | **7 474** | 6 286 |
| **Growth initiatives** | **388** | 320 |
| | **26 885** | 23 851 |

[1] *Revenue of approximately 33% (2020: 31%) is derived from two (2020: two) external customers. The revenue is attributed to the southern Africa segment.*

| | 2021 R'm | 2020 R'm |
|---|---|---|
| **Normalised EBITDA**[1, 3] | | |
| **Southern Africa** | | |
| Hospitals and complementary services | **2 743** | 2 583 |
| Healthcare services | **195** | 135 |
| **International** | | |
| Diagnostic services | **1 812** | 1 311 |
| **Growth initiatives** | **(19)** | (60) |
| **Corporate** | | |
| Recoveries | **1 330** | 1 205 |
| Corporate costs | **(1 010)** | (1 019) |
| | **5 051** | 4 155 |
| **Depreciation** | | |
| **Southern Africa** | | |
| Hospitals and complementary services | **(663)** | (636) |
| Healthcare services | **(23)** | (24) |
| **International** | | |
| Diagnostic services | **(784)** | (732) |
| **Growth initiatives** | **(15)** | (17) |
| **Corporate** | **(86)** | (67) |
| | **(1 571)** | (1 476) |
| **EBITA**[2, 3] | | |
| **Southern Africa** | | |
| Hospitals and complementary services | **2 080** | 1 947 |
| Healthcare services | **172** | 111 |
| **International** | | |
| Diagnostic services | **1 028** | 579 |
| **Growth initiatives** | **(34)** | (77) |
| **Corporate** | **234** | 119 |
| | **3 480** | 2 679 |

[1] *Normalised EBITDA is defined as operating profit before depreciation on property, plant and equipment, amortisation of intangible assets and non-trading-related costs or income. Normalised EBITDA of the discontinued operation was excluded. Refer to note 2.*

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

[3] *The presentation of normalised EBITDA and EBITA is not an IFRS requirement, nor a JSE Listings Requirement and is a measurement used by the CODM. Investors should not consider normalised EBITDA and EBITA in isolation or as an alternative to operating profit, profit after tax or any other measure of financial performance presented. Normalised EBITDA and EBITA as disclosed above may not be comparable to other similarly titled measures of performance of other companies.*

# Annexure 4: Summarised audited consolidated annual financial results continued

## Segmental information continued

for the year ended 30 September 2021

| | 2021 R'm | 2020 R'm |
|---|---|---|
| **Amortisation of intangible assets** | | |
| **Southern Africa** | | |
| Hospitals and complementary services | **(20)** | (64) |
| **International** | | |
| Diagnostic services | **(449)** | (466) |
| **Growth initiatives** | **(20)** | (20) |
| **Corporate** | **(44)** | (40) |
| | **(533)** | (590) |
| **Operating profit before retirement benefit asset and post-employment medical aid[1]** | | |
| **Southern Africa** | | |
| Hospitals and complementary services | **2 060** | 1 883 |
| Healthcare services | **172** | 111 |
| **International** | | |
| Diagnostic services | **579** | 113 |
| **Growth initiatives** | **(54)** | (97) |
| **Corporate** | **190** | 79 |
| | **2 947** | 2 089 |
| Retirement benefit asset and post-employment medical aid income | **33** | 32 |
| **Operating profit before items below** | **2 980** | 2 121 |
| Fair value gain/(loss) on financial instruments | **32** | (5) |
| Gain on derecognition of lease asset and liability | **–** | 75 |
| Impairment of assets and investments | **(14)** | (5) |
| Profit on remeasuring previously held interest in associate to fair value | **28** | – |
| Loss on disposal of property, plant and equipment | **(17)** | (6) |
| Transaction costs relating to acquisitions and disposals | **(3)** | (8) |
| Finance income | **169** | 85 |
| Finance cost | **(791)** | (878) |
| Share of associates' and joint ventures' net profit after tax | **25** | 14 |
| **Profit before tax** | **2 409** | 1 393 |

*[1] Operating profit before retirement benefit asset and post-employment medical aid includes the segment's share of shared services and rental costs. These costs are all at market-related rates.*

| | 2021 R'm | 2020 R'm |
|---|---|---|
| **Total assets before items detailed below** | | |
| Southern Africa (including growth initiatives) | **16 308** | 14 659 |
| International (including growth initiatives) | **22 306** | 24 265 |
| Discontinued operation | **–** | 2 067 |
| | **38 614** | 40 991 |
| Employee benefit assets | **418** | 379 |
| Deferred tax assets | **1 698** | 1 162 |
| Derivative financial assets | **4** | – |
| Income tax receivable | **47** | 173 |
| **Total assets per the balance sheet** | **40 781** | 42 705 |
| **Net debt**[1] | | |
| Southern Africa (including growth initiatives) | **3 299** | 5 366 |
| International (including growth initiatives) | **7 079** | 7 975 |
| Discontinued operation | **–** | 775 |
| | **10 378** | 14 116 |
| **Cash and cash equivalents (net of bank overdrafts)** | | |
| Southern Africa (including growth initiatives) | **1 344** | (1 463) |
| International (including growth initiatives) | **1 003** | 1 398 |
| Discontinued operation | **–** | 163 |
| | **2 347** | 98 |

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

# Annexure 4: Summarised audited consolidated annual financial results continued

## Segmental information continued

for the year ended 30 September 2021

### Geographical information

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

| | Revenue from external customers | | Non-current assets | |
|---|---|---|---|---|
| | **2021 R'm** | 2020 R'm | **2021 R'm** | 2020 R'm |
| Southern Africa | **19 023** | 17 245 | **11 568** | 10 595 |
| International | **7 474** | 6 286 | **18 981** | 20 763 |
| UK | **3 918** | 3 278 | **15 939** | 17 572 |
| Italy | **2 120** | 1 823 | **2 076** | 2 240 |
| Ireland | **765** | 562 | **407** | 419 |
| Other | **671** | 623 | **559** | 532 |
| Growth initiatives | **388** | 320 | **702** | 784 |
| Southern Africa | **1** | 1 | **5** | 9 |
| UK | **30** | 43 | **669** | 743 |
| Italy | **5** | 5 | **–** | – |
| Other | **352** | 271 | **28** | 32 |
| Total – continuing operations | **26 885** | 23 851 | **31 251** | 32 142 |
| Employee benefit assets | | | **418** | 379 |
| Deferred tax assets | | | **1 698** | 1 162 |
| Discontinued operation | | | **–** | 1 645 |
| **Total as per income statement and balance sheet** | **26 885** | 23 851 | **33 367** | 35 328 |

# Notes

## 1. REVENUE

The table below illustrates the disaggregation disclosure by primary geographical areas, type of customer and timing of revenue recognition, including a reconciliation of how the disaggregated revenue ties in to the segmental report (refer page 32).

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

| Segments | Hospitals and comple-mentary services R'm | Healthcare services R'm | Diagnostic services R'm | Growth initiatives R'm | Total R'm |
|---|---|---|---|---|---|
| **2021** | | | | | |
| **Primary geographical areas** | | | | | |
| Southern Africa | 17 567 | 1 456 | – | 1 | 19 024 |
| International | – | – | 7 474 | 387 | 7 861 |
| UK | – | – | 3 918 | 30 | 3 948 |
| Italy | – | – | 2 120 | 5 | 2 125 |
| Ireland | – | – | 765 | – | 765 |
| Other | – | – | 671 | 352 | 1 023 |
| | 17 567 | 1 456 | 7 474 | 388 | 26 885 |
| **Type of customer** | | | | | |
| **Contract from customers** | | | | | |
| Private (including private medical aids and cash paying patients) | 17 143 | – | 959 | 1 | 18 103 |
| Government and public healthcare facilities | 321 | 619 | 5 158 | – | 6 098 |
| Corporate institutions | – | 837 | 1 357 | 387 | 2 581 |
| **Rental revenue** | | | | | |
| Rental income related to auxiliary services | 103 | – | – | – | 103 |
| | 17 567 | 1 456 | 7 474 | 388 | 26 885 |
| **Timing of revenue recognition** | | | | | |
| Over time | 13 134 | 1 456 | – | – | 14 590 |
| At a point in time | 4 433 | – | 7 474 | 388 | 12 295 |
| | 17 567 | 1 456 | 7 474 | 388 | 26 885 |

# Annexure 4: Summarised audited consolidated annual financial results continued

## Notes continued

### 1. REVENUE continued

| Segments | Hospitals and comple-mentary services R'm | Healthcare services R'm | Diagnostic services R'm | Growth initiatives R'm | Total R'm |
|---|---|---|---|---|---|
| **2020** | | | | | |
| **Primary geographical areas** | | | | | |
| Southern Africa | 15 899 | 1 346 | – | 1 | 17 246 |
| International | – | – | 6 286 | 319 | 6 605 |
| UK | – | – | 3 278 | 43 | 3 321 |
| Italy | – | – | 1 823 | 5 | 1 828 |
| Ireland | – | – | 562 | – | 562 |
| Other | – | – | 623 | 271 | 894 |
| | 15 899 | 1 346 | 6 286 | 320 | 23 851 |
| **Type of customer** | | | | | |
| **Contract from customers** | | | | | |
| Private (including private medical aids and cash paying patients) | 15 465 | – | 719 | 1 | 16 185 |
| Government and public healthcare facilities | 351 | 568 | 4 242 | – | 5 161 |
| Corporate institutions | – | 778 | 1 325 | 319 | 2 422 |
| **Rental revenue** | | | | | |
| Rental income related to auxiliary services | 83 | – | – | – | 83 |
| | 15 899 | 1 346 | 6 286 | 320 | 23 851 |
| **Timing of revenue recognition** | | | | | |
| Over time | 11 928 | 1 346 | – | – | 13 274 |
| At a point in time | 3 971 | – | 6 286 | 320 | 10 577 |
| | 15 899 | 1 346 | 6 286 | 320 | 23 851 |

### 2. ACQUISITIONS AND DISPOSALS

¬ **Transactions with non-controlling interests**

**Increases and decreases in ownership interest in subsidiaries**

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

## 2. ACQUISITIONS AND DISPOSALS continued

### ¬ Acquisitions that resulted in business combinations

| | North West Dialysis Centre | ZAG Zyklotron AG (ZAG) | Monza Medicina SRL* |
|---|---|---|---|
| Acquirer | East Rand Dialysis Incorporated | AMG | AMG |
| Country of incorporation | South Africa | Germany | Italy |
| Acquisition date | 1 Nov 2020 | 1 Jan 2021 | 30 Jun 2021 |
| Total purchase consideration | R14 million | R90 million | R14 million |
| Goodwill recognised | R11 million | R59 million | R9 million |
| Percentage voting equity interest acquired | 100% | 100% | 100% |
| Primary reasons for business combination | This is in line with Life Healthcare's strategy to grow its non-acute businesses. | | |
| Qualitative factors that make up goodwill recognised | Attributable to the acquired workforce and expected synergies from combining the acquired operations within the existing southern Africa and international operations. | | |
| Contingent liabilities at acquisition | None | | |

** The acquisitions have been provisionally accounted for in terms of IFRS 3 "Business combinations".*

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

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

The aggregated fair values of the assets and liabilities arising from all the acquisitions listed above are as follow:

| | 2021 R'm |
|---|---|
| **Total purchase consideration** | **(121)** |
| Cash portion | **(118)** |
| Contingent consideration | **(3)** |
| **Fair value of net assets acquired** | **42** |
| Property, plant and equipment | **34** |
| Customer relations | **8** |
| Trade and other receivables | **15** |
| Cash and cash equivalents | **15** |
| Inventories | **13** |
| Interest-bearing borrowings | **(5)** |
| Trade and other payables | **(29)** |
| Provisions | **(9)** |
| **Goodwill** | **79** |

# Annexure 4: Summarised audited consolidated annual financial results continued

## Notes continued

### 2. ACQUISITIONS AND DISPOSALS continued

¬ **Acquisitions that resulted in business combinations** continued

| | 2021<br>R'm |
|---|---|
| **Aggregated cash outflow to acquire businesses, net of cash acquired** | |
| Initial cash considerations | **(118)** |
| *Less:* Cash at acquisitions | **15** |
| | **(103)** |
| **Aggregated impact on consolidated information from date of acquisitions** | |
| Revenue | **50** |
| Net profit | **2** |
| **Aggregated impact on consolidated information if the business combinations took place on 1 October 2020** | |
| Revenue | **96** |
| Net profit | **2** |

¬ **Consolidated Aone Trade and Invest 12 Proprietary Limited (Consolidated Aone)**

**1. Disposal of investment in associate**

The Group acquired the remaining 70% of the assets and liabilities of Consolidated Aone, resulting in Consolidated Aone becoming a wholly-owned subsidiary of the Group. The Group previously had an interest of 30% in Consolidated Aone, which was accounted for as an associate. The investment in associate was derecognised.

| | R'm |
|---|---|
| **Derecognition of investment in associate** | |
| Effective date | **1 July 2021** |
| Previously interest held | **30.0%** |
| Total consideration received | **28** |
| Fair value of equity interest held before the acquisition | **28** |
| Carrying value of the associate | **–** |
| **Profit on remeasuring previously held interest in associate to fair value** | **28** |

## 2. ACQUISITIONS AND DISPOSALS continued

### ¬ Consolidated Aone Trade and Invest 12 Proprietary Limited (Consolidated Aone) continued

**2. Acquisition of assets and liabilities**

The Group acquired the remaining 70% of the assets and liabilities of Consolidated Aone on 1 July 2021 for a total consideration of R92 million. Consolidated Aone is a property company and the acquisition was accounted for as an asset acquisition due to the absence of inputs and processes to contribute to the creation of outputs. The assets acquired are not a business as defined in IFRS 3.

| | 2021 R'm |
|---|---|
| **Total purchase consideration** | **(92)** |
| Cash portion | (64) |
| Fair value of equity interest held before the acquisition | (28) |
| **Fair value of net assets acquired** | **92** |
| Property, plant and equipment | 150 |
| Other liabilities | (3) |
| Interest-bearing borrowings | (52) |
| Trade and other payables | (3) |

### ¬ Investment in joint venture (Altakassusi Alliance Medical LLC)

The Group acquired 45% of Altakassusi Alliance Medical LLC in Saudi Arabia on 10 November 2020. The amount invested was R5 million and was accounted for as an investment in joint venture.

### ¬ Discontinued operation and sale of Scanmed

**Description**

On 16 November 2020 the Group received an offer to dispose of its Polish operation, Scanmed. The related agreements were signed on 24 November 2020 and the transaction was subject to regulatory approvals. The sale proceeds per the agreements were lower than the carrying value of Scanmed at 30 September 2020. With the receipt of the offer, the Group considered it prudent and appropriate to impair the carrying value at 30 September 2020 to reflect the fair value less costs to sell. The impairment recognised in FY2020 amounted to R793 million.

The sale of Scanmed was concluded on 26 March 2021 and was reported as a discontinued operation. Scanmed met the criteria of a discontinued operation as Scanmed operated in a separate geographical area and was previously disclosed as a separate segment. Financial information relating to the discontinued operation for the period to the date of disposal is set out on next page.

# Annexure 4: Summarised audited consolidated annual financial results continued

## Notes continued

**2. ACQUISITIONS AND DISPOSALS** continued

¬ **Discontinued operation and sale of Scanmed** continued

**Financial performance and cash flow information**

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

| | 2021 R'm | 2020 R'm |
|---|---|---|
| Revenue | **847** | 1 535 |
| Normalised EBITDA | **85** | 191 |
| Depreciation, amortisation, interest and other expense | **(34)** | (164) |
| Fair value adjustments to contingent consideration | **(9)** | (37) |
| Transaction costs | **–** | (9) |
| Impairment of investment | **–** | (793) |
| Profit/(loss) before tax | **42** | (812) |
| Tax expense | **(9)** | 13 |
| Profit/(loss) after tax from discontinued operation | **33** | (799) |
| Profit on disposal of Scanmed after income tax (refer page 43) | **54** | – |
| Profit/(loss) from discontinued operation | **87** | (799) |
| Basic earnings per share from discontinued operation | **6.0** | (54.9) |
| Diluted earnings per share from discontinued operation | **6.0** | (54.7) |
| **Other comprehensive income** | | |
| Foreign currency differences on translation before disposal | **(129)** | 165 |
| Exchange gain reclassified to profit or loss on disposal | **(188)** | – |
| Tax on exchange gain reclassified to profit or loss on disposal | **41** | – |
| Reversal of previously recognised deferred tax | **133** | – |
| | **(143)** | 165 |
| **The impact on the statement of cash flows relating to operational performance** | | |
| Net cash generated from operating activities | **87** | 116 |
| Net cash utilised in investing activities | **(23)** | (73) |
| Net cash utilised in financing activities | **(35)** | (69) |
| Net increase/(decrease) in cash and cash equivalents | **29** | (26) |
| **The impact on the statement of cash flows after impact of disposal** | | |
| Net cash generated from operating activities | **35** | 116 |
| Net cash generated/(utilised) in investing activities | **550** | (73) |
| Net cash utilised in financing activities | **(35)** | (69) |
| Net increase/(decrease) in cash and cash equivalents | **550** | (26) |

## 2. ACQUISITIONS AND DISPOSALS continued

### ¬ Discontinued operation and sale of Scanmed continued

Details of the sale

| | 2021 R'm |
|---|---|
| **Total consideration received** | **733** |
| Cash | **733** |
| **Carrying value of net assets sold** | **(725)** |
| Property, plant and equipment | **(1 021)** |
| Intangible assets | **(377)** |
| Cash and cash equivalents | **(160)** |
| Trade and other receivables | **(199)** |
| Inventories | **(37)** |
| Deferred tax liabilities | **3** |
| Interest-bearing borrowings | **797** |
| Trade and other payables | **260** |
| Contingent consideration liabilities | **9** |
| **Profit on disposal before taxes, transaction costs and reclassification of FCTR** | **8** |
| Withholding tax | **(20)** |
| Transaction costs | **(32)** |
| Exchange gain reclassified to profit or loss on disposal | **188** |
| Tax on exchange gain reclassified to profit or loss on disposal | **(41)** |
| Tax recognised as a result of assessed losses | **(49)** |
| **Profit on disposal after taxes, transaction costs and reclassification of FCTR** | **54** |
| **Net cash inflow on disposal** | |
| Cash consideration received | **733** |
| *Less:* cash and cash equivalents disposed of | **(160)** |
| | **573** |

## 3. INTEREST-BEARING BORROWINGS

| | 2021 R'm |
|---|---|
| **Total borrowings at 30 September 2020** | 14 214 |
| Proceeds from interest-bearing borrowings | 5 221 |
| Repayment of interest-bearing borrowings | (5 568) |
| Additional lease liabilities recognised | 625 |
| Derecognition of lease liability | (56) |
| Arising on acquisition of subsidiaries | 57 |
| Disposal of subsidiary | (797) |
| Other movements | 22 |
| Effect of foreign currency movement | (993) |
| **Total borrowings at 30 September 2021** | **12 725** |

# Annexure 4: Summarised audited consolidated annual financial results continued

## Notes continued

### 4. FINANCIAL INSTRUMENTS

**Fair value**

Other non-current assets, as presented in the statement of financial position, include derivative financial instrument assets of R4 million (2020: Rnil) at fair value (through profit or loss).

Other non-current liabilities and other current liabilities, as presented in the statement of financial position, include contingent consideration liabilities of R631 million (2020: R642 million) and derivative financial instrument liabilities of R9 million (2020: R53 million) at fair value (through profit or loss).

The largest contingent consideration payable (R626 million) relates to a potential amount payable to the previous owners of LMI, acquired during June 2018. The decrease in the contingent consideration relating to LMI from 30 September 2020 (R629 million) relates to the movement in foreign currency rates (-R65 million), set off by the unwinding of the contingent consideration (+R62 million).The contingent consideration will become payable when the acquired business is generating a positive cash contribution, measured on a cumulative basis from the date of acquisition. The contingent consideration is a 50% share of pre-tax cash generated for a period of 10 years post-acquisition or a maximum amount payable of USD200 million. The amount included is the calculated payment, based on long-term forecasts adjusted for probabilities associated with the success of the product developed, discounted to present value using a discount rate of 13.37% (2020: 13.25%)

The fair value of interest rate swaps is calculated as the mark-to-market valuation, which represents the mid-market value of the instrument as determined by the financial institution at 30 September 2021.

The Group's financial instruments held at fair value are measured subsequent to their initial recognition and are grouped into levels 1 to 3 based on the significance of the inputs used in the valuation. All of the resulting fair value estimates for the derivative financial instruments used for economic hedging are included in level 2. The contingent considerations are included in level 3.

The fair value of forward exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to the present value, as determined by the financial institution at 30 September 2021.

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

### 5. EVENTS AFTER REPORTING PERIOD

No event which is material to the understanding of this report has occurred between year-end and the date of the annual financial statements, other than:

- the cash dividend distribution – refer page 54.

## BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited (JSE) Listings Requirements for preliminary reports, and the requirements of the South African Companies Act, 71 of 2008 (as amended) applicable to summarised consolidated financial statements. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the summarised consolidated financial statements are in terms of IFRS and are consistent with those applied in the prior year consolidated annual financial statements.

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

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

### Non-IFRS measures and pro forma information

To provide a more meaningful assessment of the Group's performance for the year, non-IFRS measures (normalised EBITDA, EBITA, normalised earnings and net debt) and *pro forma* information have been included. *Pro forma* information includes H2-2021 and H2-2020 results. The non-IFRS measures and *pro forma* information are the responsibility of the Group's directors. *Pro forma* financial information is presented for illustrative purposes only. Due to its nature, the non-IFRS measures and *pro forma* information may not fairly present the Group's financial position, results of operations, changes in equity or cash flows for the year ended 30 September 2021.

The non-IFRS measures and *pro forma* information are not an IFRS requirement.

Deloitte.

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## INDEPENDENT AUDITOR'S REPORT ON SUMMARISED FINANCIAL STATEMENTS

## TO THE SHAREHOLDERS OF LIFE HEALTHCARE GROUP HOLDINGS LIMITED

### Opinion

The summarised consolidated financial statements of Life Healthcare Group Holdings Limited, set out on pages 27 to 45, which comprise the summarised consolidated statement of financial position as at 30 September 2021, the summarised consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes as set out on pages 32 to 45, are derived from the audited consolidated financial statements of Life Healthcare Group Holdings Limited for the year ended 30 September 2021.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of Life Healthcare Group Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in the Basis of Presentation and Accounting Policies note to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

### Other matter

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

### Summarised consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Life Healthcare Group Holdings Limited and the auditor's report thereon.

### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 17 November 2021. That report also includes the communication of key audit matters as reported in the auditor's report of the audited financial statements.

### Directors' responsibility for the summarised consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, set out in the Basis of Presentation and Accounting Policies note to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34, Interim Financial Reporting.

### Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the consolidated audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Deloitte & Touche

**Deloitte & Touche**
*Registered Auditors*

Per: James Welch
Partner

17 November 2021

Deloitte.

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## TO THE DIRECTORS OF LIFE HEALTHCARE GROUP HOLDINGS LTD

## REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN THE AUDITED SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

The directors of Life Healthcare Group Holdings Limited (the entity/the Group) have disclosed financial information that is considered to be pro forma information per JSE Listings Requirements. The directors of the Company have prepared the following pro forma financial information for inclusion in the audited summarised consolidated financial statements, to be dated on or about 17 November 2021, in order to provide a more meaningful assessment of the Group's performance for the year:

- The pro forma H2-2021 numbers – these are unaudited and derived from deducting H1-2021 unaudited results from the full year audited results to 30 September 2021 (FY2021).
- The pro forma H2-2020 numbers – these are unaudited and derived from deducting H1-2020 unaudited results from the full year audited results to 30 September 2020 (FY2020).

We have completed our assurance engagement to report on the compilation of pro forma financial information of Life Healthcare Group Holdings Limited by the directors. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

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 summarised consolidated financial statements for the period ended 30 September 2021, on which an unmodified audit opinion was issued on 17 November 2021.

### 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.

### Our Independence and Quality Control

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

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Reporting Accountant's Responsibility

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

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, which is applicable to an engagement of this nature*. 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.

# Annexure 4: Summarised audited consolidated annual financial results continued

The purpose of pro forma financial information included in a prospectus 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.

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.

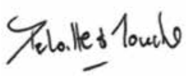
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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.

**Report on Other Legal and Regulatory Requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Life Healthcare Group Holdings Limited for 2 years.



**Deloitte & Touche**
*Registered Auditor*
Per: James Welch
Partner

17 November 2021

# Commentary

## OVERVIEW

Life Healthcare had a strong trading performance for the twelve month period ended 30 September 2021 (FY2021, or the current period) driven by an exceptional performance in AMG and a good performance in SA.

During the current period, the Group experienced the full impact of two COVID-19 waves, whereas in the twelve months ended 30 September 2020 (FY2020, or the prior period) the Group experienced only one COVID-19 wave although the associated lockdowns were more severe in the prior period.

While the effects of the pandemic having now persisted for a full twelve month period, the Group has seen a pleasing improvement in its financial results for each successive six month period since 30 September 2020.

The Group announced the sale of Scanmed in Poland in November 2020 and this process was finally concluded on 26 March 2021. Scanmed has been presented as a discontinued operation in the current and prior period results. As a result, the prior period results have been re-presented.

**In summary, the results for the Group are as follows:**

- Revenue from continuing operations grew by 12.7% to R26.9 billion
- Normalised EBITDA from continuing operations increased by 21.6% and the normalised EBITDA margin improved to 18.8% (FY2020: 17.4%)
- An exceptional performance by AMG with overall imaging activities above pre-COVID-19 levels and revenue growing by 18.9% to R7.5 billion
- Southern African operations grew revenue by 10.3% to R19.0 billion and the normalised EBITDA margin grew to 17.1%
- Final cash dividend declaration of 25.0 cents per ordinary share
- Completed the sale of Scanmed with R681 million in net proceeds (after tax and costs)

| Summarised financials | 2021 R'm | 2020 R'm | % change |
|---|---|---|---|
| Revenue from continuing operations | **26 885** | 23 851 | 12.7 |
| Normalised EBITDA from continuing operations | **5 051** | 4 155 | 21.6 |
| Normalised EBITDA margin (%) | **18.8** | 17.4 | |
| Attributable profit/(loss) | **1 754** | (93) | n/a |

## GROUP FINANCIAL PERFORMANCE

Group revenue from continuing operations increased by 12.7% to R26.9 billion (FY2020: R23.9 billion) consisting of a 10.3% increase in southern African revenue to R19.0 billion (FY2020: R17.2 billion), an 18.9% increase in international revenue from continuing operations to R7.5 billion (FY2020: R6.3 billion) and R388 million revenue contribution from growth initiatives (FY2020: R320 million).

Normalised EBITDA from continuing operations increased by 21.6% to R5.1 billion (FY2020: R4.2 billion). This pleasing growth in normalised EBITDA was largely driven by our International operations which saw normalised EBITDA growth of 38.2% to R1.8 billion (FY2020: R1.3 billion) while our southern African operations saw normalised EBITDA growth of 12.2% to R3.3 billion (FY2020: R2.9 billion).

# Annexure 4: Summarised audited consolidated annual financial results continued

## Commentary continued

### OPERATIONAL REVIEW

**International**

International revenue only includes revenue from AMG's diagnostic services.

| International | 2021 R'm | H2-2021 (pro-forma)[1] R'm | H1-2021 R'm | 2020 R'm | H2-2020 (pro-forma)[2] R'm | H1-2020 R'm | % change 2021 vs 2020 | % change H2-2021 vs H2-2020 | % change H1-2021 vs H1-2020 |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | |
| Diagnostic services | **7 474** | 3 727 | 3 747 | 6 286 | 3 341 | 2 945 | 18.9 | 11.6 | 27.2 |
| **Normalised EBITDA** | | | | | | | | | |
| Diagnostic services | **1 812** | 882 | 930 | 1 311 | 686 | 625 | 38.2 | 28.6 | 48.8 |
| **Normalised EBITDA margin (%)** | **24.2** | 23.7 | 24.8 | 20.9 | 20.5 | 21.2 | | | |

AMG performed exceptionally well during the current period. Revenue increased by 18.9% to R7.5 billion (FY2020: R6.3 billion) and revenue, in pound sterling, grew by 21.1% to £367.8 million (FY2020: £303.9 million). This increase was driven by a number of factors, including the impact of additional COVID-19 solutions for the NHS, COVID-19 blood testing in Italy and a strong performance in Ireland. Excluding these COVID-19-related contracts, AMG saw strong growth in volumes within our imaging centres in the UK and Ireland following the easing of lockdown restrictions and pent-up demand for imaging services.

In the UK, Diagnostic Imaging (DI) volumes have returned to pre-COVID-19 levels. This was partly attributable to the COVID-19-related CT contracts entered into with the NHS as well as increased demand following the easing of COVID-19 restrictions in the UK. The COVID-19-related CT contracts initially ended on 31 March 2021 but were then extended for a further 6 months until 30 September 2021, albeit at reduced revenue per day compared with the initial contracts in the H1-2021 period. These contracts have now come to an end. For the FY2021 period, UK DI volume growth was 16.1% year-on-year. H2-2021 volumes were 44.1% higher than H2-2020 and 4.3% higher than H1-2021.

[1] *The pro forma H2-2021 numbers presented are unaudited and derived from deducting H1-2021 unaudited results from the full year audited results to 30 September 2021 (FY2021).*

[2] *The pro forma H2-2020 numbers presented are unaudited and derived from deducting H1-2020 unaudited results from the full year audited results to 30 September 2020 (FY2020).*

PET-CT volumes have continued to grow strongly in H2-2021 and were 33.5% higher than H2-2020 volumes and 8.5% above H1-2021. For the FY2021 period PET-CT volume growth was 18.8% year-on-year.

In Italy DI volumes for the H2-2021 period were lower than H1-2021 but this represents typical pre-COVID seasonality. For the FY2021 period Italian DI volumes were higher than pre-COVID levels with growth 9.0% higher year-on-year. H2-2021 volumes were 10.2% higher than the H2-2020 period but down 7.1% on H1-2021 volumes.

The Irish business continued to benefit from a rebound in activity and increased public sector contracting. For the FY2021 period Irish volumes also exceeded pre-COVID levels and growth was 34.2% higher year-on-year. H2-2021 volumes were 51.7% higher than the H2-2020 period and 16.3% higher than the H1-2021 period.

AMG reported growth in normalised EBITDA of 38.2% to R1.8 billion (FY2020: R1.3 billion) while in pound sterling normalised EBITDA grew 40.7% to £89.2 million (FY2020: £63.4 million). The normalised EBITDA margin was 24.2% (FY2020: 20.9%). The margin uplift was driven by the benefit from COVID-19 solutions, higher volumes as described above, as well as the resolution of radiopharmacy supply issues following the opening of the fifth cyclotron site in Dinnington in January 2021.

AMG has worked closely with governments across the UK and Europe to provide high quality radiology services throughout the pandemic, often at short notice. While a number of AMG's COVID-19-related contracts have come to an end, AMG's proven ability to quickly mobilise scanning equipment and staff across multiple locations places AMG in a good position to continue securing public sector contracts.

## Southern Africa

In southern Africa, the hospitals and complementary services segment comprises all the acute hospitals and complementary services which include mental health, acute rehabilitation, renal dialysis and oncology. The healthcare services segment comprises Life Esidimeni and Life Employee Health Solutions.

| Southern Africa | 2021 R'm | H2-2021 (pro-forma)[1] R'm | H1-2021 R'm | 2020 R'm | H2-2020 (pro-forma)[2] R'm | H1-2020 R'm | % change 2021 vs 2020 | % change H2-2021 vs H2-2020 | % change H1-2021 vs H1-2020 |
|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | |
| Hospitals and complementary services | **17 567** | 9 216 | 8 351 | 15 899 | 7 154 | 8 745 | 10.5 | 28.8 | (4.5) |
| Healthcare services | **1 456** | 720 | 736 | 1 346 | 689 | 657 | 8.2 | 4.5 | 12.0 |
| | **19 023** | 9 936 | 9 087 | 17 245 | 7 843 | 9 402 | 10.3 | 26.7 | (3.4) |
| **Normalised EBITDA** | | | | | | | | | |
| Hospitals and complementary services | **2 743** | 1 483 | 1 260 | 2 583 | 573 | 2 010 | 6.2 | 158.8 | (37.3) |
| Healthcare services | **195** | 73 | 122 | 135 | 64 | 71 | 44.4 | 14.1 | 71.8 |
| **Corporate** | | | | | | | | | |
| Recoveries | **1 330** | 693 | 637 | 1 205 | 582 | 623 | 10.4 | 19.1 | 2.2 |
| Corporate costs | **(1 010)** | (501) | (509) | (1 019) | (551) | (468) | 0.9 | 9.1 | (8.8) |
| | **3 258** | 1 748 | 1 510 | 2 904 | 668 | 2 236 | 12.2 | 161.7 | (32.5) |
| **Normalised EBITDA margin (%)** | **17.1** | 17.6 | 16.6 | 16.8 | 8.5 | 23.8 | | | |

Southern Africa experienced a severe second COVID-19 wave during December 2020 and January 2021, and then a larger and more prolonged third COVID-19 wave between July and August 2021. Both of these waves impacted our normal operating activities and resulted in increased operating costs including PPE procurement, increased agency nursing staff, absenteeism (through sickness and isolation), COVID-19-related screening and more recently our assistance in the national vaccine rollout at 25 of our facilities. These increased operational costs coupled with reduced operating activity levels have continued to place pressure on our profit margins.

The southern African business has typically seen a reduction in elective surgical demand, along with routine medical admissions, during COVID-19 waves, followed by a return of non-COVID-19 activities as COVID-19-related admissions decline after each wave peaks. Our management teams continue to learn, adapt and change to accommodate the evolving COVID-19 environment. The business has demonstrated an improved performance in each six month period since 31 March 2020, despite the more severe second and third COVID-19 waves.

FY2021 revenue from southern Africa increased by 10.3% to R19.0 billion (FY2020: R17.2 billion). Normalised EBITDA increased by 12.2% to R3.3 billion (FY2020: R2.9 billion) and the normalised EBITDA margin for the period improved to 17.1% (FY2020: 16.8%).

Our hospitals and complementary services segment has been the most severely impacted by the COVID-19 pandemic, but has also seen pleasing sequential improvement in each six months period from H2-2020, through H1-2021, to H2-2021. FY2021 revenue from hospitals and complementary services increased by 10.5% to R17.6 billion (FY2020: R15.9 billion). H2-2021 revenue of R9.2 billion was 10.4% higher than H1-2021 revenue of R8.4 billion. H1-2021 revenue was 16.7% higher than the H2-2020 revenue of R7.2 billion, which was 18.2% lower than H1-2020 revenue of R8.7 billion (H1-2020 was mostly not impacted by COVID-19).

In FY2021 revenue growth for our acute hospitals was attributed to a 9.8% increase in revenue per paid patient day (PPD) and 0.2% growth in PPDs. The increase in revenue per PPD is made up of a 4.0% tariff increase and a 5.8% positive case mix change. This case mix change was influenced by increased COVID-19 admissions which led to a longer average length of stay of 4.07 days (FY2020: 3.74 days), while leading to a decline in normal medical admissions and surgical activity, as evidenced by a 4.0% decline year-on-year in theatre minutes in FY2021. For our acute hospitals the overall weighted occupancy for the period increased to 58.1% (FY2020: 57.8%). The H2-2021 weighted occupancy increased to 59.2%, versus 57% during H1-2021 and 50% occupancy during H2-2020.

## Commentary continued

Revenue from complementary services grew 8.0% over the prior period. Mental health and acute rehabilitation volumes have improved slowly since H2-2020, while renal dialysis and oncology volumes have remained resilient in 2021 and have seen positive growth year-on-year. For complementary services the overall weighted occupancy for the period was 63.4% (FY2020: 64.0%). The H2-2021 weighted occupancy increased to 65.4%, versus 61.4% during H1-2021 and 54.7% occupancy during H2-2020.

Revenue from healthcare services increased by 8.2% to R1.5 billion (FY2020: R1.3 billion). This positive result was due to additional COVID-19-related services and benefits offered through Life Employees Health Solutions, driving higher revenue per life covered as well as a resilient performance from Life Esidimeni. Some of these COVID-19 related benefits have reduced during the H2-2021 period, resulting in growth in the H2-2021 period of 4.5% versus H2-2020.

The Group continues to support the South African national vaccination programme. As part of this support, 22 Life Healthcare facilities across the country have been used as vaccination sites. Through these sites we have vaccinated c.380 000 people since May 2021. A large majority of Life Healthcare employees and doctors have been vaccinated. The Group has also announced a mandatory vaccination policy across the entire Group which will start taking effect on 1 December 2021.

### Growth initiatives

The growth initiatives are aimed at broadening the Company's exposure across the healthcare continuum, and include, in southern Africa, developing the imaging services opportunity, a new outpatient business model, investing in data analytics and clinical quality products. Progress continues to be made across each of these areas.

LMI is our primary international growth initiative. Following the approval of Biogen's Alzheimer's disease modifying drug (DMD) Aduhelm®, in June 2021, we have begun to invest in building up a commercial team within the US to drive NeuraCeq® sales. We have also signed agreements with our major US manufacturing partner, which will bolster our production capability in the US. During FY2021 this "Invest for Success" programme saw us committing to invest £7 million on headcount (opex) and £2 million on manufacturing equipment, intellectual property and technology transfers (capex), of which £1.0 million was spent during 2021.

At present, in the absence of Aduhelm® reimbursement agreements with payors, and diagnostic and treatment pathways for physicians and service providers, we have yet to see a ramp-up in commercial sales of NeuraCeq®. However, we have seen increased sales of NeuraCeq® for other DMD drug trials as other pharmaceutical companies increase the pace of their clinical trials.

Within southern Africa good progress has been made on our growth within the renal dialysis and oncology businesses. During September 2021 we received approval from the HPCSA to directly employ radiographers. This is a significant step forward and will enhance our ability to offer an integrated and cost-efficient imaging services in South Africa.

For the FY2021 period revenue from growth initiatives, largely from LMI, grew 21.3% to R388 million (FY2020: R320 million). The normalised EBITDA loss narrowed to R19 million (from a loss of R60 million in the prior period) and showed a profit of R3 million in the H2-2021 period (H2-2020: loss of R21 million).

### EARNINGS PER SHARE (EPS), HEADLINE EARNINGS PER SHARE (HEPS) AND NORMALISED EARNINGS PER SHARE (NEPS)

EPS from continuing operations increased by 136.3% to 114.6 cents (FY2020: 48.5 cents) while EPS from continuing and discontinued operations increased to 120.6 cents (FY2020: loss of 6.4 cents). The growth in earnings was largely driven by the strong trading performance across the whole Group. In addition, 2021 earnings were positively impacted (+6.0 cents) by the profit from discontinued operations (net of tax) of R87 million (refer to note 2 on page 42), whereas the 2020 results were negatively impacted by COVID-19 during H2-2020 and the impairment of Scanmed, which reduced earnings by 54.5 cents.

HEPS from continuing and discontinued operations increased by 128.1% to 111.1 cents (FY2020: 48.7 cents).

NEPS from continuing operations, which excludes non-trading related items listed on page 53, increased by 88.3% to 109.8 cents (FY2020: 58.3 cents). NEPS from continuing and discontinued operations increased by 84.8% to 112.7 cents (FY2020: 61.0 cents). The presentation of normalised earnings is a non-IFRS measure.

| Reconciliation of Headline earnings (HEPS) and Normalised earnings (NEPS)[1] | 2021 R'm | 2020 R'm | % change | 2021 cps | 2020 cps | % change |
|---|---|---|---|---|---|---|
| Weighted average number of shares at the end of the year (millions) | **1 454** | 1 455 | (0.1) | | | |
| **Profit/(loss) attributable to ordinary equity holders** | **1 754** | (93) | n/a | **120.6** | (6.4) | n/a |
| (Profit)/loss from discontinued operation attributable to ordinary equity holders | **(87)** | 799 | | **(6.0)** | 54.9 | |
| **Profit from continuing operations attributable to ordinary equity holders** | **1 667** | 706 | 136.1 | **114.6** | 48.5 | 136.3 |
| Adjustments (net of tax and non-controlling interest): | | | | | | |
| Impairment of assets and investments | **14** | 5 | | **0.9** | 0.3 | |
| Profit on remeasuring previously held interest in associate to fair value | **(28)** | – | | **(1.9)** | – | |
| Loss on disposal of property, plant and equipment | **10** | 3 | | **0.7** | 0.2 | |
| **Headline earnings from continuing operations** | **1 663** | 714 | 132.9 | **114.3** | 49.0 | 133.3 |
| Retirement benefit asset and post-employment medical aid income | **(24)** | (23) | | **(1.7)** | (1.6) | |
| Gain on derecognition of lease asset and liability | **–** | (50) | | **–** | (3.4) | |
| Transaction costs relating to acquisitions and disposals | **3** | 8 | | **0.2** | 0.6 | |
| Unwinding of contingent consideration | **62** | 66 | | **4.3** | 4.5 | |
| Fair value loss on equity investment | **12** | – | | **0.8** | – | |
| Deferred tax raised on unrecognised exchange gain on inter-company loan | **–** | 133 | | **–** | 9.2 | |
| Deferred tax raised previously not recognised and effective tax rate change | **(118)** | – | | **(8.1)** | – | |
| **Normalised earnings from continuing operations** | **1 598** | 848 | 88.4 | **109.8** | 58.3 | 88.3 |
| Normalised earnings from discontinued operation[2] | **42** | 40 | 5.0 | **2.9** | 2.7 | 7.4 |
| **Normalised earnings from continuing and discontinued operations** | **1 640** | 888 | 84.7 | **112.7** | 61.0 | 84.8 |

[1] *Non-IFRS measure.*

[2] *Calculated as follows (refer note 27):*

| | | |
|---|---|---|
| *Profit/(loss) after tax from discontinued operation* | ***33*** | *(799)* |
| *Fair value adjustments to contingent consideration* | ***9*** | *37* |
| *Transaction costs* | ***–*** | *9* |
| *Impairment of investment* | ***–*** | *793* |
| | ***42*** | *40* |

# Annexure 4: Summarised audited consolidated annual financial results continued

## Commentary continued

### CAPITAL EXPENDITURE

The Group continues to manage liquidity during the pandemic and has curtailed some capital expenditure. It has invested approximately R1.9 billion (FY2020: R2.0 billion), comprised mainly of maintenance capex for the period of R1.5 billion (FY2020: R1.2 billion) and growth capex of R357 million (FY2020: R759 million).

### FINANCIAL POSITION AND LIQUIDITY

The Group is in a strong financial position with net debt to normalised EBITDA as at 30 September 2021 at 1.82 times (FY2020: 2.96). The net debt to normalised EBITDA position has improved due to the Scanmed disposal, improved trading across the Group, curtailed capital expenditure and good working capital management in the current period (driven by debt collection in southern Africa).

During 2020, the Group engaged with its lenders and received temporary relaxation on the measurement of covenants. These came to an end on 31 March 2021 and the Group reverted to its prior covenants (the main one being 3.5x net debt to normalised EBITDA).

The Group refinanced its term debt in the international operations during March 2020 and this extended the international debt maturities that were due in November 2020 to 2023 and 2025. During 2021 the Group refinanced R2.5 billion of South African debt, extending maturities that were due during the year.

Given the ongoing uncertainty around COVID-19 and the future impact that this may have on the Group, Life Healthcare has kept in place additional banking facilities that were put in place during 2020. The available undrawn facilities as at 30 September 2021 amounted to R6.6 billion.

### CASH DIVIDEND DECLARATION

The Board approved a final gross cash dividend of 25.0 cents per ordinary share for the year ended 30 September 2021. The dividend has been declared from income reserves. The dividend is subject to South African dividend withholding tax of 20%, which will be applicable to all shareholders not exempt therefrom, after deduction of which the net cash dividend is 20.00000 cents per share.

The Company's total number of issued ordinary shares is 1 467 349 162 as at Wednesday, 17 November 2021. The Company's income tax reference number is 9387/307/15/1.

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

| | |
|---|---|
| ¬ Last date to trade cum dividend | Tuesday, 7 December 2021 |
| ¬ Shares trade ex the dividend | Wednesday, 8 December 2021 |
| ¬ Record date | Friday, 10 December 2021 |
| ¬ Payment date | Monday, 13 December 2021 |

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 December 2021 and Friday, 10 December 2021, both days inclusive.

### OUTLOOK

Life Healthcare continues to adopt a cautious approach due to the ongoing impact of COVID-19, particularly with regards to the southern African business and the uncertain impact that potential future COVID-19 waves may have on the business.

For our southern African operations, we are cautiously confident that we can deliver continued PPD growth, improved occupancy and normalised EBITDA margin expansion during 2022 while also anticipating ongoing negative impacts from potential fourth and fifth COVID-19 waves.

For AMG we expect to see continued good growth in demand for our scanning services in the UK and Ireland, although the ending of some COVID-19-related contracts will provide a headwind for AMG. We expect that reimbursement arrangements for Aduhelm® will be confirmed during early 2022, which should be positive for NeuraCeq® sales in the US, with similar approvals likely in Europe towards the end of 2022.

We expect continued progress in our SA growth initiatives, including radiology.

## CHANGES TO THE BOARD OF DIRECTORS AND COMPANY SECRETARY

MA Brey retired from the Board as director and chairman with effect from 27 January 2021. Dr VL Litlhakanyane was appointed as the non-executive chairman of the Board from this date. The Board wishes to express its sincere thanks and appreciation to Mr Brey for his contribution to the Group for over a decade and wishes him the very best in his future endeavours.

Ms A Parboosing stepped down as the Group Company Secretary as at 28 February 2021 to assume the role of Chief People Officer within the Company. Ms J Ranchhod was appointed in the role with effect from 1 March 2021.

Ms Cindy Hess and Ms Caroline Henry were appointed as independent non-executive directors to the Board with effect from 1 September 2021. Ms Hess was appointed to the Company's Human Resources and Remuneration Committee as well as the Audit Committee. Ms Henry was appointed to Company's Social, Ethics and Transformation Committee as well as the Audit Committee.

## INVESTOR PRESENTATION

Shareholders are advised that the investor presentation for the twelve months ended 30 September 2021 has been published on Life Healthcare's website (www.lifehealthcare.co.za).

## THANKS

The Company's ability to effectively respond to the pandemic and provide quality care to its patients in this time of crisis is largely due to the dedication and unwavering support of its employees and doctors. Life Healthcare would like to thank them for their unwavering support and courage, for their tireless work, and for the care they delivered under difficult circumstances. The Company extends its sincere condolences to those that have lost family, friends and loved ones to the pandemic.

Approved by the Board of Directors on 17 November 2021 and signed on its behalf:

**Dr Victor Litlhakanyane**
*Chairman*

**Mr Peter Wharton-Hood**
*Group Chief Executive*

# Corporate information

## LIFE HEALTHCARE GROUP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 2003/002733/06
ISIN: ZAE000145892
JSE Share Code: LHC

### Registered office

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Dunkeld, 2196
Private Bag X13,
Northlands, 2116

### Executive directors

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

### Non-executive directors

VL Litlhakanyane (Chairman),
PJ Golesworthy,
CM Henry, Prof ME Jacobs,
AM Mothupi, JK Netshitenzhe,
Dr MP Ngatane, Adv M Sello,
GC Solomon and RT Vice

### Company Secretary

J Ranchhod

### Sponsor

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FirstRand Bank Limited

### Investor relations

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