



Notice of annual general meeting
25 January 2023



Notice of annual general meeting

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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 held on **Wednesday, 25 January 2023, 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.

The proceedings will be 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 the AGM is Friday, 2 December 2022.

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 AGM is Tuesday, 17 January 2023.

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities register of the Company in order to be able to attend, participate and vote at the AGM is Friday, 20 January 2023.

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 2022 (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 <https://www.lifehealthcare.co.za/investor-relations/results-and-reports/>

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 2022, in terms of Regulation 43 of the Companies Regulations 2011. The report is available on the Company's website at <https://www.lifehealthcare.co.za/investor-relations/results-and-reports/>

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

Re-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 re-appointment.



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Following the evaluation, the Audit Committee is satisfied with the competence, resources, service levels and objectivity of Deloitte and James Andre Robb Welch for the re-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 re-appointed as independent external auditors and individual designated auditor of the Company, to hold office until the conclusion of the next AGM in 2024 in terms of section 90(1) of the Companies Act."

2. ORDINARY RESOLUTION NUMBER 2

(Comprising separate ordinary resolutions numbered 2.1 to 2.5)

Re-election 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 (Mol) of the Company, and, each being eligible, offer themselves for re-election:

- 2.1 Audrey Mothupi*
- 2.2 Mahlape Sello*
- 2.3 Marian Jacobs**

To confirm the appointments of:

- 2.4 Lars Holmqvist
- 2.5 Jeanne Bolger

who were appointed with effect from 1 August 2022.

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 directors, 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 directors, are attached hereto as **ANNEXURE 1**.

Ordinary resolution number 2.1

"RESOLVED that Audrey Mothupi be and is hereby re-elected as an independent non-executive director of the Company with effect from 25 January 2023."

Ordinary resolution number 2.2

"RESOLVED that Mahlape Sello be and is hereby re-elected as an independent non-executive director of the Company with effect from 25 January 2023."

Ordinary resolution number 2.3

"RESOLVED that Marian Jacobs be and is hereby re-elected as an independent non-executive director of the Company with effect from 25 January 2023."

Ordinary resolution number 2.4

"RESOLVED that Lars Holmqvist be and is hereby confirmed as an independent non-executive director of the Company with effect from 25 January 2023."

Ordinary resolution number 2.5

"RESOLVED that Jeanne Bolger be and is hereby confirmed as an independent non-executive director of the Company with effect from 25 January 2023."

* Routine re-election as per the Mol and being longest in office since their last election.

** Retiring as a result of exceeding 70 years of age

3. ORDINARY RESOLUTION NUMBER 3

(Comprising separate ordinary resolutions numbered 3.1 to 3.3)

Re-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 re-election:

3.1 Peter Golesworthy

3.2 Caroline Henry

3.3 Lars Holmqvist*

* Subject to the passing of ordinary resolution number 2.4.

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 re-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 25 January 2023, 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 re-elected, with effect from 25 January 2023, as a member of the Audit Committee."

Ordinary resolution number 3.3

"RESOLVED that Lars Holmqvist, who is an independent non-executive director, be and is hereby re-elected, with effect from 25 January 2023, 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."



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5. NON-BINDING ADVISORY ENDORSEMENT

Approval of the remuneration policy

In accordance with the King Code of Governance Principles for South Africa 2016™ (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 office.

In the event that the remuneration policy 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 the objections and concerns and to the extent reasonably possible, amend 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 7.6% on the fees paid in the previous year, provided that the aforementioned authority to remunerate directors shall be valid until the AGM of the Company in 2025.

Special Resolution 1.1 Board fees

1.1 "Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Chairman's Board fees and the Board members fees, for their services as directors with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable."

Board	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Chairman	702 900	468 596	1 171 496	773 196	515 460	1 288 656	10.0
Board member	194 856	129 296	324 152	208 104	138 088	346 192	6.8

Special Resolution 1.2 Lead Independent Director fee

- 1.2 “Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Lead Independent Board member fee, for services as a director with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable.”

	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Lead independent	284 952	189 076	474 028	304 332	201 932	506 264	6.8

Special Resolution 1.3 Audit Committee fees

- 1.3 “Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Audit Committee Chairman fees and the Committee members fees, for their services as members of the Committee with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable.”

Audit Committee	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Chairman	188 820	125 748	314 568	201 660	134 300	335 960	6.8
Committee member	105 900	70 604	176 504	113 100	75 404	188 504	6.8

Special Resolution 1.4 Human Resources and Remuneration Committee fees

- 1.4 “Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Human Resources and Remuneration Committee Chairman fees and the Committee members fees, for their services as members of the Committee with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable.”

Human Resources and Remuneration Committee	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Chairman	150 928	100 619	251 547	161 196	107 460	268 656	6.8
Committee member	77 143	51 429	128 572	82 392	54 928	137 320	6.8



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Special Resolution 1.5 Nominations and Governance Committee fees

1.5 “Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Nominations and Governance Committee Chairman fees and the Committee members fees, for their services as members of the Committee with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable.”

Nominations and Governance Committee	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Chairman	137 880	68 940	206 820	132 528	88 353	220 881	6.8
Committee member	71 664	35 835	107 499	68 880	45 924	114 804	6.8

Special Resolution 1.6 Risk, Compliance and IT Governance Committee fees

1.6 “Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Risk, Compliance and IT Governance Committee Chairman fees and the Committee members fees, for their services as members of the Committee with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable.”

Risk, Compliance and IT Governance Committee	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Chairman	139 680	93 128	232 808	149 184	99 460	248 644	6.8
Committee member	72 828	48 552	121 380	77 784	51 856	129 640	6.8

Special Resolution 1.7 Investment Committee fees

1.7 “Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Investment Committee Chairman fees and the Committee members fees, for their services as members of the Committee with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable.”

Investment Committee	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Chairman	156 240	104 160	260 400	166 860	111 240	278 100	6.8
Committee member	82 056	54 696	136 752	87 636	58 416	146 052	6.8

Special Resolution 1.8 Clinical Committee fees

1.8 “Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Clinical Committee Chairman fees and the Committee members fees, for their services as members of the Committee with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable.”

Clinical Committee	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Chairman	130 392	86 932	217 324	139 260	92 844	232 104	6.8
Committee member	70 872	47 252	118 124	75 696	50 468	126 164	6.8

Special Resolution 1.9 Social, Ethics and Transformation Committee fees

1.9 “Resolved that the Company be and is hereby authorised, in terms of section 66(9) of the Companies Act, to pay the Social, Ethics and Transformation Committee Chairman fees and the Committee members fees, for their services as members of the Committee with effect from 1 October 2022 for a period of twenty-four months, as set out below, plus any value-added tax (VAT) applicable.”

Social, Ethics and Transformation Committee	2022			2023			% Increase in rate
	Retainer per annum	Total meeting fees per annum	Current annual cost	Proposed retainer per annum	Proposed meeting fees per annum	Proposed annual cost	
Chairman	115 428	76 947	192 375	123 276	82 179	205 455	6.8
Committee member	56 400	37 605	94 005	60 240	40 164	100 404	6.8

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 with effect from 1 October 2022 for a period of twenty-four months, plus any value-added tax (VAT) applicable, is hereby approved by way of a special resolution of the shareholders in terms of section 66(9) of the Companies Act.”

Committee		2022	2023	%
		Fee per meeting	Fee per meeting	Increase in rate
Main Board	Chairman	31 500	33 645	6.8
	Board member	21 000	22 430	6.8
All other Committees	Chairman	15 750	16 820	6.8
	Committee member	10 700	11 430	6.8



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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.

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 Mol. 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 AGM of the Company in 2025 in accordance with section 66 of the Companies Act. Shareholders are advised that should the need arise to increase directors' fees in 2024, the Company will table a special resolution to this effect at the AGM of the Company in 2024.

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 Mol and the Companies Act, 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
- ◆ 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 AGM of the Company in 2025."

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 AGM of the Company in 2025 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 Mol 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 and/or its subsidiaries may not effect a repurchase during a prohibited period as defined in the Listings Requirements of the JSE unless a repurchase programme is in place. The Company must instruct only one independent third 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. The repurchase programme must be submitted to the JSE in writing prior to the commencement of the prohibited period and must include the following details: (i) the name of the independent agent; (ii) the date the independent agent was appointed by the Company; and (iii) the commencement and termination date of the repurchase programme, and (iv) where the quantities of ordinary shares to be traded during the relevant period are fixed (not subject to variation)."



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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 Mol, 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 annual report for 2022, 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, 23 January 2023, 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 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

7 December 2022



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 AGM 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, 23 January 2023.
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 Chairman has identified you, your microphone will be un-muted, and you will be able to address the meeting.

How to exercise your votes.

1. All shareholders or their representatives, who have requested 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, 25 January 2023, at 11:30 and at any adjournment thereof.

I/We wish to vote as follows:

Voting instructions		For	Against	Abstain
Ordinary business				
1.	Re-appointment of independent external auditors			
2.	Re-election of directors			
2.1	Audrey Mothupi			
2.2	Mahlape Sello			
2.3	Marian Jacobs			
2.4	Lars Holmqvist			
2.5	Jeanne Bolger			
3.	Re-election of Audit Committee members:			
3.1	Peter Golesworthy (Chairman)			
3.2	Caroline Henry			
3.3	Lars Holmqvist (subject to the passing of ordinary resolution number 2.4)			
4.	Authority to sign documents to give effect to resolutions			
5.	Non-Binding Advisory endorsements			
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 Fee			
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

2022/2023

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, 23 January 2023**.
 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 25 January 2023 at 11:30

Life Healthcare Group Holdings Limited

(Incorporated in the Republic of South Africa)

ISIN: ZAE000145892

JSE Share Code: LHC

Registration Number 2003/002733/06 ("Company")

- ◆ Shareholders or their proxies who wish to participate in the AGM 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, 23 January 2023**.
- ◆ 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 AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, must provide TMS with the information requested below.
- ◆ Each shareholder, who has complied with the requirements below, will be contacted between **23 and 25 January 2023** via email/mobile with a unique link to allow them to participate in the virtual AGM.
- ◆ The cut-off time, for administrative purposes, to register to participate in the meeting will be at **11:30 on Monday, 23 January 2023**.
- ◆ 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 AGM 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 AGM.
- ◆ Participants will be able to vote during the AGM through an electronic participation platform. Such Participants, should they wish to have their vote(s) counted at the AGM, 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 AGM.

Shareholder name

Signature

Date



Annexure 1: Board of directors' résumés

RESUMES OF DIRECTORS STANDING FOR RE-ELECTION



Audrey Mothupi

Independent non-executive director

Date appointed

3 July 2017

Qualifications

BA (Hons), Political Science
(Trent University, Canada)

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 Chairman 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.



Mahlape Sello

Independent non-executive director

Date appointed

3 July 2017

Qualifications

South African – Master of Arts and Law (Russia), LLB (Wits)

Advocate Mahlape Sello SC is a practising Senior Advocate and a member of the Johannesburg Society of Advocates and has been in practice since 2003. She holds a Master of Arts in Law from the Voronezh State University, Russia, and a Bachelor of Laws degree (LLB) from the University of the Witwatersrand. She is also currently pursuing a Master's Program in International Construction: Practice and Law, Master in Business Engineering (MBE) at Stuttgart University in Germany.

Advocate Mahlape Sello SC is the Secretary General of the Johannesburg branch of Advocates for Transformation (AFT), an organisation that supports the development of previously disadvantaged persons in the legal profession. She is also a member of the Johannesburg Bar Council.

She is currently a non-executive director of Life Healthcare Group Holdings Limited and Tiger Brands Limited. She previously served on the Board of Murray & Roberts Limited and held the position of Chairman from 2013 to 2017. She is a member of the International Court of Arbitration of the International Chamber of Commerce Council and a Panelist with the Arbitration Foundation of Southern Africa and the China-Africa Joint Arbitration Centre. She is also a former Chairman of the Advertising Industry Tribunal of the Advertising Standards Authority of South Africa.

Furthermore, she served on the South African Law Reform Commission, National Business Initiative, the Joint Education Trust, and as acting Chairman of the Advisory Committee on Licensing of Private Hospitals of the Gauteng Department of Health, among other roles.



Marian Jacobs

Independent non-executive director

Date appointed

1 January 2014

Qualifications

MBChB (UCT), Diploma in Community Medicine (UCT), Fellowship of the Colleges of Medicine of South Africa (with paediatrics)

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 paediatrician 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.

RESUME OF NEW DIRECTORS APPOINTMENTS



Lars Holmqvist

Independent non-executive director

Date appointed

1 August 2022

Qualifications

BA Economics, International Executive Program (IEP) Insead, France

Lars has over 30 years' experience in the sectors of health, pharmaceuticals, biotechnology and medical diagnostics and is a former senior corporate executive in the global life sciences sector. He has an accomplished portfolio as a non-executive director, with significant experience in management, finance and sales and marketing, across international companies and sectors. Lars currently chairs the Board of Biovica International AB, a Swedish-based cancer diagnostics company, and he also serves as a non-executive director of Vitrolife AB, H. Lundbeck AS and ALK Abello AS. Lars' previous executive roles included serving as President of Life Science & Diagnostic Group at Agilent Technologies Inc., President and CEO of Dako AS and President International for Applied Biosystems Inc. He also served as a Senior Advisor to Bain Capital Private Equity and was a director at Tecan Group AG. Lars currently resides in Sweden.



Jeanne Bolger

Independent non-executive director

Date appointed

1 August 2022

Qualifications

MB BCh BAO (NUJ), DCH Diploma in Child Health (NUJ), CDip Fin Acc (ACCA)

Jeanne is a pharmaceutical physician with 35 years' experience in leadership roles, spanning commercial strategy, medical and regulatory affairs, business development and venture investments. Jeanne joined Johnson and Johnson (J&J) Innovation – JJDC, the Corporate Venture Fund of J&J in 2013. Prior to this, Jeanne had been Global Head of Scientific Licensing in the Pharmaceuticals Business Development Group at Janssen, J&J. Over the past nine years, Jeanne has advised on Seed, Series A, Series B and syndicated biotechnology and diagnostics investments across therapy areas. She was a member of the Investment Committee for investments in robotics, Big Data and Digital Health technologies. Jeanne has served as a non-executive director on multiple J&J investee company boards and their Audit and Remuneration sub-committees.

Jeanne recently retired from her role as Vice President, Venture Investments at JJDC. She is currently an independent non-executive Chair of a European Venture Capital-backed biotech company and is a venture partner at a European Venture Capital Fund. She has also been appointed to the Board of a new Translational Fund at the Sir Francis Crick Institute in London, UK. Jeanne currently resides in Ireland.



Annexure 1: Board of directors' résumés continued

RESUMES OF AUDIT COMMITTEE MEMBERS STANDING FOR RE-ELECTION



Peter Golesworthy

Independent non-executive director

Date appointed

10 June 2010

Qualifications

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

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 and development impact funds (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 a non-executive director of Oceana Group Limited, a Fellow Member of the Institute of Directors South Africa (F Inst.D) and National Treasurer of Scripture Union.



Caroline Henry

Independent non-executive director

Date appointed

1 September 2021

Qualifications

CA(SA)

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 and is Chairman of the Eskom Pension and Provident Fund and has recently been appointed to the Board of the South African National Blood Service.



Lars Holmqvist

Independent non-executive director

Date appointed

1 August 2022

Qualifications

BA Economics, International Executive Program (IEP) Insead, France

Lars has over 30 years' experience in the sectors of health, pharmaceuticals, biotechnology and medical diagnostics and is a former senior corporate executive in the global life sciences sector. He has an accomplished portfolio as a non-executive director, with significant experience in management, finance and sales and marketing, across international companies and sectors. Lars currently chairs the Board of Biovica International AB, a Swedish-based cancer diagnostics company, and he also serves as a non-executive director of Vitrolife AB, H. Lundbeck AS and ALK Abello AS. Lars' previous executive roles included serving as President of Life Science & Diagnostic Group at Agilent Technologies Inc., President & CEO of Dako AS and President International for Applied Biosystems Inc. He also served as a Senior Advisor to Bain Capital Private Equity and was a director at Tecan Group AG. Lars currently resides in Sweden.

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 30 September 2022 was:

Registered shareholder spread

Shareholder spread	Number of holders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	11 432	63.24	1 818 417	0.12
1 001 – 10 000 shares	4 526	25.03	15 088 982	1.03
10 001 – 100 000 shares	1 345	7.44	46 449 306	3.17
100 001 – 1 000 000 shares	618	3.42	205 863 131	14.03
1 000 001 shares and above	157	0.87	1 198 129 326	81.65
Total	18 078	100.00	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*	13	0.07	25 347 234	1.73
Directors and associates	8	0.044	1 455 607	0.10
Life Healthcare employees share trust	1	0.006	11 978 988	0.82
Life Healthcare Provident Fund	1	0.006	11 696	0.00
Life Healthcare Deposit A/C	1	0.006	18 692	0.00
Life Healthcare Group Proprietary Limited	1	0.006	2 637 064	0.19
Life Healthcare Escrow (CIP)	1	0.006	9 245 187	0.64
Public shareholders	18 065	99.93	1 442 001 928	98.27
Total	18 078	100.00	1 467 349 162	100.00

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



Annexure 2: Shareholder distribution continued

SHAREHOLDER DISTRIBUTION continued

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 30 September 2022:

Investment management shareholdings Investment manager	Total shareholding	%
Government Employees Pension Fund (PIC)	267 631 889	18.2
Allan Gray Proprietary Limited	182 739 109	12.5
Lazard Asset Management LLC Group	77 189 688	5.3
Ninety One SA Proprietary Limited	70 427 979	4.8
Industrial Development Corporation (IDC)	69 867 972	4.8
Old Mutual Limited	58 373 674	4.0
The Vanguard Group Inc	52 587 186	3.6
BlackRock Inc	47 660 770	3.2
Sanlam Investment Management	44 794 698	3.1
Total	871 272 965	59.5

Beneficial shareholdings	Total shareholding	%
PIC	337 573 846	23.0
Allan Gray Balanced Fund	73 666 594	5.0
IDC	69 867 972	4.8
Total	481 108 412	32.8

Previously disclosed holdings

Investment managers now holding below 3% – none

Beneficial owners now holding below 3%

	Total shareholding	%	Previous %
Alexander Forbes Investments	40 225 567	2.7	3.4

SHAREHOLDER DISTRIBUTION continued**3. Geographic split of investment managers and Company-related holdings**

Region	Total shareholding	% of issued capital
South Africa	1 125 032 226	76.7
United States of America and Canada	239 827 966	16.3
UK	42 471 225	2.9
Rest of Europe	25 918 033	1.8
Rest of World ¹	34 099 712	2.3
Total	1 467 349 162	100.0

Geographic split of beneficial shareholders

Region	Total shareholding	% of issued capital
South Africa	1 086 110 283	74.0
United States of America and Canada	213 275 200	14.5
UK	20 400 663	1.4
Rest of Europe	71 142 225	4.9
Rest of World ¹	76 420 791	5.2
Total	1 467 349 162	100.0

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	Total shareholding	% of issued capital
Pension funds	559 855 385	38.2
Unit trusts	378 020 292	25.8
Mutual fund	115 161 688	7.8
Private investor	60 070 275	4.1
Insurance companies	50 916 756	3.5
Trading position	48 162 135	3.3
Sovereign wealth	23 641 531	1.6
Exchange-traded fund	17 167 092	1.2
Investment trust	12 545 967	0.8
Corporate holding	12 393 341	0.8
Hedge fund	11 750 774	0.8
American depository receipts	11 036 150	0.8
Medical aid scheme	5 190 535	0.4
University	4 811 764	0.3
Custodians	3 276 121	0.2
Local authority	2 953 211	0.2
Charity	1 286 294	0.1
Foreign government	656 642	0.0*
Other managed funds	453 759	0.0*
Black economic empowerment	389 418	0.0*
Stock Brokers	12 850	0.0*
Remainder	147 597 182	10.1
Total	1 467 349 162	100.0

* Rounded to less than 0.0%.



Annexure 3: Share capital

	2022 R'm	2021 R'm
Stated capital comprises:		
Share capital	10 507	10 507
Share premium	3 373	3 373
Treasury shares	(538)	(315)
	13 342	13 565
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 (2021: R4 149)		
Issued and fully paid:		
Balance at 30 September	1 467 349	1 467 349
Total value = R1 467 (2021: R1 467)		

	Number of shares		Value of shares	
	2022 '000	2021 '000	2022 R'm	2021 R'm
Treasury shares				
Balance at 1 October	13 105	13 613	315	349
Purchased for long-term incentive schemes	1 129	572	25	11
Purchased for Life Healthcare employee share trust	3 012	827	60	20
Purchased for CIP	9 245	–	217	–
Forfeited	(93)	–	(2)	–
Transferred	93	–	2	–
Vested through long-term incentive schemes	(935)	(43)	(20)	(1)
Vested through Life Healthcare employee share trust	(1 938)	(1 864)	(59)	(64)
Balance at 30 September	23 618	13 105	538	315

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, long-term incentive and CIP schemes). Refer note 19 in the Group annual financial statements.

Annexure 4: Audited summarised consolidated annual financial results

Summarised consolidated statement of profit or loss
for the year ended 30 September 2022

	Notes	2022 R'm	Change %	2021 R'm
Continuing operations				
Revenue	1	28 206	4.9	26 885
Other income and retirement benefit asset and post-employment medical aid income		276		286
Operating expenses		(25 781)		(24 191)
Fair value adjustments to contingent consideration		406		–
Fair value gain on financial instruments		21		32
Impairment of assets and investments		–		(14)
Loss on disposal of property, plant and equipment		(6)		(17)
Profit on remeasuring previously held interest in associate to fair value		–		28
Transaction costs relating to acquisitions and disposals		(10)		(3)
Operating profit		3 112	3.5	3 006
Finance income		102		169
Finance cost		(755)		(791)
Share of associates' and joint ventures' net profit after tax		23		25
Profit before tax		2 482	3.0	2 409
Tax expense		(768)		(642)
Profit after tax from continuing operations		1 714	(3.0)	1 767
Discontinued operation				
Profit from discontinued operation	2	–		87
Profit after tax		1 714	(7.6)	1 854
Profit after tax attributable to:				
Ordinary equity holders of the parent		1 531	(12.7)	1 754
Non-controlling interest		183		100
		1 714	(7.6)	1 854
Earnings per share (cents)				
From continuing operations				
Basic		105.8	(7.7)	114.6
Diluted		105.3	(7.9)	114.3
From continuing and discontinued operations				
Basic		105.8	(12.3)	120.6
Diluted		105.3	(12.5)	120.3



Annexure 4: Audited summarised consolidated annual financial results continued

Summarised consolidated statement of comprehensive income
for the year ended 30 September 2022

	2022 R'm	2021 R'm
Profit after tax	1 714	1 854
Other comprehensive income		
Items that may be reclassified to profit or loss		
Movement in foreign currency translation reserve (FCTR) of continuing foreign operations	(150)	(765)
Movement in FCTR of discontinued operation, net of tax	–	(143)
Items that will not be reclassified to profit or loss		
Retirement benefit asset and post-employment medical aid income, net of tax ¹	(14)	44
Total comprehensive income for the year	1 550	990
Total comprehensive income attributable to:		
Ordinary equity holders of the parent	1 363	918
Non-controlling interest	187	72
	1 550	990
Total comprehensive income attributable to ordinary equity holders of the parent arises from:		
Continuing operations	1 363	974
Discontinued operation	–	(56)
	1 363	918

¹ Includes tax of R10 million (2021: R17 million).

Headline earnings per share

for the year ended 30 September 2022

	2022	Change %	2021
Weighted average number of shares in issue (million)	1 447	(0.5)	1 454
From continuing and discontinued operations			
Headline earnings per share (cents)	106.1	(4.5)	111.1
Diluted headline earnings per share (cents)	105.6	(4.6)	110.7
Headline earnings (R'm)			
Profit attributable to ordinary equity holders	1 531		1 754
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
Profit on remeasuring previously held interest in associate to fair value	–		(28)
Loss on disposal of property, plant and equipment	5		10
Loss on disposal of discontinued operation (after withholding tax)	–		12
Headline earnings from continuing and discontinued operations	1 536	(4.9)	1 615

Summarised consolidated statement of financial position as at 30 September 2022

	Notes	2022 R'm	2021 R'm
ASSETS			
Non-current assets			
Property, plant and equipment		15 566	14 695
Intangible assets ¹		16 514	16 383
Deferred tax assets		1 739	1 698
Other non-current assets		635	591
Current assets		7 784	7 414
Cash and cash equivalents		2 802	2 672
Other current assets		4 982	4 742
Total assets		42 238	40 781
EQUITY AND LIABILITIES			
Capital and reserves			
Stated capital		13 342	13 565
Reserves		5 404	4 501
Non-controlling interest		1 114	1 105
Total equity		19 860	19 171
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	3	12 124	10 914
Deferred tax liabilities		1 770	1 730
Other non-current liabilities	4	835	1 079
Current liabilities		7 649	7 887
Bank overdrafts		335	325
Interest-bearing borrowings	3	1 226	1 811
Other current liabilities	4	6 088	5 751
Total liabilities		22 378	21 610
Total equity and liabilities		42 238	40 781
GBP:ZAR		20.01	20.35

¹ Intangible assets increased mainly as a result of the goodwill and intangibles acquired through the business combinations (refer note 2).



Annexure 4: Audited summarised consolidated annual financial results continued

Summarised consolidated statement of changes in equity
for the year ended 30 September 2022

	Total capital and reserves R'm	Non- controlling interest R'm	Total equity R'm
Balance at 1 October 2021	18 066	1 105	19 171
Total comprehensive income for the year	1 363	187	1 550
Profit for the year	1 531	183	1 714
Other comprehensive (loss)/income	(168)	4	(164)
Transactions with non-controlling interests	3	15	18
Net movement in treasury shares for staff benefit schemes ¹	(305)	-	(305)
Distributions to shareholders	(587)	(193)	(780)
Transferred in terms of co-investment scheme (CIP)	22	-	22
Share-based payment charge for staff benefit schemes	184	-	184
Balance at 30 September 2022	18 746	1 114	19 860
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

¹ Mainly relates to:

- * the purchase of 9.2 million shares for a value of R217 million, relating to the co-investment scheme. The scheme was introduced at the end of FY2021 and the initial grant was made on 1 December 2021.
- * the purchase of 3.0 million shares for a value of R60 million, relating to the Life Healthcare employee share trust.
- * the purchase of 1.1 million shares for the value of R25 million relating to long-term incentive schemes.

Summarised consolidated statement of cash flows for the year ended 30 September 2022

	Notes	2022 R'm	Change %	2021 R'm
Cash generated from operations		5 030	(11.6)	5 687
Transaction costs relating to acquisitions		(10)		–
Finance income received		83		169
Tax paid		(871)		(714)
Net cash generated from operating activities		4 232	(17.7)	5 142
Capital expenditure		(2 348)		(1 899)
Acquisition of subsidiaries (net of cash acquired) and contingent considerations paid	2	(378)		(167)
Proceeds from disposal of discontinued operation (net of cash disposed)	2	–		573
Other		23		23
Net cash utilised in investing activities		(2 703)		(1 470)
Proceeds from interest-bearing borrowings		5 145		5 221
Repayment of interest-bearing borrowings		(4 811)		(5 568)
Dividends paid to Company's shareholders		(587)		–
Finance cost paid		(670)		(710)
Other ¹		(484)		(198)
Net cash utilised in financing activities		(1 407)		(1 255)
Net increase in cash and cash equivalents		122		2 417
Cash and cash equivalents – beginning of the year		2 347		98
Effect of foreign currency rate movements		(2)		(168)
Cash and cash equivalents at the end of the year²		2 467		2 347

¹ Other includes distributions to non-controlling interest (-R193 million), cash flow on increases/proceeds on decreases in ownership interests (+R11 million) and treasury shares acquired for delivery to staff schemes (-R302 million).

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



Annexure 4: Audited summarised consolidated annual financial results continued

Segment information

for the year ended 30 September 2022

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, oncology and imaging services. The healthcare services segment comprises Life Nkanyisa (formerly Life Esidimeni) and Life Health Solutions.

International comprises diagnostic services (Alliance Medical Group (AMG)) across Europe and the United Kingdom (UK).

Growth initiatives comprise broadening the Group's exposure across the healthcare continuum and include the development of cyclotron capability and clinical quality products within South Africa and product development (Life Molecular Imaging (LMI)) internationally. The prior year growth initiatives in South Africa included developing the outpatient business model, which was scaled-down and incorporated into Life Health Solutions, and the imaging services opportunity. As a result of the completion of our imaging transactions in South Africa, imaging services is now included as part of the hospital and complementary services segment in the current year.

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 R26 million (2021: R27 million) is eliminated of which R7 million relates to revenue between Life Health Solutions and the southern Africa business and R19 million between LMI and AMG.

	2022 R'm	2021 R'm
Revenue¹		
Southern Africa		
Hospitals and complementary services	18 615	17 567
Healthcare services	1 356	1 456
International		
Diagnostic services	7 680	7 474
Growth initiatives	555	388
	28 206	26 885

¹ Revenue of approximately 34% (2021: 33%) is derived from two (2021: two) external customers. The revenue is attributed to the southern Africa segment.

	2022 R'm	2021 R'm
Normalised EBITDA^{1,3,4}		
Southern Africa		
Hospitals and complementary services	3 246	2 743
Healthcare services	132	195
International		
Diagnostic services	1 596	1 812
Growth initiatives	(50)	(19)
Corporate		
Recoveries	1 389	1 330
Corporate costs	(1 274)	(1 010)
	5 039	5 051
Depreciation		
Southern Africa		
Hospitals and complementary services	(730)	(663)
Healthcare services	(29)	(23)
International		
Diagnostic services	(798)	(784)
Growth initiatives	(17)	(15)
Corporate	(86)	(86)
	(1 660)	(1 571)
EBITA^{2,3}		
Southern Africa		
Hospitals and complementary services	2 516	2 080
Healthcare services	103	172
International		
Diagnostic services	798	1 028
Growth initiatives	(67)	(34)
Corporate	29	234
	3 379	3 480
⁴ Long-term incentive and CIP charges included in normalised EBITDA are as follows:		
Southern Africa including corporate	(129)	(40)
International	(78)	(29)
Growth initiatives	(7)	(9)
	(214)	(78)

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 in the prior year.

² EBITA is defined as normalised EBITDA less depreciation.

³ Non-IFRS measures.

⁴ Long-term incentive and CIP charges included in normalised EBITDA are as follows:

Southern Africa including corporate

International

Growth initiatives



Annexure 4: Audited summarised consolidated annual financial results continued

Segment information continued

for the year ended 30 September 2022

	2022 R'm	2021 R'm
Amortisation of intangible assets		
Southern Africa		
Hospitals and complementary services	(31)	(20)
International		
Diagnostic services	(435)	(449)
Growth initiatives	(18)	(20)
Corporate	(69)	(44)
	(553)	(533)
Operating profit before non-trading items¹		
Southern Africa		
Hospitals and complementary services	2 485	2 060
Healthcare services	103	172
International		
Diagnostic services	363	579
Growth initiatives	(85)	(54)
Corporate	(40)	190
	2 826	2 947
Retirement benefit asset and post-employment medical aid income	32	33
Dispute on contract interpretation provision	(157)	–
Fair value adjustments to contingent consideration – refer pages 37 to 39	406	–
Fair value gain on financial instruments	21	32
Impairment of assets and investments	–	(14)
Loss on disposal of property, plant and equipment	(6)	(17)
Profit on remeasuring previously held interest in associate to fair value	–	28
Transaction costs relating to acquisitions and disposals	(10)	(3)
Operating profit	3 112	3006
Finance income	102	169
Finance cost	(755)	(791)
Share of associates 'and joint ventures' net profit after tax	23	25
Profit before tax	2 482	2 409

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

* Non-IFRS measure.

	2022 R'm	2021 R'm
Total assets before items detailed below		
Southern Africa (including growth initiatives)	17 160	16 308
International (including growth initiatives)	22 836	22 306
	39 996	38 614
Employee benefit assets	415	418
Deferred tax assets	1 739	1 698
Derivative financial assets	24	4
Income tax receivable	64	47
Total assets per the balance sheet	42 238	40 781
Net debt^{1,2}		
Southern Africa (including growth initiatives)	3 688	3 299
International (including growth initiatives)	7 195	7 079
	10 883	10 378
Cash and cash equivalents (net of bank overdrafts)		
Southern Africa (including growth initiatives)	1 190	1 344
International (including growth initiatives)	1 277	1 003
	2 467	2 347

¹ Net debt is a key measure for the Group, which comprises all interest-bearing borrowings, overdraft balances and cash and cash equivalents.

² Non-IFRS measure.



Annexure 4: Audited summarised consolidated annual financial results continued

Segment information continued

for the year ended 30 September 2022

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	
	2022 R'm	2021 R'm	2022 R'm	2021 R'm
Southern Africa	19 971	19 023	12 491	11 564
International	7 680	7 474	18 871	18 981
UK	4 205	3 918	15 580	15 939
Italy	2 100	2 120	2 181	2 076
Ireland	966	765	498	407
Other	409	671	612	559
Growth initiatives	555	388	922	702
Southern Africa	–	1	–	5
UK	21	30	897	669
Italy	6	5	–	–
Other	528	352	25	28
Total – continuing operations	28 206	26 885	32 284	31 247
Employee benefit assets			415	418
Deferred tax assets			1 739	1 698
Derivative financial assets			16	4
Total as per income statement and balance sheet	28 206	26 885	34 454	33 367

Notes

1. REVENUE

The table below illustrates the disaggregation disclosure by primary geographical areas, type of customer and timing of revenue recognition, including a reconciliation of how the disaggregated revenue ties into the segment report (refer page 28).

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

Segments	Hospitals and complementary services R'm	Health-care services R'm	Diagnostic services R'm	Growth initiatives R'm	Total R'm
2022					
Primary geographical areas					
Southern Africa	18 615	1 356	–	–	19 971
International	–	–	7 680	555	8 235
UK	–	–	4 205	21	4 226
Italy	–	–	2 100	6	2 106
Ireland	–	–	966	–	966
Other	–	–	409	528	937
	18 615	1 356	7 680	555	28 206
Type of customer					
Contract from customers					
Private (including private medical aids and cash paying patients)	18 101	–	942	–	19 043
Government and public healthcare facilities	315	641	5 315	–	6 271
Corporate institutions	94	715	1 423	555	2 787
Rental revenue					
Rental income related to auxiliary services	105	–	–	–	105
	18 615	1 356	7 680	555	28 206
Timing of revenue recognition					
Over time	13 791	1 356	–	–	15 147
At a point in time	4 824	–	7 680	555	13 059
	18 615	1 356	7 680	555	28 206



Annexure 4: Audited summarised consolidated annual financial results continued

Notes continued

1. REVENUE continued

Segments	Hospitals and complementary services R'm	Health-care 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

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

	Centro Diagnostico Signa SRL (Signa)*	Istituto Diagnostico Pistoiese SRL (IDP)*	East Coast Radiology Incorporated (ECR) and East Coast Radiology Mthatha Incorporated (ECR Mthatha)*	Eugene Marais Radiology Proprietary Limited (EMR)*
Acquirer	AMG through its subsidiary Alliance Medical Italia SRL	AMG through its subsidiary Alliance Medical Italia SRL	Life Healthcare Group Proprietary Limited through its subsidiary Life Diagnostic Imaging East Coast Proprietary Limited	Life Healthcare Group Proprietary Limited
Country of incorporation	Italy	Italy	South Africa	South Africa
Acquisition date	28 Oct 2021	29 Dec 2021	1 Feb 2022	1 Aug 2022
Total purchase consideration	R12 million	R23 million	R241 million	R223 million
Goodwill recognised	R12 million	R42 million	R166 million	R159 million
Percentage voting equity interest acquired	100%	100%	100% ¹	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	Goodwill is attributable to the acquired workforce and expected synergies from combining the acquired operations within the international operations in Italy.		The acquisitions of the imaging businesses are motivated by the Group's diversification strategy to include the non-clinical radiology services within our suite of healthcare services and business offerings in southern Africa. The goodwill recognised is therefore attributable to the acquired workforce and expected synergies from combining the acquired operations within the acute and complementary services segment.	
Contingent liabilities at acquisition	None	None	None	None

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

¹ The Group has subsequently to the initial transaction, disposed of 9.98% of its interest in ECR and ECR Mthatha to doctors. This transaction is included as part of transactions with non-controlling interests (refer page 34).



Annexure 4: Audited summarised consolidated annual financial results continued

Notes continued

2. ACQUISITIONS AND DISPOSALS continued

◆ Acquisitions that resulted in business combinations continued

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

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

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

R'm	Signa and IPD R'm	ECR and ECR Mthatha R'm	EMR R'm
Total purchase consideration	(35)	(241)	(223)
Cash portion	(26)	(203)	(157)
Contingent consideration ¹	(9)	(38)	(66)
Fair value of net assets acquired	(19)	75	64
Property, plant and equipment	2	29	30
Customer relations	–	64	56
Trade and other receivables	4	–	–
Cash and cash equivalents	8	–	–
Inventories	–	1	1
Deferred tax liability	–	(17)	(22)
Retirement benefit liability	(2)	–	–
Trade and other payables	(31)	(2)	(1)
Goodwill	54	166	159
Cash outflow to acquire businesses, net of cash acquired			
Initial cash considerations	(26)	(203)	(157)
Less: Cash at acquisitions	8	–	–
	(18)	(203)	(157)
Impact on consolidated information from date of acquisitions			
Revenue	22	79	15
Net profit	(1)	6 ²	1
Impact on consolidated information if the business combinations took place on 1 October 2021			
Revenue	29	114	88
Net profit	1	10	3

¹ The contingent considerations for ECR and ECR Mthatha as well as for EMR are based on the financial performance of the businesses and will be payable in three annual tranches commencing one year after the acquisition date. The maximum amount payable for ECR and ECR Mthatha is R84 million and for EMR R74 million.

The present value of the contingent considerations were determined by taking into account the probability of the forecasted performance of the first three forecast periods.

At 30 September 2022, a fair value adjustment (R31 million) to the ECR contingent consideration was made, due to changes resulting from events after the acquisition date, i.e. forecasted that ECR will reach a higher earnings target.

² Excludes impact of R31 million fair value adjustment referred to in footnote 1.

2. ACQUISITIONS AND DISPOSALS continued

◆ Disposal of Scanmed S.A (Scanmed) in Poland for R573 million (cash received of R733 million less cash and cash equivalents disposed of, of R160 million)

The sale of Scanmed was concluded in the prior period (26 March 2021) and a profit of R87 million was included from this discontinued operation. Refer to the consolidated annual financial statements for the year ended 30 September 2021 for detailed disclosures.

◆ Investment in joint venture (Altakassusi Alliance Medical LLC)

The Group further invested in Altakassusi Alliance Medical LLC in Saudi Arabia during February and September 2022. The amount invested was R10 million. The percentage ownership did not change.

3. INTEREST-BEARING BORROWINGS

	2022 R'm
Total borrowings at 30 September 2021	12 725
Proceeds from interest-bearing borrowings	5 145
Repayment of interest-bearing borrowings	(4 811)
Additional lease liabilities recognised	379
Modification of lease liabilities	(12)
Other movements	(17)
Effect of foreign currency movement	(59)
Total borrowings at 30 September 2022	13 350

4. FINANCIAL INSTRUMENTS

Fair value

Other non-current assets and other current assets, as presented in the statement of financial position, include derivative financial instrument assets of R24 million (2021: R4 million) at fair value (through profit or loss).

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 2022.

Other non-current liabilities and other current liabilities, as presented in the statement of financial position, include contingent consideration liabilities of R503 million (2021: R631 million) and derivative financial instrument liabilities of Rnil million (2021: R9 million) at fair value (through profit or loss).



Annexure 4: Audited summarised consolidated annual financial results continued

Notes continued

4. FINANCIAL INSTRUMENTS continued

Details of the contingent consideration liabilities are as follows:

	2022 R'm	2021 R'm
Contingent consideration liabilities		
Balance at 1 October	631	642
Arising on acquisition of subsidiaries – refer note 2	113	3
Disposal of subsidiaries	–	(9)
Fair value adjustments to contingent consideration	(406)	–
Fair value gain recognised in profit or loss (relating to LMI, included as part of growth initiatives)	(437)	–
Fair value loss recognised in profit or loss (relating to ECR, included as part of hospitals and complementary services) – refer note 2	31	–
Unwinding of contingent consideration (included as part of finance cost)	75	62
Effect of foreign currency movement	90	(67)
Balance at 30 September	503	631
Included under non-current liabilities	378	631
Included under current liabilities	125	–
	503	631

The largest contingent consideration payable (R354 million) relates to a potential amount payable to the previous owners of LMI, acquired during June 2018.

The LMI 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, cost incurred and timing of reimbursement discounted to present value using a discount rate of 13.50% (2021: 13.37%).

Key assumptions used in the forecast also include a percentage of PET-CT adoption rate, increase in sales volumes as utilisation increases of 30% to 50% (2021: 30% to 40%) after reimbursement, and a corresponding annual reduction in price and cost per dose of -1.5% (2021: -1.0% to -2.0%).

The current value of the LMI contingent consideration reduced by R437 million compared to FY2021 mainly due to the delayed expectation of reimbursement by two years in the USA and three years in Europe, while the payment date remains fixed (2028).

There are currently three Alzheimer Disease Modifying Drug's (DMDs) in Phase 3 clinical trials. During the prior year, the US Food and Drug Administration (FDA) gave accelerated approval to the DMD (Aducanumab/Aduhelm©) from Biogen in the US, however full reimbursement was not granted during the current financial year. A clear pathway has been set for reimbursement of other DMDs to gain reimbursement following traditional (full) approval by the FDA. During the current financial year, the European Medicines Agency, rejected Biogen's DMD.

4. FINANCIAL INSTRUMENTS continued

Key drivers:

	2022		2021	
	% chance	Assumed year approval/reimbursement obtained	% chance	Assumed year approval/reimbursement obtained
US				
Probability of success of a DMD gaining:	90.0		75.0	
Regulatory approval	90.0	2024	100.0	2021
Reimbursement	100.0	2024	75.0	2022
Europe				
Probability of success of a DMD gaining:	90.0		65.6	
Regulatory approval	90.0	2024	87.5	2022
Reimbursement	100.0	2026	75.0	2023

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 2022.

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 52.

6. CAPITAL COMMITMENTS

Capital expenditure approved for property, plant and equipment amounts to R2.9 billion (2021: R2.9 billion).



Annexure 4: Audited summarised consolidated annual financial results continued

Notes continued

7. RELATED PARTIES

During the year, certain companies in the Group entered into transactions with other companies in the Group. These intra-group transactions have been eliminated on consolidation. The Company has a loan receivable balance with subsidiary companies amounting to R393 million (2021: R391 million). The complete list of outstanding balances is available at the Company's registered office.

Related-party transactions

Management fees	A management fee is charged to subsidiaries and is charged to cover costs associated with services carried out on their behalf, for example: tariff negotiations, treasury, tax compliance, human resource, payroll, marketing, nursing management, engineering, credit control, insurance claim management, etc. The fees are based on a percentage of revenue for most southern Africa subsidiaries. The percentage varies between 1% and 4% depending on the types of service Life Healthcare Group Proprietary Limited (LHC) carries out on behalf of the southern Africa subsidiary. The fees to international businesses are based on a cost plus margin basis.
Information management fees (IM fees)	An IM fee is charged to subsidiaries to recover the cost incurred to run the IM infrastructure and services. The fee is based on a net cost recovery basis.
Guarantee fees	The Group charges a fee to the relevant subsidiaries where the Group is used as guarantor for debt.
Pharmacy fees	LHC charges all units that utilise the central purchasing and pharmacy management services a 1% fee on the monthly purchases.
Other cost recharges	The Group recharges certain other costs it incurs on a cost recovery basis without any margin.
Interest	Interest is charged or paid on all inter-group balances at market-related rates.
Rentals	LHC is a lessor for a number of properties that are occupied by subsidiary companies. Rent is charged at market-related rates. AMG leases mobile scanners between certain Group companies at market-related rates.
Royalties	AMG charges a 3% fee of the relevant revenue where countries use the AMG brand.

Associate companies and joint ventures

The Group has investments in a number of associate companies and joint ventures. No provision has been required in 2022 and 2021 for the loans made to associates and joint ventures.

	2022 R'm	2021 R'm
Loans to/(from) associates and joint ventures		
Balance at 1 October	–	5
Net movements in amounts owned	(4)	(5)
Balance at 30 September	(4)	–

KEY MANAGEMENT

Key management is defined as all executive management, functional heads, hospital managers, pharmacy managers, nursing managers, administration managers and patient service managers.

Key management disclosure excludes non-executive directors' fees. Non-executive director fees amount to R10.3 million (2021: R7.7 million).

	2022 R'm	2021 R'm
Remuneration		
Salaries	562	513
Share-based payment - long term incentive schemes	70	66
Medical aid contributions	6	6
Pension fund costs - defined benefit and contribution plans	6	6
Provident fund costs - defined contribution plans	19	17
	663	608

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, operating profit before non-trading items, normalised earnings and net debt) and *pro forma* information have been included. *Pro forma* information includes H2-2022 and H2-2021 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 2022. These non-IFRS measures may not be comparable to other similarly titled measures of performance of other companies.

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



Annexure 4: Audited summarised consolidated annual financial results continued

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LIFE HEALTHCARE GROUP HOLDINGS LIMITED REPORT ON THE AUDIT OF THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

Opinion

The summarised consolidated financial statement of Life Healthcare Group Holdings Limited (the Group and Company) set out on pages 23 to 41, which comprise the summarised consolidated statements of financial position as at 30 September 2022, the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes as set out on pages 28 to 41, are derived from the audited consolidated financial statements of Life Healthcare Group Holdings Limited for the year ended 30 September 2022.

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 16 November 2022. That report 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 audited consolidated 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
Registered Auditors
Per: James Welch
Partner
16 November 2022

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 16 November 2022, in order to provide a more meaningful assessment of the Group's performance for the year:

- ◆ The pro forma H2-2022 numbers – these are unaudited and derived from deducting H1-2022 unaudited results from the full year audited results to 30 September 2022 (FY2022).
- ◆ 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).

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 2022, on which an unmodified audit opinion was issued on 16 November 2022.

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: Audited summarised consolidated annual financial results continued

The purpose of pro forma financial information included in the audited summarised consolidated financial statement 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 3 years.



Deloitte & Touche

Registered Auditor
Per: James Welch
Partner
16 November 2022

Commentary

OVERVIEW

Life Healthcare has delivered a good underlying business performance for the year ended 30 September 2022 driven by a strong operational and financial performance in southern Africa, especially during the six-month period to 30 September 2022 (H2-20221, second half period) and a good underlying activity growth for the year in Alliance Medical Group (AMG).

Group operational highlights for the year include:

- ◆ Hospitals and complementary services in southern Africa experienced a strong recovery in activities during H2-2022 with PPD growth of 9.4% growth during H2-2022 and 5.8% in FY2022 after a slow start with H1-2022 being impacted by COVID-19.
- ◆ The normalisation of our activities in FY2022 (following COVID-19 disruptions in prior years) is evident from the 15.8% year-on-year growth in acute hospital admissions, 14.8% growth in theatre minutes and 13.8% growth in mental health admissions.
- ◆ Revenue growth of 6.0% in the hospitals and complementary services businesses was driven by a tariff increase of 4.25%, PPD growth of 5.8% and the normalisation of case mix as COVID-19 cases reduced resulting in a negative case mix of 4.1%.
- ◆ Operating leverage in our hospital and complementary services delivered robust 18.3% normalised EBITDA growth from 6.0% revenue growth during FY2022.
- ◆ We are excited about the purchase of the non-clinical operations of East Coast Radiology business (effective 1 February) and the Eugene Marias Radiology business (effective 1 August) in South Africa. These businesses contributed R94 million to revenue in the current year and are included in the complementary services business line.
- ◆ AMG delivered 2.8% revenue growth with good activity growth in all the markets it operates in. The PET-CT volumes grew by 11.1% in the UK and Ireland delivered 24.4% activity growth. AMG has made progress in expanding our footprint of Community Diagnostic Centres (CDC) and currently operates 7 CDCs, with a further two in development. The ramp up of these operations, the impact of the COVID-19-related contracts highlighted below, inflation pressures and increased energy costs in H2-2022 resulted in normalised EBITDA declining by 11.9% year-on-year.
- ◆ The Group's balance sheet remains strong and net debt to normalised EBITDA per the bank covenant contract is at 1.89 times, well below the covenant of 3.5 times.
- ◆ During FY022 the Group raised R1.0 billion from our inaugural corporate bond programme, which was 4.5 times oversubscribed and we have also extended the maturity of our international debt. Most of the Group's debt maturity is now extended post 2024.

Summarised Financials	2022 R'm	2021 R'm	% change 2021 – 2022
Revenue from continuing operations	28 206	26 885	4.9
Normalised EBITDA from continuing operations	5 039	5 051	(0.2)
Normalised EBITDA margin (%)	17.9%	18.8%	
Attributable profit to ordinary shareholders	1 531	1 754	(12.7)



Annexure 4: Audited summarised consolidated annual financial results continued

Commentary continued

OPERATIONAL REVIEW

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, oncology and imaging services. The healthcare services segment comprises Life Nkanyisa (formerly Life Esidimeni) and Life Health Solutions.

Southern Africa	2022 R'm	H2-2022 (pro- forma) ¹ (unaudited)		2021 R'm	H2-2021 (pro- forma) ² (unaudited)		% change 2022 vs 2021	% change H2-2022 vs H2-2021	% change H1-2022 vs H1-2021
		R'm	R'm		R'm	R'm			
Revenue	19 971	10 472	9 499	19 023	9 936	9 087	5.0	5.4	4.5
Hospitals and complementary	18 615	9 804	8 811	17 567	9 216	8 351	6.0	6.4	5.5
Healthcare services	1 356	668	688	1 456	720	736	(6.9)	(7.2)	(6.5)
Normalised EBITDA	3 493	1 870	1 623	3 258	1 748	1 510	7.2	7.0	7.5
Normalised EBITDA (excluding Corporate)	3 378	1 800	1 578	2 938	1 556	1 382	15.0	15.7	14.2
Hospitals and complementary services	3 246	1 739	1 507	2 743	1 483	1 260	18.3	17.3	19.6
Healthcare services	132	61	71	195	73	122	(32.3)	(16.4)	(41.8)
Corporate recoveries	1 389	714	675	1 330	693	637	4.4	3.0	6.0
Corporate costs	(1 274)	(644)	(630)	(1 010)	(501)	(509)	(26.1)	(28.5)	(23.8)
Normalised EBITDA margin (incl. Corporate)	17.5%	17.9%	17.1%	17.1%	17.6%	16.6%			
Normalised EBITDA margin (excl. Corporate)	16.9%	17.2%	16.6%	15.4%	15.7%	15.2%			
Hospitals and complementary services margin	17.4%	17.7%	17.1%	15.6%	16.1%	15.1%			
Healthcare services margin	9.7%	9.1%	10.3%	13.4%	10.1%	16.6%			

¹ The pro forma H2-2022 numbers presented are unaudited and derived from deducting H1-2022 unaudited results from the full year audited results to 30 September 2022 (FY2022).

² 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).

FY2022 revenue for southern Africa grew by 5.0% and normalised EBITDA grew by 7.2% versus FY2021. The H2-2022 period saw revenue growth of 5.4% while normalised EBITDA increased by 7.0%. The normalised EBITDA margin for the H2-2022 period was 17.9% and 17.5% for FY2022, compared with the 17.1% we reported at FY2021.

Excluding corporate costs, the southern African operations delivered 15.0% normalised EBITDA growth from 5.0% revenue growth in FY2022, with the margin improving to 16.9% from 15.4% in FY2021.

Corporate costs grew by 26.1% during FY2022 due to ongoing investment in overheads to develop new clinical products, as well as costs related to IT investment, cyber security, cloud migration and software license fees.

The normalised EBITDA margin was positively impacted by the higher activity levels and occupancies since mid-January 2022, tighter management of costs and a reduction in COVID-19-related expenses. Some of these benefits were offset by the early nursing salary increases (implemented in October 2021 versus January 2022) as part of our staff retention strategy, the lower occupancies during late December 2021 (see commentary below), and the accounting impact of the introduction of an employee co-investment share scheme* in the current year.

In our southern African business, R1.7 billion was spent on capex during the current period (FY2021: R1.5 billion) split between maintenance capex of R1.1 billion (FY2021: R1.1 billion) and growth capex of R267 million (FY2021: R18 million).

Acute hospitals

Our acute hospital business delivered a strong result in the current period, especially during the second half of the year.

Our activities and occupancy levels across our hospitals were negatively impacted in the first six months to March 2022 (H1-2022) due to the COVID-19 waves. However, since mid-January 2022 we have seen a strong recovery in a broad range of surgical and medical activities in our acute hospitals.

The normalisation of our activities, following COVID-19 disruptions in prior years, is evident from the 15.8% growth in admissions and 14.8% growth in theatre minutes year-on-year. With fewer COVID-19 patients in our acute hospitals, the average length of stay has declined to 3.7 days (from 4.1 in FY2021) translating into PPD growth of 9.1% in H2-2022 and 5.4% for FY2022 overall.

The improvement in acute hospital activities during the year saw our average acute hospital occupancy level progress from 57.7% in the first six months to March 2022 (H1-2022) to 64.5% for the H2-2022 period. Average occupancy for FY2022 was 61.1% versus 58.1% for FY2021. Acute hospital PPDs have mirrored the improving occupancy levels, growing 2.1% year-on-year in H1-2022, 9.1% in H2-2022 and 5.4% for the full year.

In FY2022 revenue growth for our acute hospitals was 5.3% year-on-year made up of 5.4% growth in PPDs and a 0.1% decrease in revenue per PPD. The decline in revenue per PPD is made up of a 4.25% tariff increase and a 4.35% negative case mix change. This mix change is again a reflection of the normalising of our activity levels, with high revenue intensity COVID-19 cases being replaced by more routine medical and surgical cases with comparatively lower revenue intensity.

* Refer to pages 26 and 29 for additional information related to share purchases as part of our long-term incentive scheme and co-investment plan (CIP).



Annexure 4: Audited summarised consolidated annual financial results continued

Commentary continued

Complementary services

Our complementary services business performed strongly during the current period due to good growth in underlying activities. PPDs grew by 9.4% year-on-year with especially strong growth of 11.7% during H2-2022. Mental health admissions increased by 13.8% year-on-year in FY2022 and by 16.4% in H2-2022. Our renal dialysis services continued to perform consistently, with 2.7% volume growth in FY2022 and a 3.4% increase in H2-2022.

During the current period, we completed our first two imaging transactions in South Africa with the acquisition of the non-clinical operations of the East Coast Radiology (ECR) business (effective 1 February 2022), and the Eugene Marais Radiology business (effective 1 August 2022). ECR has four hospital-based practices (and two community practices), while EMR has one hospital-based practice and so, when combined, we now have five imaging practices within our portfolio of 49 hospitals. These imaging businesses have been incorporated into our complementary services sub-division and contributed R94 million to revenue in the current year.

Revenue for complementary services saw pleasing growth of 21.6% in H2-2022 resulting in 15.0% growth year-on-year for FY2022.

Healthcare services

The Healthcare Services segment consists of Life Health Solutions and Life Nkanyisa.

Revenue from our healthcare services business decreased by 6.9% to R1.4 billion (FY2021: R1.5 billion). This result was largely due to reduced COVID-19-related revenue and the loss of some commercial contracts in Life Health Solutions during FY2022.

Life Nkanyisa has delivered another consistent performance during the current period.

INTERNATIONAL

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

International	2022 R'm	2021 R'm	% change 2022 vs 2021
Revenue			
Diagnostic services	7 680	7 474	2.8
Normalised EBITDA			
Diagnostic services	1 596	1 812	(11.9)
Normalised EBITDA margin (%)	20.8	24.2	

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

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

PET-CT volumes in the UK have continued to grow strongly in FY2022 and were 11.1% higher than FY2021 volumes. We expect robust demand for PET-CT scanning to continue due to ongoing efforts to identify cancer and treat cancer while in its early stages.

We have made progress during FY2022 in expanding our footprint of Community Diagnostics Centres (CDCs) and currently have seven operational CDCs and a further two CDCs in development.

In **Italy** volumes for the FY2022 period were 7.5% higher year-on-year than FY2021, helped by additional budgets being awarded by Azienda Sanitaria Locale (ASL) in certain locations to assist clinics in reducing waiting lists.

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

These operational results have resulted in AMG delivering 2.8% revenue growth year-on-year (in Rand) for the FY2022 period. However, normalised EBITDA has declined by 11.9% during FY2022 due to the impact of the COVID-19-related contracts ending at the end of FY2021 and also the impact of higher salary inflation and increased energy costs. These factors have led the normalised EBITDA margin for AMG to moderate to 20.8% versus the 24.2% we reported at FY2021.

AMG's capex spend in FY2022 totalled £50 million (FY2021: £39 million), of which £21 million was invested in growth opportunities (FY2021: £17 million) and £29 million (FY2021: £22 million) in maintenance capex spend.

Growth initiatives

Growth initiatives comprise broadening the Group's exposure across the healthcare continuum and include the development of cyclotron capability and clinical quality products within South Africa and LMI product development internationally.

LMI is our primary International growth initiative. Notwithstanding the disappointing Aduhelm® reimbursement decision in FY2022, NeuraCeq® sales have increased during the year. This is due a number of pharmaceutical companies having increased the pace of their clinical trials of other disease modifying drugs within the Alzheimer's field. The increase in clinical trial sales of NeuraCeq® and other LMI products has resulted in LMI's revenue growing by 43.4% year-on-year (in Rands). During September 2022 Eisai announced positive results for its phase 3 clinical trial on lecanemab, one of three Alzheimer's disease modifying drugs currently in clinical trials. Eisai is likely to proceed with a full FDA approval application on the back of these trial results, and we will closely watch developments with regards to this, and other ongoing trials, during 2023.



Annexure 4: Audited summarised consolidated annual financial results continued

Commentary continued

For the FY2022 period revenue from growth initiatives, entirely from LMI, grew 43.4% to R555 million (FY2021: R387 million).

The normalised EBITDA loss increased to R50 million (from a loss of R19 million in the prior period) largely due to our operational investment in LMI including investment into our US salesforce and our tau tracer product which will proceed into phase 3 trials during 2023.

GROUP FINANCIAL PERFORMANCE

Group revenue from continuing operations increased by 4.9% to R28.2 billion (FY2021: R26.9 billion) consisting of a 5.0% increase in southern African revenue to R20.0 billion (FY2021: R19.0 billion), a 2.8% increase in international revenue from continuing operations to R7.7 billion (FY2021: R7.5 billion) and R555 million revenue contribution from growth initiatives (FY2021: R388 million).

The results for the Group have however been impacted by a number of once off items in the current year and the prior year that distort the comparison against the prior year. These items include:

- ◆ The Group assisted the National Health Service in the United Kingdom in providing COVID-19 scanning services through its mobile fleet. These contracts came to an end at the end of the September 2021. The financial impact of these services is included in the prior period but did not recur in the current period. The mobile fleet has been redeployed in the UK and is now providing services at the normal tariff. Therefore the mix in the International business has changed and has impacted revenue and normalised EBITDA when compared with the prior year.
- ◆ The Group introduced a co-investment share scheme for senior management across the Group to retain talent, drive performance and to align senior management with shareholders. The impact of this scheme, and an increase in the Group's other long-term incentive schemes due to improved financial performance, increased the share scheme charge in the current year. The effect of this is an increase of R136 million in the current period, which impacts normalised EBITDA.
- ◆ Due to the news in early 2022 relating to the lack of reimbursement for Aduhelm® within the USA, the Group reviewed its contingent consideration liability raised related to the acquisition of Life Molecular Imaging (LMI). The Group still believes there will be an amount payable to the prior owners of LMI, but our expectation for reimbursement has been delayed by two years in the USA and three years in Europe. The Group has therefore released an amount of R437 million which impacts the current period's results (for further information see Note 4: Financial Instruments on pages 37 to 39).
- ◆ In the prior period the Group disposed of Scanmed in Poland and a profit of R87 million was included in the prior period from this discontinued operation.
- ◆ The Group is disputing the interpretation by the tax authorities in South Africa, the South African Revenue Service (SARS), of a contractual arrangement between Life Healthcare and its subsidiary companies related to payroll services and the resultant VAT treatment. Even though there is no loss to the fiscus and the Group's strong legal and tax opinions on the matter, the Group has prudently provided R199 million.

Normalised EBITDA from continuing operations decreased by 0.2% to R5.0 billion (FY2021: R5.1 billion). This normalised EBITDA decline was largely driven by our international operations which saw normalised EBITDA decline by 11.9% to R1.6 billion (FY2021: R1.8 billion) due to the factors described above.

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

Our EPS and HEPS metrics have all been impacted by the once-off items referred to above. We have included a reconciliation of the movements between EPS and HEPS on page 24.

EPS from continuing operations decreased by 7.7% to 105.8 cents (FY2021: 114.6 cents) while EPS from continuing and discontinued operations decreased by 12.3% to 105.8 cents (FY2021: 120.6 cents).

HEPS from continuing and discontinued operations decreased by 4.5% to 106.1 cents (FY2021: 111.1 cents).

NEPS from continuing operations, which excludes non-trading related items (some of which are shown in the headline earnings reconciliation on page 24, and the table on page 51), decreased by 12.2% to 96.4 cents (FY2021: 109.8 cents). NEPS from continuing and discontinued operations decreased by 14.5% to 96.4 cents (FY2021: 112.7 cents). The presentation of normalised earnings metrics are non-IFRS measures.

Reconciliation of Headline earnings (HEPS) and Normalised earnings (NEPS)¹	2022 R'm	2021 R'm	% change	2022 cps	2021 cps	% change
Weighted average number of shares at the end of the year (millions)	1 447	1 454	(0.5)			
Profit/(loss) attributable to ordinary equity holders	1 531	1 754	(12.7)	105.8	120.6	(12.3)
(Profit)/loss from discontinued operation attributable to ordinary equity holders	–	(87)		–	(6.0)	
Profit from continuing operations attributable to ordinary equity holders	1 531	1 667	(8.2)	105.8	114.6	(7.7)
Adjustments (net of tax and non-controlling interest):						
Impairment of assets and investments	–	14		–	1.0	
Loss on disposal of property, plant and equipment	5	10		0.3	0.7	
Profit on remeasuring previously held interest in associate to fair value	–	(28)		–	(1.9)	
Headline earnings from continuing operations	1 536	1 663	(7.6)	106.1	114.4	(7.3)
Transaction costs relating to acquisitions and disposals	10	3		0.7	0.2	
Retirement benefit asset and post-employment medical aid income	(23)	(24)		(1.6)	(1.7)	
Fair value adjustments to contingent consideration	(406)	–		(28.1)	–	
Dispute on contract interpretation provision	199	–		13.8	–	
Unwinding of contingent consideration	75	62		5.2	4.3	
Fair value loss on equity instrument	5	12		0.3	0.8	
Deferred tax raised previously not recognised and effective tax rate change	–	(118)		–	(8.2)	
Normalised earnings from continuing operations	1 396	1 598	(12.6)	96.4	109.8	(12.2)
Normalised earnings from discontinued operation	–	42		–	2.9	
Normalised earnings from continuing and discontinued operations	1 396	1 640	(14.9)	96.4	112.7	(14.5)

¹ Non-IFRS measure.



Annexure 4: Audited summarised consolidated annual financial results continued

Commentary continued

CAPITAL EXPENDITURE

The Group invested approximately R2.3 billion (FY2021: R1.9 billion) in capital expenditure (capex), comprised of maintenance capex for the period of R1.6 billion (FY2021: R 1.5 billion) and growth capex of R704 million (FY2021: R357 million).

FINANCIAL POSITION AND LIQUIDITY

The Group remains in a strong financial position with net debt to normalised EBITDA (as per bank covenant definitions) as at 30 September 2022 of 1.89 times, compared to the 1.82 times reported at 30 September 2021, and remains within our covenant of 3.5 times.

The available undrawn facilities as at 30 September 2022 amounted to R4.4 billion (down from R6.6 billion at the end of the FY2021 period).

In addition, the Group, through its funding company Life Healthcare Funding Limited, launched its inaugural listed corporate bond programme during 2022, successfully raising R1.0 billion across the three- and five-year tenures. The Group also refinanced some existing UK debt, helping to move the bulk of our debt maturities to 2025 or beyond.

DISTRIBUTION

The Board approved a final gross cash dividend of 25.0 cents per ordinary share. 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. This dividend declaration brings the total dividend declared during FY2022 to 40.0 cents (FY2021: 25 cents).

The Company's total number of issued ordinary shares is 1 467 349 162 as at 16 November 2022. 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, 6 December 2022
Shares trade ex the dividend	Wednesday, 7 December 2022
Record date	Friday, 9 December 2022
Payment date	Monday, 12 December 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 December 2022 and Friday, 9 December 2022, both days inclusive.

OUTLOOK

For the twelve months to 30 September 2023 (FY2023), the Group expects continued activity growth in all the markets it operates.

For our southern African operations, we currently anticipate continued volume growth driven by the normalisation of our case mix, as well as introduction of new funder network deals. We also expect continued progress in expanding non-acute services within our operations by the launching of new clinical products in partnership with funders and select acquisitions in non-acute businesses.

For AMG we expect to see continued good growth in demand for our scanning services in the UK and Ireland and remain excited about our CDC rollout. We await the outcome on current Alzheimer's Disease drug trials in the USA during late 2022 and early 2023, which may impact our LMI business.

Inflationary pressures around the world have increased and are likely to continue to impact salary increases, consumable and other cost increases. The severity of these factors is very different in each market and is dependent on the customer base, the nature of government support and public salary increases. We expect the impact to be less severe in southern Africa where we have historically demonstrated our ability to manage these pressures through stringent cost management, increasing operational leverage and negotiating tariff increases. The impact may be more pronounced in some of our international operations where we may not receive adequate pricing adjustments to mitigate pressure on our margins. We are working at containing cost increases and introducing other mitigating actions.

The Group is expected to spend R2.9 billion in capital expenditure in FY2023 which will be funded from internal sources or debt.

CHANGES TO THE BOARD OF DIRECTORS

Shareholders are referred to the announcement released on SENS on 28 July 2022, in which, in keeping with the Board's succession and diversity plans and strategy, the Group announced the appointments of Lars Holmqvist and Jeanne Bolger as independent non-executive directors of the Board, with effect from 1 August 2022.

INVESTOR PRESENTATION

Shareholders are advised that the investor presentation for the twelve months ended 30 September 2022 has been published on Life Healthcare's website (www.lifehealthcare.co.za).

Approved by the Board of directors on 16 November 2022 and signed on its behalf:

Victor Litlhakanyane
Chairman

Peter Wharton-Hood
Group Chief Executive



Corporate information

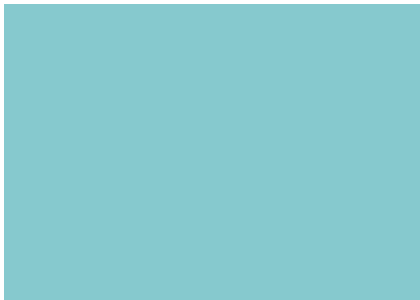
LIFE HEALTHCARE GROUP HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number: 2003/002733/06

ISIN: ZAE000145892

JSE Share Code: LHC



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

Non-executive directors

VL Litlhakanyane (Chairman),
JE Bolger, PJ Golesworthy,
CM Henry, LE Holmqvist,
ME Jacobs, AM Mothupi,
JK Netshitenzhe,
MP Ngatane, M Sello,
GC Solomon and RT Vice

Group Company Secretary

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