



NETCARE

# Netcare Limited

SHAREHOLDER REPORT

for the year ended 30 September 2025



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Please email your feedback to [investor.relations@netcare.co.za](mailto:investor.relations@netcare.co.za).

# Our reporting suite

## Materiality consideration: impact

### Environmental, social and governance report

The ESG report explains in detail the Group's economic, social and environmental impacts, and the governance practices and approaches that ensure these impacts are appropriately managed to secure the Group's long-term sustainability.

**Audience:** all key stakeholder groups, prospective investors and employees, doctors considering joining the Group, ESG rating agencies and broader society.

**Assurance:** CA ELA OA

#### Key regulatory and reporting frameworks applied



### Quality report

The quality report explains in detail the Group's consistency of care strategy and includes clinical outcomes data and measurement requirements.

**Audience:** patients, doctors, allied healthcare professionals, private medical funders and regulators.

**Assurance:** CA

## Materiality consideration: financial

### Annual financial statements

The Group's audited annual financial statements, including the report of the independent auditor, provide information on the Group's financial position and performance, and include important regulatory disclosures.

**Audience:** all key stakeholder groups, prospective investors and employees, credit and ESG rating agencies and broader society.

**Assurance:** CA EA

#### Key regulatory and reporting frameworks applied



## Materiality consideration: impact and financial

### Integrated report

The integrated report explains Netcare's strategy to create a sustainable competitive advantage and deliberate social, economic and environmental value. It provides material information on how the Group creates and preserves enterprise value and mitigates its erosion over time. Detailed analysis of our financial, environmental, social and governance performance can be found in our other online publications.

**Audience:** primarily providers of financial capital, analysts and prospective investors; however, the report is also relevant to other stakeholders as it discusses how Netcare creates, preserves or may lose value across the six stocks of capital.

**Assurance:** CA EA ELA OA

#### Key regulatory and reporting frameworks applied



## THIS REPORT

### Shareholder report

The shareholder report provides detailed disclosure on the Group's approach to ethical business conduct, corporate governance and remuneration. The report includes the full remuneration policy and implementation report and the summarised Group annual financial statements.

**Audience:** all of our key stakeholder groups, prospective investors and employees, credit and ESG rating agencies and broader society.

**Assurance:** CA EA

#### Key regulatory and reporting frameworks applied



## Where to find our reports

Access our reports at [www.netcare.co.za/Netcare-Investor-Relations](http://www.netcare.co.za/Netcare-Investor-Relations) or use the links on this page.

## Key regulatory and reporting frameworks

- International <IR> Framework (January 2021).
- King Report on Corporate Governance for South Africa (2016)™ (King IV)<sup>1</sup>.
- South African Companies Act 71 of 2008, as amended (Companies Act).
- JSE Listings Requirements.
- International Financial Reporting Standards (IFRS)® Accounting Standards.
- SAICA<sup>2</sup> Financial Reporting Guides.
- Global Reporting Initiative Standards.
- Task Force on Climate-related Financial Disclosures.
- UN Sustainable Development Goals.
- UN Global Compact.
- Broad-based Black Economic Empowerment Act, 53 of 2003.
- ❖ IFRS Sustainability Disclosure Standards were considered.

## Assurance

- CA Management and Board oversight through internal reporting and internal audit.
- EA External audit of financial information.
- ELA External limited assurance over selected KPIs.
- OA Other external verification of selected KPIs eg B-BBEE scorecard.

## Additional information

- [Key ESG indicator report](#).
- [GRI content index](#).
- [Notice of AGM and proxy form](#).
- [Broad-based Black Economic Empowerment certificate](#).
- Hospital listing (downloads tab).

1. King IV copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved.  
2. SAICA: South African Institute of Chartered Accountants.

# Board of directors

## Non-executive directors



**A (Alex) Maditse | 63**

**Board chair**

**Qualifications:** BProc, LLB, HDip Company Law, LLM Company and Labour Law (Pennsylvania, USA), LLM International Commercial Law (Harvard, USA)

**Nationality:** South African

**Skills:** governance, general business management, global commerce, investment banking (mergers and acquisitions), legal, compensation

**Appointed:** 7 June 2023

**Tenure:** 2 years

**Board attendance:** 4/4

**Chairs:** Board and Nomination Committee

*Appointed Board chair on 27 January 2025.*

*Retiring by rotation at the next AGM and is available for re-election.*



**B (Bukelwa) Bulo | 48**

**Independent non-executive director**

**Qualifications:** BBusSci Hons, PGDA, CA(SA)

**Nationality:** South African

**Skills:** governance, general business management, investment banking, financial services

**Appointed:** 23 November 2015

**Tenure:** 10 years

**Board attendance:** 4/4

**Chaired:** Audit Committee

*Resigned effective 30 September 2025.*



**L (Lezanne) Human | 56**

**Independent non-executive director**

**Qualifications:** BSc Hons Operations Research (Cum Laude), MSc Applied Mathematics (Cum Laude), MBA (Cum Laude)

**Nationality:** South African

**Skills:** governance, digital/large scale technology implementation, general business management, global commerce, financial services

**Appointed:** 13 May 2019

**Tenure:** 6 years

**Board attendance:** 4/4

**Chairs:** Consistency of Care Committee



**I (Ian) Kirk | 67**

**Independent non-executive director**

**Qualifications:** CA(SA)

**Nationality:** Irish

**Skills:** governance, general business management, global commerce, financial services, strategy consulting, compensation

**Appointed:** 1 January 2023

**Tenure:** 3 years

**Board attendance:** 4/4

**Chairs:** Risk Committee



**B (Busisiwe) Mathe | 45**

**Independent non-executive director**

**Qualifications:** CA(SA), BCom, Higher Diploma in Accounting

**Nationality:** South African

**Skills:** governance, digital and data innovation, general business management, financial services, strategy consulting

**Appointed:** 1 October 2025

**Tenure:** 3 months

**Board attendance:** 1/1

*Appointed to the Audit and Social and Ethics committees, effective 1 October 2025. Retiring by rotation at the next AGM and is available for re-election.*



**Dr R (Roze) Phillips | 55**

**Independent non-executive director**

**Qualifications:** MBChB, MBA, Dip Future Studies (USB)

**Nationality:** South African

**Skills:** governance, digital/large scale technology implementation, general business management, strategy consulting, human capital (transformation)

**Appointed:** 1 January 2022

**Tenure:** 4 years

**Board attendance:** 4/4

**Chairs:** Social and Ethics Committee

*Retiring by rotation at the next AGM and is available for re-election.*

## Non-executive directors



L (Louisa) Stephens | 49

## Independent non-executive director

**Qualifications:** CA(SA) and chartered director

**Nationality:** South African

**Skills:** governance, general business management, global commerce, investment banking, financial services

**Appointed:** 1 January 2023

**Tenure:** 3 years

**Board attendance:** 4/4

**Chairs:** Audit and Remuneration committees

*Appointed chair of the Audit Committee, effective 1 October 2025. Retiring by rotation at the next AGM and is available for re-election.*

## Executive directors



Dr R (Richard) Friedland | 63

## Chief executive officer

**Qualifications:** BvSc, MBBCh (Cum Laude), Dip Fin Man, MBA

**Nationality:** South African

**Skills:** governance, healthcare, digital/large scale technology implementation, general business management, global commerce, financial services, human resources, compensation, environmental and sustainability management

**Appointed:** 15 May 1997

**Tenure:** 28 years

**Board attendance:** 4/4



K (Keith) Gibson | 55

## Chief financial officer

**Qualifications:** BAcc, CA(SA)

**Nationality:** South African

**Skills:** governance, healthcare, general business management, global commerce, investment banking, financial services, human resources, compensation.

**Appointed:** 10 November 2011

**Tenure:** 14 years

**Board attendance:** 4/4

**Chairs:** Finance and Investment committee

## Board Committees

- Audit Committee
- Social and Ethics Committee
- Remuneration Committee

- Risk Committee
- Nomination Committee
- Consistency of Care Committee

## Operating Committee

- Finance and Investment Committee

# GOVERNANCE REPORT

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# Linking governance to purpose

**The Netcare Board of directors (the Board) sets the tone at the top to fulfil Netcare's purpose of delivering the best and safest care. At the highest level of governance, the Board upholds and expects ethical leadership, good corporate citizenship, financial, social and environmental sustainability, and the highest professional and operational standards.**

The Board subscribes to the principles and recommended practices of King IV, which aim to promote enhanced transparency, an ethical culture, improved performance and value creation, effective control mechanisms to manage risks and ensure accountability, and legitimacy through operating in a socially responsible manner. These governance outcomes are pivotal to achieving Netcare's purpose and support the Group's achievement of the international sector-specific objectives of the **Quadruple Aim** – to balance the value of services with their cost to society while supporting meaningful work for healthcare practitioners.

As Netcare transforms into a patient centred organisation that is digitally enabled and data and AI driven, the Board plays a key role in creating, protecting and sharing value. It approves the strategy, provides guidance and oversight on execution, and manages trade-offs in strategic decisions to mitigate negative impacts and increase positive ones.

The Board ensures the sustainability of the Group's business model by assessing the operating environment, key risks and opportunities and the availability of capital resources. It sets policy, ensures capital prudence, oversees our governance frameworks and control environment, and keeps abreast of stakeholder concerns, needs and expectations, balancing these with the Group's interests. The Board maintains a transparent and effective governance process that instils confidence among stakeholders that the Group is managed ethically, within acceptable risk parameters, and in compliance with all applicable laws and international best practices.

The Board met four times during FY 2025, with additional ad-hoc meetings to support and provide counsel to the executive team. It operates with a diversity of viewpoints, independent judgement, integrity and honesty, and collectively has the relevant skills mix and experience required to capitalise on strategic investments made in the past eight years. Board meetings are characterised by robust deliberations guided by strategic considerations, and all Board directors have an excellent attendance record.



# King IV outcome: ethical culture

## Ethics King IV principles 1 and 2

### Committees that assist the Board

Audit Committee

Risk Committee

Social and Ethics Committee

Consistency of Care Committee

### Key Board activities in FY 2025

#### Reviewed:

- Incidents of alleged fraud and actions taken to address valid cases and recover financial losses.
- The responsible use of data and AI.
- Board and Executive Committee member declarations regarding personal financial interests.

#### Monitored:

- Training on competition law and how to manage conflicts of interest.

#### Noted:

- The HPCSA's<sup>1</sup> Paper on Artificial Intelligence Governance in Healthcare.

*Compliance governance: [page 30](#).*

### Key outcomes for the Group in FY 2025

- 4 742 employees received ethics and anti-corruption and bribery training (FY 2024: 4 544).
- 5 654 hours spent training 4 811 employees on human rights (FY 2024: 4 872 hours; 4 569 employees).
- A robust data protection framework and policies as well as processes to assess third-party compliance with data protection laws.
- 351 incidents of alleged fraud and irregularities were reported (FY 2024: 297). 337 incidents have been closed with the remainder still under investigation.

1. HPCSA: Health Professions Council of South Africa.

### Board opinion

The Board is confident that the Group's leadership acts with integrity and applies best practice risk management to uphold ethical and professional business conduct.

### FY 2026 focus areas

- Review the ethical and legal use of AI in innovation projects.
- Review the stakeholder engagement plan.
- Implement the King V Code of Corporate Governance (effective January 2026).
- Oversee the rollout of the annual Group legal, ethics and compliance survey (November 2025).

### More information

- Integrated report.
- Quality report.
- ESG report.
- [Code of Conduct](#).
- [Anti-corruption policy](#) (including whistle blowing).



*Note: links to reports can be found in the reporting suite.*

### Ethics governing framework

The Board is ultimately responsible for the Group's ethical performance, ensuring strategy is based on ethical principles and holding directors accountable for acting in the Group's best interests. The Board monitors initiatives to promote awareness of Netcare's commitment to ethical business practices, ensuring compliance with the Netcare Code of Conduct, the effectiveness of our business ethics programme and adherence to laws preventing bribery, corruption, fraud and money laundering.

- Management models ethical behaviour and embeds the Code of Conduct across the Group. Our values, policies and Code of Conduct provide the framework for ethical leadership and behaviour. The Code guides our interactions with stakeholders, including partners and suppliers in the healthcare value chain. All employees are expected to uphold high moral, ethical and legal standards as well as the code, principles and values of the HPCSA.
- The Code of Conduct outlines our policies on conflicts of interest, gifts, confidentiality, fair dealings and the protection and use of Netcare's assets. Employees must disclose potential conflicts of interest, gifts and invitations from suppliers or third parties.

## Ethics training and awareness initiatives

Netcare reinforces the Code's principles through training interventions, fraud awareness campaigns and an annual employee compliance and ethics survey. These initiatives help maintain a values-based culture beyond compliance. The ethics survey assesses familiarity with ethics policies and structures, and gathers employees' views on the Netcare culture and how our core values are reflected in management's daily decision-making. Induction training for new employees covers human rights and measures to guard against corruption.

During FY 2025, the Board, Executive Committee, divisional executive committees, funders team and the procurement department received training on competition law, and 12 webinars were rolled out to employees, covering competition law, compliance, ethics and managing conflicts of interest.

## Guarding against unethical behaviour

We take a zero-tolerance approach to theft, fraud, corruption, bullying, discrimination and racism. Forensic services investigates all reported incidents of theft, fraud and corruption. Confirmed cases are reported to the South African Police Services and, where appropriate, to the applicable registered body such as the HPCSA. Civil recoveries are pursued when financially appropriate.

## Mechanisms to report unethical behaviour

Netcare provides several mechanisms through which employees and the public can report irregularities and unethical behaviour, including unethical medical behaviour. These mechanisms include

the Fraud and Ethics Hotline (available to those wanting to protect their anonymity), a dedicated email for fraud reporting and direct communication. Whistle-blower victimisation is not tolerated.

The anonymous toll-free SHOUT line allows employees to report alleged or perceived incidents of racism, sexism, discrimination, harassment, or any human rights violation. This service is delivered in partnership with Lyra<sup>1</sup>, which operates a confidential call centre to support affected parties.

Every reported incident is investigated, and reports of alleged theft, fraud or unethical behaviour are logged in the defalcation register and reported to management every second month. Summaries of the defalcation register, fraud trends and material incidents are periodically provided to the Audit, Risk, and Social and Ethics committees.

**The Fraud and Ethics Hotline facilitates anonymous reporting of unethical behaviour.**

### 0860FRAUD1 (0860 372 831)

If anonymity is not a concern, reports can be made to:  
[fraud@netcare.co.za](mailto:fraud@netcare.co.za)

Toll-free line to report incidents of discrimination:  
**0800 611 036**

	2025	2024	2023
Incidents of alleged fraud and irregularities	<b>351</b>	296	203
Incidents of alleged unethical medical behaviour	<b>-</b>	1	3
<b>Total incidents of alleged misconduct</b>	<b>351</b>	297	206
Incidents investigated and closed <sup>2</sup>	<b>337</b>	286	201
<b>Reporting mechanism</b>			
Fraud email reporting service	<b>96</b>	64	41
Fraud and Ethics Hotline	<b>15</b>	26	14
Direct communication with forensic services	<b>153</b>	132	89
Incident management system	<b>68</b>	54	50
Other mechanisms <sup>3</sup>	<b>19</b>	21	12

1. Lyra Southern Africa, previously Independent Counselling and Advisory Services (ICAS) Southern Africa.

2. Open cases are still under investigation.

3. Other mechanisms include channels such as customer services and Fraud WhatsApp.

# King IV outcome: ethical culture continued

Most of the incidents reported in FY 2025 were related to theft and various types of fraud, including medical aid fraud and document forgery (eg medical certificates and fraudulent proof of payment). Most incidents were reported directly to forensic services either by telephone or email.

The financial losses incurred from unethical business conduct were 188% higher than the financial losses incurred in FY 2024. Of the financial losses for FY 2025, 24% had been recovered by year end (FY 2024: 24%). Eleven incidents accounted for over 97% of the financial losses.

## HPCSA AI Guidelines

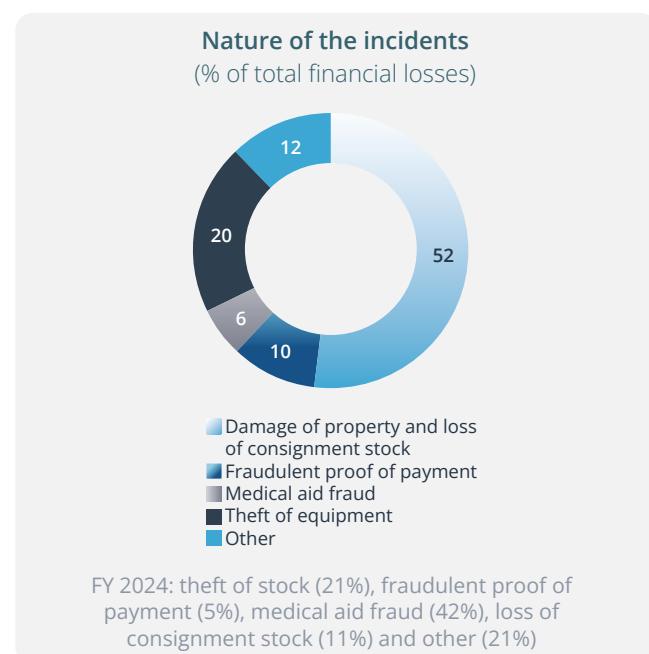
The HPCSA has issued guidelines on the ethical, legal and professional challenges associated with AI in healthcare. The Social and Ethics Committee has noted the council's proposed requirements and their impact on Netcare. The Group has established various governance structures to ensure our AI-related initiatives meet legal, compliance, ethical and governance requirements before and after their deployment (see page 11).

## Conflicts of interest

Directors are required to timeously inform the Board of actual or potential conflicts of interest regarding particular items of business or other directorships. In line with various legislation, directors, prescribed officers and certain senior managers submit a declaration of their material interests at least once a year, and more frequently should their circumstances change. The Board and the Audit Committee monitor and oversee significant related party transactions and relationships.

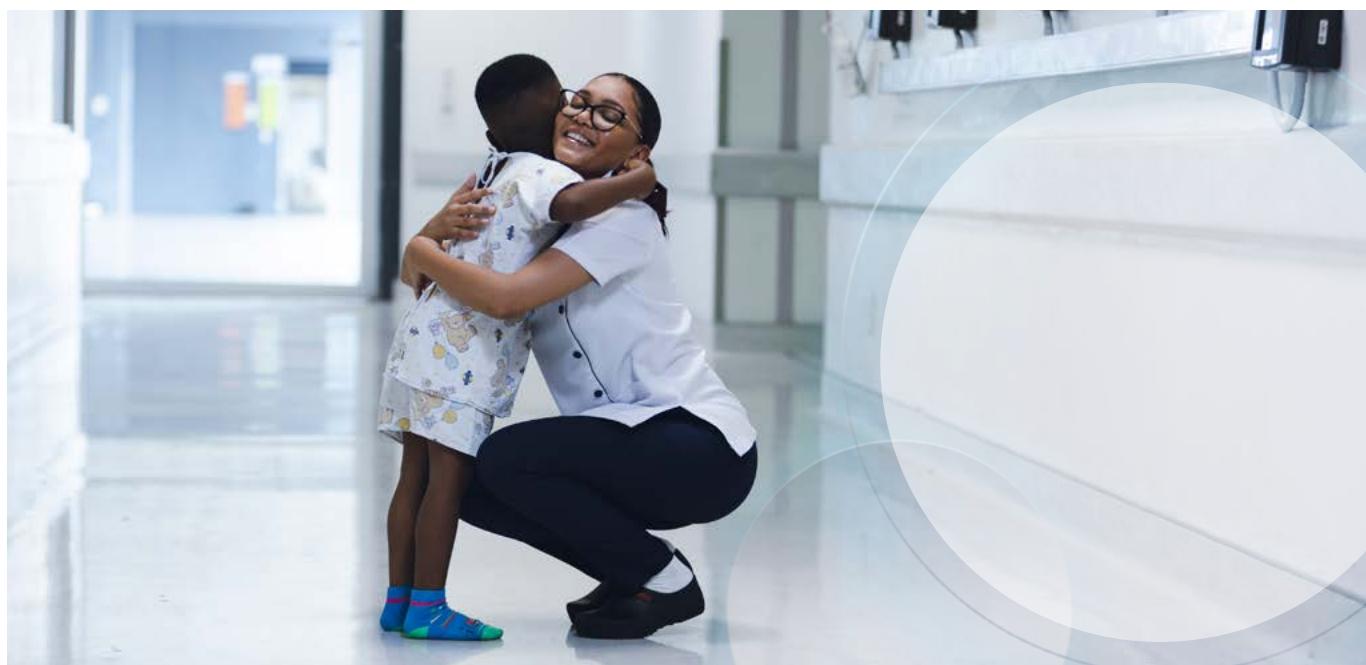
## Share dealings

The directors' dealing policy governs directors' dealings in Netcare shares and is supplemented with additional guidance on how to manage price-sensitive information and the appropriate cautionary conduct required during a closed period. All directors, prescribed officers, directors of major subsidiaries and associates (as defined



by the JSE Listings Requirements), and the company secretary must receive written approval from the Board chair prior to buying or selling Netcare shares. Directors' share dealings are disclosed to the Issuer Regulation Division of the JSE and are communicated through its electronic news service.

The Group operates a closed-period policy in line with the JSE Listings Requirements. During closed periods, directors, officers and directors of major subsidiaries and associates (as defined by the JSE Listings Requirements), and the company secretary are prohibited from dealing in Netcare shares. Parties who may have access to confidential or price-sensitive information are cautioned against the possibility of insider trading during these periods.



## Responsible corporate citizenship King IV principle 3

### Committees that assist the Board

#### Social and Ethics Committee

#### Consistency of Care Committee

### Key Board activities in FY 2025

#### Approved:

- The establishment of two new AI-focused management committees.

#### Monitored:

- Initiatives to retain and attract talent and scarce skills, and investments in learning and development to build a diverse talent pipeline.
- Employee wellness initiatives.
- Progress on the Group's 2030 environmental strategy, with a focus on renewable energy and waste-to-energy projects.
- Initiatives to improve the B-BBEE<sup>1</sup> score, including workplace DEI<sup>2</sup> and belonging plans, skills development, preferential procurement and socioeconomic development and ESD<sup>3</sup> initiatives.

#### Reviewed:

- The 2030 HR strategy and progress on the HR digitisation project.
- Strategies to address the shortage of nurses, including the projected student enrolments to 2030.

#### Noted:

- The amendments to the Employment Equity Act and its sector-specific targets.
- Preparations for amendments<sup>4</sup> to the Companies Act relating to earnings gap reporting.
- Instances of medical malpractice.

### Key outcomes for the Group in FY 2025

- Netcare achieved improved ESG ratings from several external benchmarking agencies.
- Maintained Level 3 B-BBEE rating.
- Achieved the FY 2025 BSC<sup>5</sup> target for black representation at senior management level although fell short of the target for black female representation due to a resignation. Black representation at middle management was 62.4% (double that of FY 2016).
- 57% of medical doctors with admission privileges are black (FY 2024: 55%).
- Good progress made in increasing nursing student numbers.
- Accredited to offer the Postgraduate Diploma in Adult Critical Care Nursing.
- Recognised as a Top Employer in SA's healthcare sector for 2025.
- Global Winner of the AEE<sup>6</sup> 2025 Corporate Energy Management International Award.

### Board opinion

The Board is confident that management is dedicated to Netcare's transformation and societal contribution, with environmental and social priorities integrated in the Group's strategy.

### FY 2026 focus areas

- Monitor efforts to:
  - Improve doctor demographics in specialist fields.
  - Develop partnerships to promote research and training.
  - Improve black female representation at senior management level.
- Oversee progress against the Group's new five-year employment equity plan.

### More information

- Integrated report.
- ESG report.
- Quality report.
- B-BBEE scorecard.

Note: links to reports can be found in the reporting suite.

1. B-BBEE: broad-based black economic empowerment.

2. DEI: diversity, equity and inclusion.

3. ESD: enterprise and supplier development.

4. Companies Amendment Bill and Companies Second Amendment Bill.

5. BSC: balanced scorecard.

6. AEE: Association of Energy Engineers.

# King IV outcome: ethical culture continued

## Social and environmental governing frameworks

The Board supports Netcare's intention to be a powerful force for social good and its commitment to create, preserve and share value for current and future generations of South Africans. The Social and Ethics Committee monitors our corporate citizenship, ensuring that the Group employs ethical and compliant business practices, fair labour practices and deliberately prioritises positive socioeconomic and environmental outcomes. The committee's mandate includes oversight of AI governance, human rights, safety, developing and retaining a skilled and diverse workforce, the FY 2030 environmental sustainability strategy and responding to the changing regulatory environment. The Consistency of Care Committee oversees some of the Group's employee wellbeing projects, occupational health and safety, and the Hospital Division's waste reduction projects.



### External assurance:

- B-BBEE Commission.
- Department of Trade, Industry and Competition.
- Department of Employment and Labour.
- Health and Welfare SETA.
- Trade unions.
- SAHPRA<sup>1</sup> (ethics approval for research, medical devices etc).

### External assurance:

- Verify CO<sub>2</sub>.
- The Green House.
- Talbot and Talbot.

## Care governance and accountability structure



### External assurance:

- British Standards Institution.
- Office of Health Standards Compliance.

1. SAHPRA: South African Health Products Regulatory Authority.

## AI governance accountability structure



### Social and environmental

The Environmental Sustainability and Operational Transformation committees at management level are responsible for implementing the Group's environmental sustainability and transformation strategies, respectively.

We consider the UN<sup>1</sup> Universal Declaration of Human Rights, the principles of the International Labour Organization, the UN Sustainable Development Goals, and other voluntary codes, including the principles of the UN Global Compact, of which we are a member.

Our efforts to be a force for social good include the transformation of our employee profile, diversifying our supply chain, the medical procedures we provide to indigent patients, and our contribution to reforming the healthcare system to provide affordable access to healthcare for more South Africans. We work openly and transparently with government, NGOs<sup>2</sup> and lobby groups. The Netcare Foundation ensures that all CSI decisions align with the

Group's values and ethical codes, proactively identifying and managing ethical risks such as unmet commitments or inequitable access.

We recognise not only that climate change and a deteriorating environment place the wellbeing of entire populations at risk, but also that our sector and operations unavoidably contribute to the problem. The 2023 environmental sustainability strategy (first phase) reduced energy intensity per bed by 39%, achieving cumulative operational savings and cost avoidance benefits of over R1.5 billion. We have fully transitioned to the 2030 environmental sustainability strategy (phase two), which prioritises operational efficiency and requires less intensive capital investment. The Group's emissions reduction targets (Scopes 1, 2 and 3) were accepted and approved by the SBTi<sup>3</sup> in December 2024. While our strategy was driven largely to secure the resources needed to provide optimal patient care, it has become the foundation to reach net zero carbon emissions by 2050.

### Our targets to FY 2030



### Political contributions

We do not make, and have not made, contributions to political parties, government affiliates or candidates, whether in cash or in kind.

### Artificial intelligence

The AI and AI Design committees were established during the year. The AI Committee is the Group's strategic authority for AI, overseeing investments, ethical use, risk management and alignment with business and IT strategy. It draws on the expertise of the AI Design, IT Enterprise Architecture and AI Governance committees for technical and compliance reviews, and has final decision-making power on AI direction, investments and ethical clearance. No AI-related project may proceed without the committee's approval.

The AI Governance Committee<sup>4</sup> is responsible for assessing and monitoring AI solutions from an ethical, legal and compliance perspective, providing assurance that robust controls and

processes are in place. The committee is also guided by seven principles aligned with Netcare's values. During FY 2025, the committee assessed and approved five AI-enabled solutions.

The AI Design Committee is a technical committee that defines the design and roadmap for AI solutions and the Group's long-term AI platform. It is a subcommittee of the IT Enterprise Architecture Committee (see [page 11](#)), which establishes the principles and policies for AI architecture.

A policy on the use of open AI was circulated to employees.

### ESG ratings and accolades for FY 2025

Our ESG reporting aims to provide tangible, credible demonstrations of the Group's impact on the economy, society and the environment, and transparently report on the ESG-related risks and opportunities that we face. Our ESG performance is independently assessed and benchmarked annually by various global sustainability institutions.

1. UN: United Nations.

2. NGOs: non-governmental organisations.

3. SBTi: Science-based Targets initiative.

4. Established in FY 2024.

# Our ESG ratings and accolades

**CDP**

**Global rating**

Assesses climate change disclosure.

**Rating date:** December 2024

**Climate change**  
**Scored C**  
On par with the global (C) and Africa (C) and higher than the healthcare (D) average scores.  
2023: B  
2022: B

**Water**  
**Scored B**  
Higher than the global (C), Africa (B-) and healthcare (D) average scores.  
2023: B-  
2022: B

We are targeting an A rating across both measures by 2026.

Note: our rating for 2024 declined due to an extensive methodology update to CDP climate change scoring.

**S&P Global Corporate Sustainability Assessment**

**Global rating**

Measures performance and management of material ESG risks, opportunities and impacts.

**Rating date:** August 2025

Included in the Dow Jones Emerging Markets Index for the eleventh consecutive year.

**Scored 91%**  
2024: 94%  
2023: 93%

	2025	2024
<b>Governance and economics</b>	<b>47</b>	<b>56</b>
Health sector average	32	27
<b>Environmental</b>	<b>73</b>	<b>77</b>
Health sector average	26	20
<b>Social</b>	<b>45</b>	<b>43</b>
Health sector average	28	22

Note: the decline in Netcare's total score is due to changes in S&P's assessment methodology following the adoption of the IFRS Sustainability Disclosure Standards.

**MSCI ESG Research Inc.**

**Global rating**

Evaluates the management of financially material ESG risks and opportunities.

**Rating date:** October 2025

**Achieved**  
**'AAA' rating**  
The highest awarded on a seven-point scale  
2024: AA  
2023: AA

**This is the first time Netcare has achieved 'AAA' rating.**

**MSCI ESG RATINGS**  
AAA

CCC B BB BBB A AA AAA

Note: the improvement in Netcare's rating is due to our corporate governance practices, data security measures and detailed information on our quality performance.

**FTSE4Good Index Series**

**Global rating**

Measures ESG performance.

**Rating date:** April 2025

**3.7 out of 5**

	2022	2023	2025
Environmental	3.4	2.7	3.0
Social	3.7	2.7	3.3
Governance	5.0	5.0	5.0

	ESG score	Environment	Social	Governance
Netcare	3.7	2.9	2.6	3.0
Sub-sector average: healthcare provider				
Industry average				

Note: Netcare was a constituent of the FTSE4Good Index Series since the index's launch in 2001 until 2023, when our market capitalisation changed to a small cap and we were no longer eligible for inclusion. In 2025, FTSE expanded its ESG assessment to include small cap companies.

## Institutional Shareholder Services

### Global rating

Helps investors assess environmental and social risks and the quality of governance.

Rating date: September 2025

Achieved  
**B rating and a very high transparency level**

2024: B-

2023: B-

	2025
Governance	3
Environment	1
Social	2

Note: one indicates lower risk and ten higher risk relative to other corporates and regions.

## Key environmental accolades



**Africa's largest** healthcare environmental sustainability programme.



**54 local and international awards** for environmental sustainability since 2013.



First healthcare organisation in Africa to join the **UN's Race to Zero 2050 Challenge**.



**Global winner** of the AEE<sup>1</sup> 2025 Corporate Energy Management International award, which spans all sectors.



Achieved **Gold in climate resilience** and **climate leadership** and **Silver in climate mitigation**<sup>2</sup>.

## Key social accolades



**Certified as a Top Employer** – the survey is managed and analysed by the Top Employers Institute – the international authority on HR strategies and certification.



NetcarePlus ranked as the top performer in the Medical Insurance category of the prestigious **Ask Afrika Orange Index 2024/2025**. This is testament to NetcarePlus' unwavering commitment to providing accessible and affordable healthcare solutions.



**Recognised as a top SA employer for 2025** that students most want to work for. The awards highlight companies that excel in workplace culture, career growth opportunities and employer reputation.

1. Awards are presented to members of Global Green and Healthy Hospitals, an international network that promotes healthcare without harm. The network comprises over 2 000 members in 86 countries and more than 70 000 hospitals and health centres.

2. AEE: Association of Energy Engineers.

# King IV outcome: good performance

## Strategy King IV principle 4

### Committees that assist the Board

Audit Committee

Nomination Committee

Risk Committee

Social and Ethics Committee

Consistency of Care Committee

The Board approves and oversees Netcare's strategy, regularly reviewing both its relevance and effectiveness, and assesses both the positive and negative outcomes of the Group's business model. It conducts quarterly budget reviews to ensure prudent capital allocation and make any adjustments required to respond to changes in the operating environment.

Progress against the Group's BSC of financial and non-financial measures is monitored monthly by the Executive Committee and quarterly by the Board.

In July 2025, the Board participated in a two-day workshop on strategic planning for the next five years with the ultimate goal of achieving market share growth. The Board reviewed the Group's five-year forecast to 2030, including assumptions and projected financial performance for high, middle and low road scenarios. In addition, it assessed the Group's investments to ensure they deliver value and meet stakeholder expectations over time.

The Board's key focus areas for FY 2025 are set out below.

#### Innovation

The Group's strategy aims to position Netcare at the forefront of healthcare innovation. During the year, the Board oversaw several innovations, including initiatives to capture market share in the maternity segment, progress on the Big Data platform that supports predictive analytics, rollout of the second Phase of the Netcare App, the integration of **appointmed™** with two doctor partner networks, SAHPRA approval of the algorithm for early sepsis detection in ICU<sup>1</sup> patients, and new projects like the Summary of Care large language model to enhance personalised patient experiences and seamless interaction.

#### Clinical cost efficiency

The Board kept abreast of various clinical cost efficiency projects driven throughout the year to improve the Group's competitiveness in funder negotiations and tenders. The successes achieved during the year have been enabled by the Group's Big Data analytics platform, which has allowed evidence-based and meaningful engagement with doctors on costs per event.

#### Growing market share

The Board monitored the Group's initiatives to support revenue growth through strategic expansions and developing new business streams as well as doctor recruitment and initiatives to increase admissions to Netcare hospitals. The Board approved new beds and the conversion of beds to higher demand disciplines at several Netcare hospitals, including the 28-bed high care expansion for Netcare St Augustine's Hospital and considered Netcare Akeso's expansionary plans. The Board kept abreast of developments relating to future contracting with medical aid schemes and Netcare's digitisation and AI-enabled strategy.

1. ICU: intensive care unit.

### ESG-related aspects

The Board considered the Group's plans to achieve its 2030 environmental objectives (shown on [page 11](#)), which not only reduce our environmental impact but also secure the supply of electricity and water and bring greater stability to the costs of these utilities. It requested more information on the impact of AI and data centres on the environment, energy consumption and water usage.

The Board monitored the Group's progress against transformation and B-BBEE targets and noted recent regulatory and policy developments relating to these issues. It also kept abreast of the Group's various HR initiatives to improve employee turnover.

### Other

The Board monitored the Group's strategic projects, which advance our progress towards meeting our long-term objectives as well as the Group's investments in facilities to improve patient experience. More broadly, the Board kept abreast of the challenging market conditions affecting private medical funders, the trend toward more affordable healthcare options and the migration of healthcare services to less costly healthcare settings. It also received regular feedback on litigation matters affecting the healthcare industry.

### Board opinion

The Board is confident that the Group's business model and strategy position Netcare to respond to changing healthcare demands and will continue to unlock stakeholder value and deliver sustainable growth and returns for shareholders.

### FY 2026 focus areas

- Finalise the appointment of a new Group CEO.
- Monitor the Group's initiatives to:
  - Grow market share: development of new products and pricing models that align with funders' expectations and support affordable access to the Netcare ecosystem.
  - Capitalise on the digital EMR platform.
  - Continue to foster compassionate nursing care.

### More information

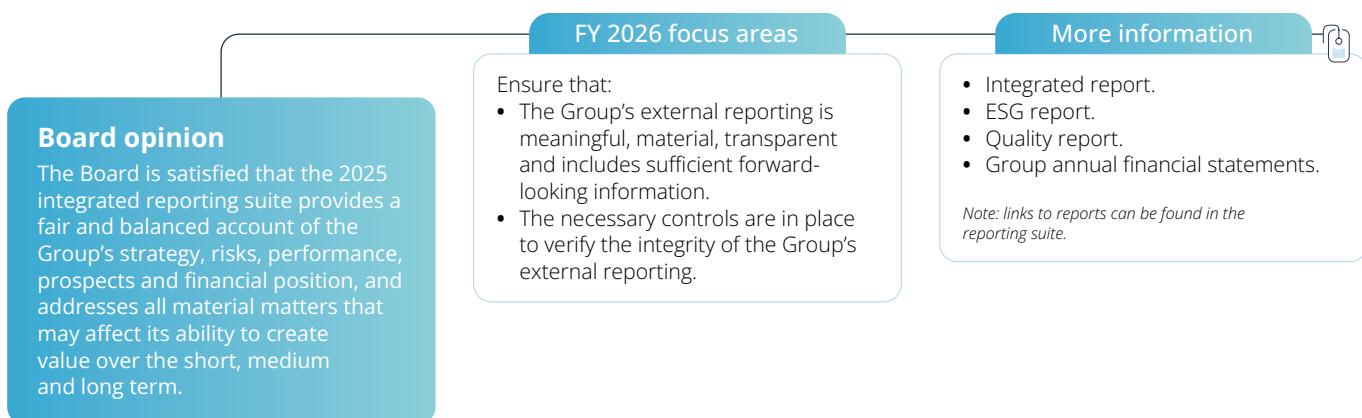
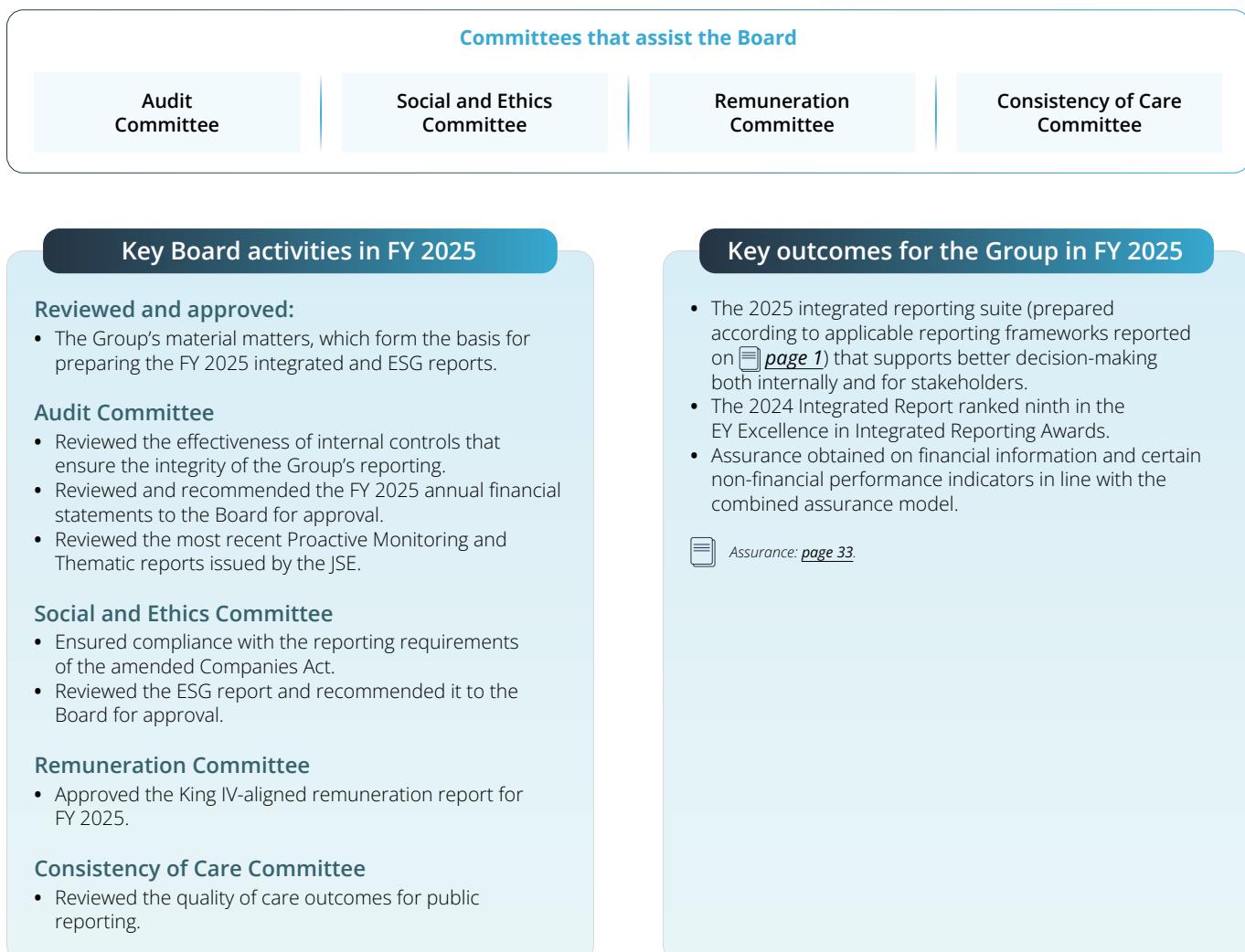
- Integrated report sections: our strategy, chief executive officer's review, overview of strategic progress.

*Note: links to reports can be found in the reporting suite.*



# King IV outcome: good performance continued

## Reporting King IV principle 5



In FY 2025, we engaged an external consultant to conduct an ESG gap analysis aligned with IFRS Sustainability Disclosure Standards to better understand where our reporting can improve.

# King IV outcome: effective control

## Responsibilities of the board King IV principle 6

The Board effectively oversaw the implementation of Netcare's strategy, guided the Group through the macroeconomic environment and ensured stakeholder inclusiveness, ethical business conduct, integrity of reporting, Board and executive succession, human capital management, technology governance, risk and opportunity management, compliance, major capex<sup>1</sup> and transactions, and remuneration.

The King IV-aligned Board Charter is reviewed annually and was updated in FY 2025 to incorporate the new requirements of the amended Companies Act. It outlines the policies and practices of the Board on matters such as directors' dealings in the securities of the company and declarations of conflicts of interest.

## Board composition and performance evaluation King IV principle 7 and 9

### Committees that assist the Board

#### Nomination Committee

### Key Board activities in FY 2025

#### Reviewed:

- The composition of the Board and governance committees, including the diversity of members, and updated membership where required to address skills gaps.
- The qualifications, independence and capacity of NEDs<sup>2</sup>.

#### Assessed:

- The performance and independence of NEDs standing for re-election. Factors considered include depth of knowledge about the business, past performance and contribution, support provided to new executives, and experience in the fast-changing global and competitive environment.

### Key outcomes for the Group in FY 2025

- High adherence to the principles of King IV both at Board level and across the Group.
- The appointment of a new Board chair.
- A high-performing and well-structured Board.
- Diversity of perspectives when making strategic decisions.

### Board opinion

The Board is satisfied that its members collectively offer a strong mix of independence, diversity and professional expertise and experience across governance, finance, digital and legal domains. There is a good balance between institutional knowledge and fresh perspectives, supporting the Group's complex and evolving strategic demands. Board members believe that the Board functions effectively, demonstrates a sound understanding of both current and long-term healthcare trends and consistently adheres to King IV principles.

### FY 2026 focus areas

- Conduct a Board self-assessment.
- Review the Board's governance committees to ensure adherence to King V.

### More information

- [Board appointment and diversity policy](#).

1. *Capex*: capital expenditure.  
2. *NED*: non-executive director.

# King IV outcome: effective control continued

## Board composition at date of publication

The Board applies a unitary structure and is chaired by an independent non-executive director whose role is separate from that of the CEO.

**6**  
independent  
non-executive directors  
**2**  
executive directors

### Age

Average age	<b>57</b>
45 to 55 years	<b>4</b>
56 to 65 years	<b>3</b>
Older than 65 years	<b>1</b>

Independent non-executive directors are re-elected every three years.

The Nomination Committee evaluates the continued independence of NEDs annually, considering factors that may impair their independence. The review is aligned to King IV's recommended practices. Other than the CEO and CFO<sup>1</sup>, all Board members are considered independent.

We seek to balance experience and institutional memory with youthful energy and fresh insight. The Board continuity programme addresses succession planning, ensuring that the Board functions effectively over time and that skill sets are retained when Board members retire.

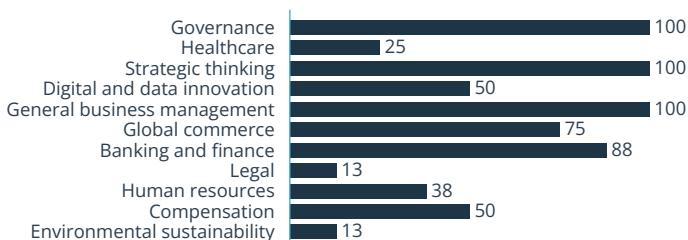
The programme covers director selection and appointment, director induction and training, and the evaluation of director performance.

### Tenure of non-executive directors (number)

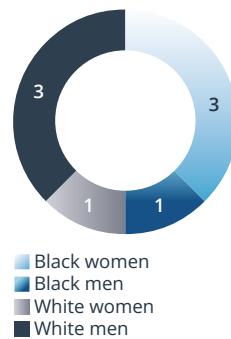


Average years of tenure: **3**

### Skill (% of directors with specified skill)



### Diversity (number)



#### Black South African Directors

**50%**

FY 2024: 50% | FY 2023: 44%  
**dtic target<sup>2</sup>: 50%**

#### Women directors

**50%**

FY 2024: 50% | FY 2023: 44%

#### Black women directors

**38%**

FY 2024: 38% | FY 2023: 33%  
**dtic target<sup>2</sup>: 25%**

Our diversity targets for race and gender are considered during Board succession planning and when appointing new members. We follow a formal and transparent appointment process that considers age, skills and experience, and broader diversity aspects.

1. CFO: chief financial officer.

2. dtic Codes: Department of Trade, Industry and Competition Codes of Good Practice for B-BBEE.

The Nomination Committee regularly reviews potential candidates to invigorate the capabilities of the Board with new experience and perspective, and ensures that valuable knowledge, skills and experience are retained to maintain continuity. Where gaps in knowledge or skills are identified, directors are provided with development training and/or new appointments are made. The Board has access to subject matter experts for matters requiring specialised guidance.

The Board identified that skills and experience in data analytics, cybersecurity and customer centricity are important to support the Netcare strategy to 2030. The appointment of Ms Mathe addresses two of these gaps (data analytics and cybersecurity).

## Board changes

The Nomination Committee manages director rotation and is guided by Netcare's Board appointment and diversity policy. Careful succession planning ensures that the Board remains relevant to the growth opportunities the Group has chosen to pursue and is responsive to the shifts in our operating environment (emerging risks, threats and uncertainties). Alex Maditse was appointed as Board chair on 27 January 2025 after leading the Board as the lead independent director during the interim period. Ms Bulo resigned from the Board, effective 30 September 2025, and Ms Mathe was appointed to the Board with effect 1 October 2025.

## Director induction

Our induction programme for new Board members familiarises them with the Group's operations, commercial risks, financial affairs and strategic position. The Board chair, the Group's company secretary, requisite reading material, and engagements with divisional and functional heads, as well as the internal and external auditors, all assist in briefing new directors on their fiduciary duties and responsibilities. New directors also receive information on the JSE Listings Requirements, King IV, the Companies Act and the obligations with which they are required to comply.

## Performance evaluation

The Board's performance and effectiveness, as well as that of its committees and individual directors, is self-assessed annually. The Board chair (or the lead independent director) together with the Nomination Committee oversee this process. The evaluation covers the governance of financial, economic, quality, social and environmental issues, and includes a review of ethical outcomes.

Independent external evaluation of the Board and its governance committees is performed every second year. The evaluation scheduled for FY 2025, was deferred to next year given the recent appointment of the new Board chair.

## Access to information and professional advice

Board directors have unrestricted access to management, and all Group information, records, documents and property. Information is distributed timeously prior to Board meetings to enable directors to adequately prepare and apply their minds. Directors are entitled, at the Group's expense, to seek professional advice regarding the affairs of the Group. This advice can be procured independently or coordinated through the company secretary.

## Company secretary

All directors have access to the advice and services of company secretary, Charles Vikisi, who acts as a conduit between the Netcare Board and the Group, is responsible for the flow of information to the Board and its committees, and ensures compliance with Board procedures. In addition to various statutory functions, and while maintaining an arms-length relationship with the Board, the company secretary also provides directors and the Board collectively with guidance on their duties, responsibilities and powers as set out in the Companies Act. He also advises on issues of law, governance and related matters, including the impact of legislative and regulatory developments.

The Board confirms that Mr Vikisi is suitably qualified, experienced, and fit and proper to perform the function of company secretary, to provide independent advice to the Board, and has no affiliation or association to any single Board member nor holds any directorships.



# King IV outcome: effective control continued

## Delegation of authority and operating committees King IV principle 8 and 10

### Committees that assist the Board

#### Audit Committee

#### Nomination Committee

### Key Board activities in FY 2025

#### Monitored:

- Adherence of the Board and its committees to their terms of reference.

#### Reviewed:

- The succession plans for the Executive Committee and strategic leadership.
- The composition of the Social and Ethics Committee.
- The competence and suitability of the CFO and company secretary.
- The Board and governance committee charters following the promulgation of the amended Companies Act.

### Key outcomes for the Group in FY 2025

- The Board and its committees fully complied with their terms of reference in FY 2025, confirmed by the Board chair and the company secretary.
- The Group has:
  - An appropriately skilled leadership team with the experience, knowledge and capability to deliver Netcare's strategy.
  - Competent and appropriately authorised individuals leading key management functions.
  - Functions that are adequately resourced.

### Board opinion

The Board is satisfied that the delegation of authority framework effectively supports Netcare's strategy, ensures compliance with legislation and best practice governance and balances stakeholder interests. The Board is confident that it remains well-informed about material matters facing the Group and that adequate succession plans and leadership development programmes are in place to secure future leadership continuity.

### FY 2026 focus areas

- Finalise the appointment of a new Group CEO.
- Review the limitations of authority across the Group and its subsidiaries.

### More information

- [Committee terms of reference](#).

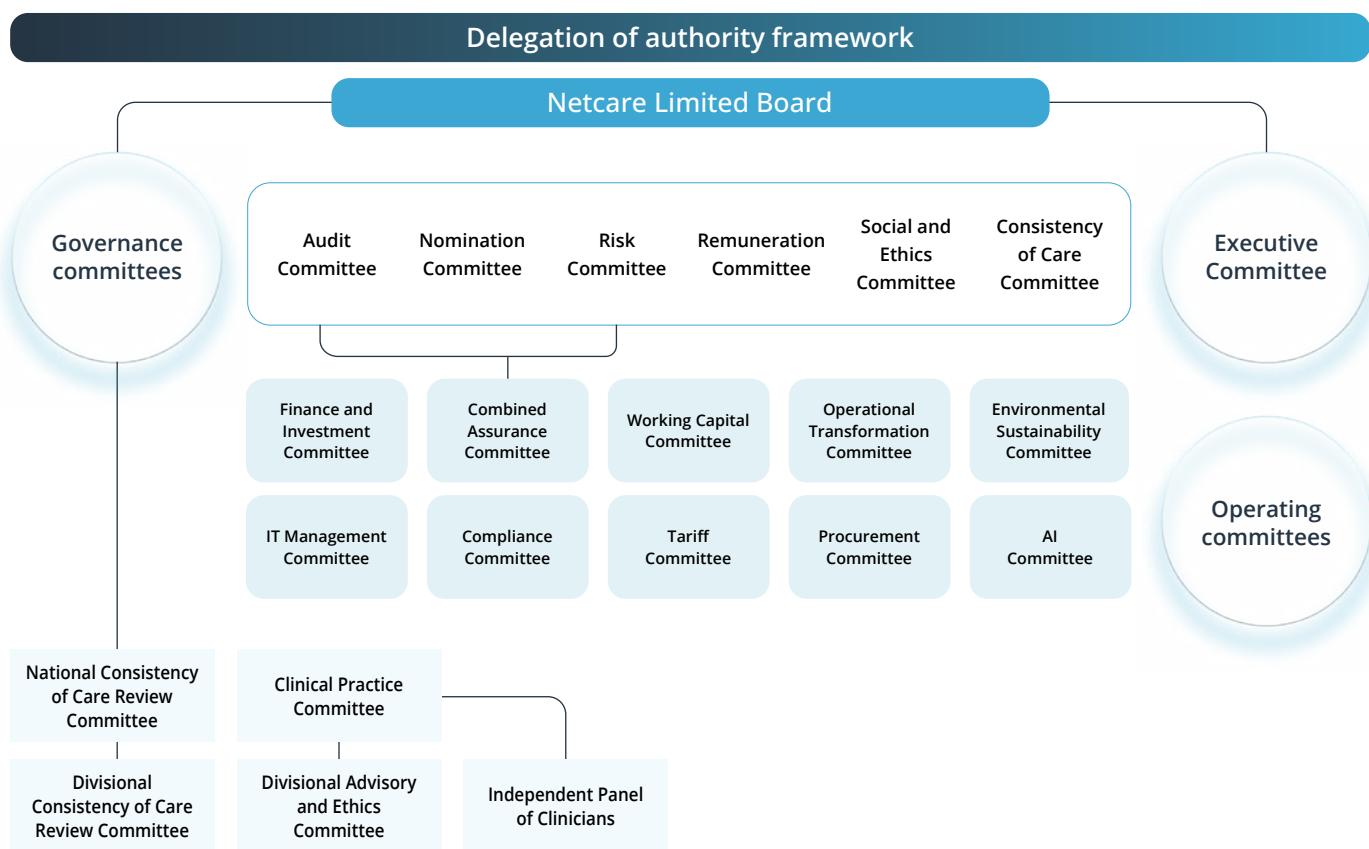
## Delegation of authority framework

The Board is responsible for clearly defining roles and responsibilities within the Group. Our well-developed delegation of authority framework places the Board at the helm of the Group's governance structure and processes, giving effect to its strategic stewardship and oversight of all Group operations. The Board delegates duties to appropriate individuals, functions or its standing committees to assist in the discharge of its responsibilities.

The framework includes the subsidiary companies' governance framework, ensuring that there is an appropriate flow of information between the Group and its subsidiaries.

The delegation of authority framework requires that the Board:

- Confirms and ensures that Netcare is appropriately resourced and that its delegation to management contributes to an effective arrangement through which authority and responsibilities are exercised.
- Ensures that its committees are appropriately constituted and have the appropriate skills and competencies to fulfil their mandates.
- Ensures that its arrangements for delegation within its committees promote independent judgement and assist with balance of power and the effective discharge of its duties.
- Ensures that the appointment of, and delegation to, management contributes to role clarity and the effective exercise of authority and responsibilities.
- Ensures that appropriate systems of internal controls are maintained.



## Board committees

We adhere to the Board committees and membership recommended by King IV, the JSE Listings Requirements and the Companies Act. Formal terms of reference, approved by the Board, specify the responsibilities of each Board committee, with each committee responsible for overseeing specific aspects of governance in greater depth. Board committees ensure that good governance processes are embedded in the Group's business model.

Committee terms of reference are regularly reviewed to align with King IV's governance principles and recommended practices, applicable legislation, listings requirements and, where appropriate, international best practice.

The composition of Board committees and the distribution of authority between the chair and other directors are balanced to prevent dominance in decision-making or undue dependency. Each Board committee is chaired by an independent non-executive director, with certain executives attending meetings by invitation. External and internal auditors attend Audit Committee meetings.

# King IV outcome: effective control continued

## Audit Committee

- Assists the Board to ensure the integrity of the Group's annual financial statements, accounting policies and integrated reporting process.
- Provides the Board with independent and objective assurance on the effectiveness of the Group's internal controls, and governance and risk management systems.
- Oversees internal auditing, financial risk and conflicts of interest management, scope of combined assurance, and the governance, compliance and IT control environments.

**3** scheduled meetings

**100%** independent non-executive directors

Members	Attendance	Membership changes
<b>Chair:</b> B Bulo	3/3	
<b>Member:</b> I Kirk	3/3	
<b>Member:</b> L Stephens	3/3	
<b>By invitation:</b> R Friedland, K Gibson, external and internal audit		<ul style="list-style-type: none"> <li>B Bulo resigned effective 30 September 2025.</li> <li>L Stephens appointed chair effective 1 October 2025.</li> <li>B Mathe appointed committee member effective 1 October 2025.</li> </ul>

## Nomination Committee

- Sets the primary roles and responsibilities of the Board, and oversees the evaluation of the Board, governance committees and individual director performance.
- Determines and monitors the composition of the Board, director independence, director rotation and appointment, and Board succession planning.
- Oversees Executive Committee succession planning and reviews the competence and skills of the Executive Committee and senior management.

**2** scheduled meetings

**100%** independent non-executive directors

Members	Attendance	Membership changes
<b>Chair:</b> A Maditse	2/2	
<b>Member:</b> L Human	2/2	
<b>Member:</b> R Phillips	2/2	
<b>By invitation:</b> R Friedland and N Ndzwayiba		There were no changes to the committee's composition.

## Risk Committee

- Assists the Board in discharging its risk management responsibilities, sets the Group's risk management strategy, policy and plan, and ensures that the Group's risk management framework supports the Group's strategy and business model.
- Ensures there are adequate processes and systems to identify, manage, mitigate and report the Group's top business risks.
- Recommends to the Board where action or improvement is required to mitigate risk.
- Oversees the Group's ethics management, and compliance and IT control environments.

**2** scheduled meetings

**67%** independent non-executive directors

Members	Attendance	Membership changes
<b>Chair:</b> I Kirk	2/2	
<b>Member:</b> B Bulo	2/2	
<b>Member:</b> L Human	2/2	
<b>Member:</b> A Maditse	2/2	
<b>Member:</b> R Friedland	2/2	
<b>Member:</b> K Gibson	2/2	<ul style="list-style-type: none"> <li>B Bulo resigned effective 30 September 2025.</li> <li>A Maditse appointed committee member effective 1 October 2024.</li> </ul>

## Remuneration Committee

- Oversees the development and implementation of the Group's remuneration policy, ensuring that our remuneration practices are responsible, fair and equitable, and externally competitive.
- Sets the financial and non-financial strategic targets of the Group's BSC.
- Determines the remuneration of NEDs and executive directors, prescribed officers and senior management, as well as the average increases for the workforce.
- Recommends for the Board's approval, any material changes to employee remuneration and benefits.
- Oversees the integrity of the remuneration report.

2 scheduled meetings

100% independent non-executive directors

Members	Attendance	Membership changes
<b>Chair:</b> L Stephens	2/2	
<b>Member:</b> L Human	2/2	
<b>Member:</b> I Kirk	2/2	
<b>By invitation:</b> R Friedland and N Ndzwayiba		There were no changes to the committee's composition.

## Social and Ethics Committee

- Oversees and monitors the Group's initiatives to embed an ethical culture, including fair labour practices and human rights.
- Oversees and monitors legislative compliance, including initiatives to manage regulatory change.
- Oversees and monitors initiatives that support good and responsible corporate citizenship (health and safety, social and economic development, learning and development, DEI etc) and environmental sustainability.
- Reviews the governance of NPOs<sup>1</sup> with whom Netcare has a partnership, including the Netcare Foundation.
- Oversees the integrity of the ESG report.

3 scheduled meetings

67% independent non-executive directors

Members	Attendance	Membership changes
<b>Chair:</b> R Phillips	3/3	
<b>Member:</b> A Maditse	3/3	
<b>Member:</b> R Friedland	3/3	• B Mathe appointed committee member effective 1 October 2025.

## Consistency of Care Committee

- Oversees the implementation of the consistency of care strategy, including our quality management systems, clinical governance and initiatives that support safe, high-quality, person centred health and care.
- Monitors clinical risks that could impact our quality and safety outcomes.
- Monitors clinical outcomes, patient experience and patient-reported outcomes.
- Oversees certain strategic employee wellbeing projects and waste management projects.
- Oversees the integrity of clinical outcomes reported in the Group's quality report.

2 scheduled meetings

67% independent non-executive directors

Members	Attendance	Membership changes
<b>Chair:</b> L Human	2/2	
<b>Member:</b> B Bulo	2/2	
<b>Member:</b> A Maditse	2/2	
<b>Member:</b> R Phillips	2/2	
<b>Member:</b> R Friedland	2/2	
<b>Member:</b> A Laubscher	2/2	• B Bulo resigned effective 30 September 2025.

1. *NPOs: non-profit organisations.*  
Note: Board composition at 30 September 2025.



# King IV outcome: effective control continued

## Management committees

The Board delegates to the Executive Committee and senior management the detailed formulation and implementation of Netcare's strategy, as well as the day-to-day management of Netcare. Discussions between the Board and the executive team on governance, risk and operations are appropriately and constructively challenging and hold executive management to account for the interests and expectations of all Netcare's stakeholders.

The delegation of authority framework clearly defines the powers and matters reserved for the Board, and the responsibilities delegated to management via the CEO.

The following operating committees address specific business imperatives and support the Board committees and the Executive Committee.

### Executive Committee

#### Responsibilities:

Leads the implementation and execution of Netcare's strategy, policies and operational planning as well as the shaping of the Group's philosophies and practices.

#### Key activities in FY 2025:

- Monitored the Group's new business development projects and key strategic projects.
- Reviewed the rollout of AI initiatives.
- Monitored the pressures faced by private medical funders.
- Reviewed divisional and operational performance.
- Considered key business risks and related mitigation measures.

### Finance and Investment Committee

#### Responsibilities:

Ensures that capex is managed within budgeted targets and allocated to achieve the most appropriate returns.

#### Key activities in FY 2025:

- Ensured capex met defined hurdles and financial requirements.
- Approved various expansionary and capex projects.
- Reviewed adherence to the Group's transactions approval framework.
- Monitored treasury protocols.
- Reviewed the Group's WACC<sup>1</sup>.
- Approved the Group's treasury policy.

### Combined Assurance Committee

#### Responsibilities:

Coordinates a framework of protocols and persons to provide assurance on top business risks.

#### Key activities in FY 2025:

- Monitored the five levels of assurance model.
- Reported on high-risk issues and the level of assurance provided.

### Working Capital Committee

#### Responsibilities:

Monitors and reviews working capital requirements.

#### Key activities in FY 2025:

- Oversaw working capital targets for FY 2025.
- Monitored economic risks to ensure that the Group is not unduly exposed.

1. WACC: *weighted average cost of capital*.

## Operational Transformation Committee

### Responsibilities:

Guides, monitors, reviews and evaluates the Group's transformation progress, particularly the pillars of the B-BBEE scorecard.

### Key activities in FY 2025:

- Considered and approved the Group's transformation objectives for FY 2025.
- Reviewed progress against the requirements of the dtic Codes and the Group's employment equity plan.
- Reviewed the Group's corporate social investment.

## Environmental Sustainability Committee

### Responsibilities:

Leads the environmental sustainability strategy and oversees key environmental initiatives.

### Key activities in FY 2025:

- Monitored the environmental sustainability programme and performance against targets.
- Reviewed energy, water and waste optimisation opportunities.
- Engaged with key stakeholders on environmental sustainability matters.

## IT Management Committee

### Responsibilities:

Manages IT risk and provides IT-related strategic and governance direction across the business.

### Key activities in FY 2025:

- Assessed the Group's control environment in relation to privacy and information security.
- Monitored the performance of CareOn.
- Monitored the implementation of the HR information management system.
- Oversaw the implementation of strategic and continuous business improvement projects.

## Compliance Committee

### Responsibilities:

Monitors the legislative landscape and assesses the potential impact of new laws and regulations on the Group.

### Key activities in FY 2025:

- Approved the Netcare 2024/25 privacy strategy.
- Engaged regulators on issues of interest.

## Tariff Committee

### Responsibilities:

Provides direction on negotiations with funders.

### Key activities in FY 2025:

- Set annual tariff negotiation mandates.
- Engaged funders on current and future alternative reimbursement models.
- Engaged in value-based contracting negotiations.
- Reviewed restricted network tenders.

## Procurement Committee

### Responsibilities:

Enhances procurement processes and reviews the supplier base, including ethics in the supply chain.

### Key activities in FY 2025:

- Negotiated preferential pricing aligned with bulk purchasing.
- Provided input into the ESD initiatives in support of the various Group entities.
- Oversaw the successful implementation of an automated source-to-contract digital platform.

## AI Committee

### Responsibilities:

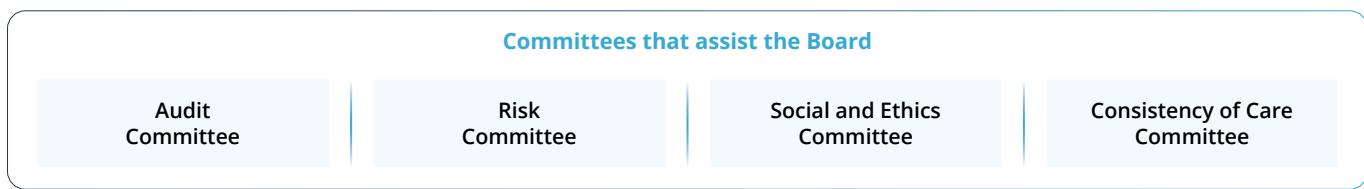
Oversees AI-related investments, ethical use, risk management and alignment with business and IT strategy.

### Key activities in FY 2025:

- Assessed and approved five AI-enabled solutions.
- Established an approval framework for AI initiatives.
- Set AI priorities in line with strategic, operational and value-based considerations.
- Formalised responsibility for effective delivery across relevant teams and business stakeholders.
- Endorsed proposed AI design principles and underlying technology processes.

# King IV outcome: effective control continued

## Governance of risk and opportunity King IV principle 11



**Key Board activities in FY 2025**

**Approved:**

- The Group's top business risks and their rankings.

**Oversaw:**

- The financial performance of the insurance risk management programme.

**Reviewed:**

- Strategies to mitigate risks with a particular focus on the supply of water, availability and quality of skills and cybersecurity.
- The results of financial, risk and governance control assessments, where required, and the related corrective action plans.

**Monitored:**

- The implementation of the major emergency preparedness and readiness project following the Netcare Pretoria East Hospital fire.
- The impact of the NHI Act and other sector regulations on the Group.
- The migration of healthcare services to more cost-effective settings.
- Initiatives to address risks related to the challenging market conditions for private medical funders.
- Initiatives to address risks related to utility cost variability.

*Information and technology governance: [page 28](#)*  
 *Compliance governance: [page 30](#)*  
 *Assurance: [page 33](#)*

**Key outcomes for the Group in FY 2025**

- A risk-aware culture embedded throughout the Group, enabling informed and consistent decision-making within risk tolerance levels.
- An agile risk management framework with the ability to manage multiple risks as well as quickly identify risks and implement mitigation controls.
- Adequate protection against short-term risks to electricity and water supply, and initiatives in place to ensure long-term environmental sustainability and self-sufficiency.

**Board opinion**

The Board is satisfied that the Group's risk management framework is robust and effective, supporting both the business model and strategy. The Board is confident that risk appetite is appropriate, risks are well managed and that it remains well-informed about the Group's top business risks. Existing insurance cover is also considered adequate and appropriate.

**FY 2026 focus areas**

- Keep abreast of any developments:
  - In the funder landscape.
  - Relating to NHI and the Certificate of Need.
  - Relating to legal challenges against new healthcare regulations.
- Review the effectiveness of the Group's clinical cost efficiency programme.
- Ensure robust governance of AI initiatives.

**More information**

- Integrated report.
- ESG report.

*Note: links to reports can be found in the reporting suite.*

## Risk management framework

The Board is responsible for risk governance – ensuring that risks and opportunities are considered in the Group's strategy, are adequately mitigated in line with the Group's level of control and that there is clear accountability for key risks. The Board approves the risk management policy, which aims to protect and grow sustainable value for stakeholders by embedding risk management into strategic decision-making.

The Board ensures that risk management systems and processes align with accepted risk management frameworks and guidelines. The Audit and Risk Committees oversee the implementation of clearly defined processes to identify and manage risks. The Audit Committee provides the Board with independent and objective assurance on the effectiveness of the Group's internal control, governance and risk management systems.

Netcare's risk management framework – embedded in its business activities, decision-making processes and stakeholder engagements – ensures actions taken to achieve the Netcare strategy fall within our risk appetite and tolerance levels. The framework defines how we identify, understand and mitigate risks and realise opportunities.

## Identifying top business risks

Operational and executive management teams across Netcare's divisions identify key business and operational risks<sup>1</sup>. These risks are evaluated based on their impact, likelihood and materiality, the Group's potential exposure (low, medium, high and significant), and the resultant impact on our ability to achieve our strategic priorities. The attention required from the Board and executive teams to manage a risk is also considered.

Working with the Group's leadership and Risk and Audit committees, the risk management team identifies the top business risks for the Group. These risks affect Netcare's strategy,

sustainability and/or intangible assets such as the competence and commitment of our leaders and employees, the competitive strength of our brands and stakeholder perceptions, which collectively determine the health of our reputation. Business risks can be short, medium or long term in nature.

We ensure comprehensive, timely, relevant, accurate, and accessible risk disclosure to stakeholders without compromising privileged or sensitive information.

## Managing risks

Netcare's systems and processes of managing risk consider the following:

- Changes in the external and internal operating context.
- Organisational resilience.
- Nature and potential impact of risks and the likelihood that they may materialise.
- Categories of risks and their impact that are regarded as acceptable.
- Ability to reduce the impact on the business if a risk materialises.
- Effectiveness of our risk response plans.
- Cost of our risk response plans and processes relative to the exposure and benefits obtained.
- Expectations and concerns of key stakeholders.

Top business risks are managed in accordance with our appetite for each risk and in tandem with our strategy, not only to mitigate negative impacts but also to optimise competitive advantage. The Risk Committee reviews and approves the top business risks, which are also presented to the Audit Committee. The top business risks include matters over which Netcare exerts limited influence.

1. *Operational risks are those risks arising from the execution of business functions, including loss due to inadequate or failed internal processes, people and systems. By their nature, operational risks can be mitigated by management's actions.*





# King IV outcome: effective control continued

## Information and technology governance King IV principle 12

### Committees that assist the Board

Audit Committee

Risk Committee

Consistency of Care Committee

### Key Board activities in FY 2025

#### Monitored:

- The Group's digital and data projects and IT imperatives.
- The operation and further development of the Group's EMR<sup>1</sup> platforms.
- Employee training on cybersecurity and POPIA.

#### Reviewed:

- Cybersecurity strategies, disaster recovery plans and data security interventions.

#### Assessed:

- Internal and external verification of cybersecurity controls.
- The need for a cybersecurity survey.

 *Compliance governance: [page 30](#)*

### Key outcomes for the Group in FY 2025

- Core system metrics for performance, uptime and availability exceeded established benchmarks.
- A robust cybersecurity and data protection framework with effective disaster recovery plans.
- Employee engagement with cybersecurity training and awareness programmes was at 92% (FY 2024: 85%).
- No incidents of material data loss from a cybersecurity event.

### Board opinion

The Board is satisfied that information and technology governance is well managed and aligned with business needs and strategy, and that the disaster recovery programme will ensure continuity of critical business operations.

### FY 2026 focus areas

- Oversee:
  - Improvements to the disaster recovery and business continuity programme.
  - The AI governance framework and data governance foundations.
  - Initiatives to strengthen enterprise-wide third-party risk governance and assurance frameworks.

### More information

- Integrated report.
- ESG report.

*Note: links to reports can be found in the reporting suite.*

1. EMR: electronic medical record.

## IT governance structures

Information and technology are integral to all aspects of our business, serving as operational enablers and strategic assets for creating opportunities and gaining a competitive advantage.

The Board, together with the Audit and Risk committees, oversee IT governance and stays updated on our data-related implementations and the operation of the EMR platforms. The following management committees provide oversight on IT governance: the Executive Committee, the IT Management Committee (headed by the chief information officer), the Information Security Management Committee, the POPIA<sup>1</sup> Steering Committee, the Change Advisory Board and the Group Compliance Committee, among others.

The IT Enterprise Architecture Committee is a key component of the Group's IT governance, serving as a forum where senior IT stakeholders align on enterprise-wide architecture decisions and provide direction to IT operations and project teams. Its purpose is to ensure that Netcare derives maximum value from its technical investments into the future.

The Data Council guides the data governance programme, oversees data governance projects and initiatives, approves Group-wide data policies and standards, and provides ongoing support and awareness of data.

## IT governance framework

The IT Management Committee is integral to the IT governance framework. It oversees IT priorities, funding, security requirements and reviews IT risk and opportunity management. Netcare's IT

governance framework covers IT risk and compliance, managing risk exposure to acceptable levels. The framework and IT operating model are measurable, ensuring effective and efficient governance of IT processes and resources, maintaining the integrity, continuity, confidentiality and availability of information in a cost-effective manner.

## Privacy strategy framework

Our privacy strategy and framework safeguard personal information and uphold confidentiality. The POPIA Steering Committee and dedicated working groups oversee the implementation of and ongoing compliance with the framework. Key privacy initiatives and responsibilities are tracked monthly by means of a balanced scorecard, and privacy assessments are conducted every quarter across all divisions. Updates and concerns are provided to the committee. The publicly available Personal Information Management System manual outlines our compliance obligations.

When policy implementations fall short of our standards, we initiate process discussions with relevant teams to resolve inconsistencies. Protection of personal information is reinforced through training and awareness programmes, including orientation for new employees, refresher sessions for existing employees and breach management training, which is also delivered to select third parties. In FY 2025, 98% (2024: 97%) of targeted employees completed their POPIA training. Technical solutions are also in place to mitigate human error. In November 2025, we launched five new privacy breach training videos.

Third-party compliance to our privacy strategy and framework is rigorously monitored and assessed.

1. *POPIA: Protection of Personal Information Act.*





# King IV outcome: effective control continued

## Compliance governance King IV principle 13

### Committees that assist the Board

Audit Committee

Risk Committee

Social and Ethics Committee

Consistency of Care Committee

### Key Board activities in FY 2025

#### Approved:

- The signing of the annual compliance certificate in terms of the JSE Listings Requirements.
- Various compliance policies and standard operating procedures.

#### Reviewed:

- Regulatory developments and case law that may create risk exposure for the Group.
- Material sector litigation matters.
- Incidents of privacy breaches.

#### Oversaw:

- Various strategic partnerships and initiatives to ensure compliance with applicable legislation.
- Engagements with regulators to ensure compliance.

#### Monitored:

- Compliance with licensing requirements across the Group's divisions.
- The automation of POPIA incident reporting; rollout completed by end November 2025.
- Initiatives to improve data privacy control.



Ethics: [page 6](#)

Reporting: [page 16](#)

### Key outcomes for the Group in FY 2025

- No material penalties, sanctions or fines for contraventions of, or non-compliance with, regulatory obligations were incurred during FY 2025.
- 71 (FY 2024: 60) privacy breaches reported to the Information Regulator. 32 have been closed. None pose a material reputational threat to Netcare.

### Board opinion

The Board is satisfied that there are no current or pending legal actions that could materially impact the Group's operations, and that the Group remains compliant with all applicable legislation.

### FY 2026 focus areas

- Implement the King V Code of Corporate Governance.
- Monitor any new developments relating to the amended Companies Act and the HPCSA's AI Guidelines.

### More information

- Integrated report.
- ESG report.

*Note: links to reports can be found in the reporting suite.*

## Compliance framework

All divisions, business units, operational and administrative business areas and subsidiaries are required to comply with all applicable legislation. The Board, with the assistance of various committees, ensures that the Group complies with applicable laws, regulations, codes and standards. Adherence to non-binding rules is considered an integral part of doing business. All Board committees are regularly updated on the Group's underlying policies and processes to govern compliance.

Compliance risk is monitored by the Risk Committee. The Compliance Committee and the Compliance function monitor the legislative landscape and assess the potential impact of new laws and sector developments on the Group, keeping the Board and its committees apprised of material developments. Process changes are delegated to management and must be achieved within defined timeframes. The implementation of changes is overseen by the Compliance Committee and the Compliance function.

We use a risk-based approach to review the Group's policies. Each area conducts an annual governance, compliance, legislative and contractual risk review, and evaluates the regulatory environment impacting the Group and the healthcare sector.

## Litigation and legal

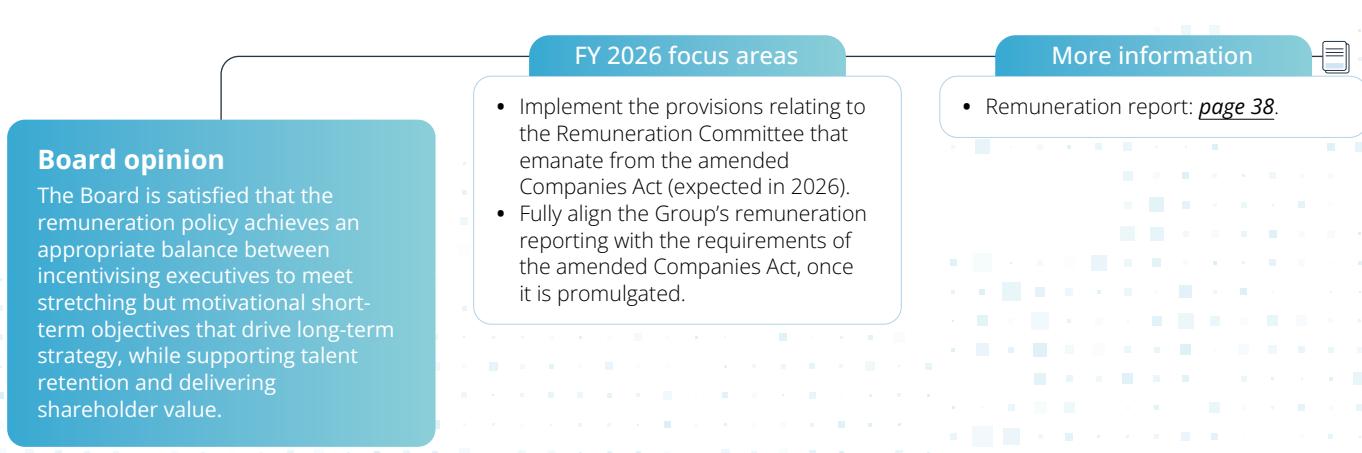
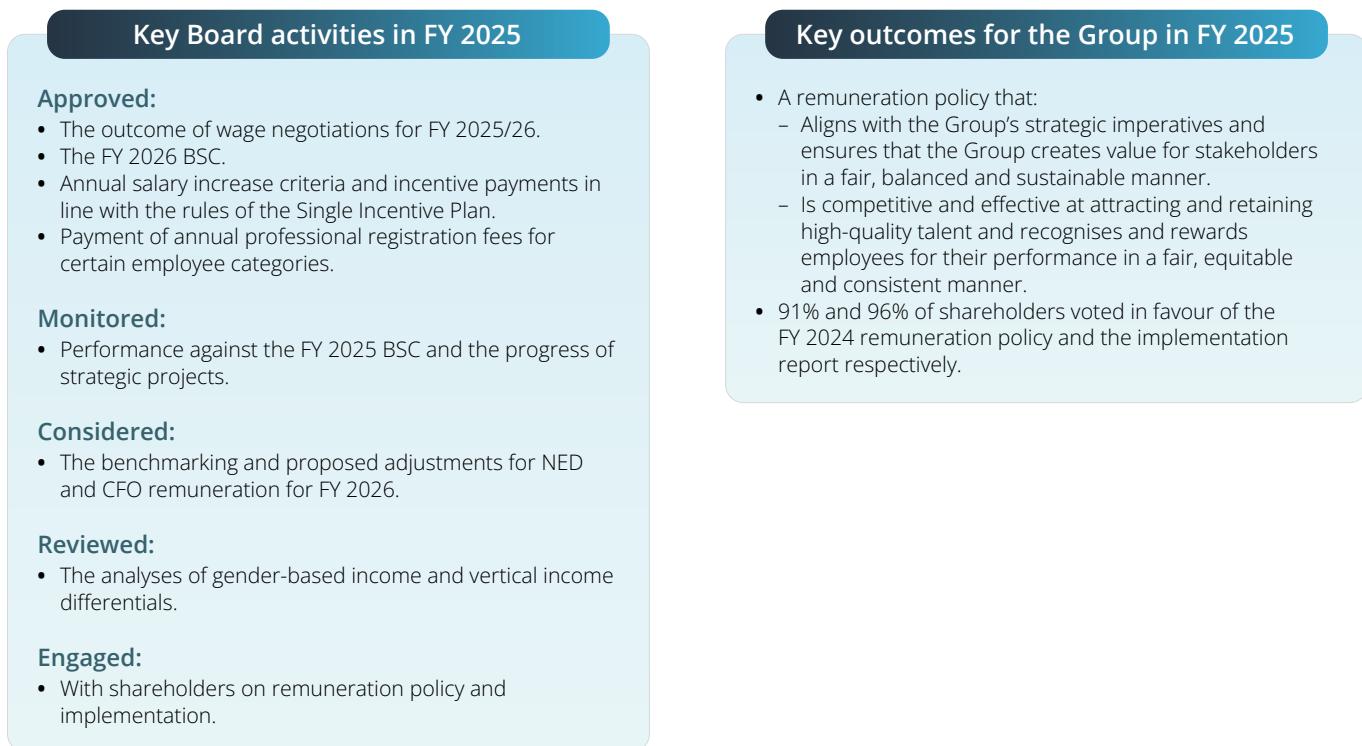
The company secretary, who is also the general counsel, is responsible for overseeing the Legal functions. A Group-wide digital contracts management system manages legal contracts, simplifying their drafting and tracking approval from inception to closure. Detailed legal reports are provided to the Risk Committee and the chair of the Risk Committee reports to the Board on any material legal matters. Although the outcomes of legal proceedings, claims and actions instituted against the Group cannot be predicted, the Group is suitably resourced to manage this process.

The Group's insurance policy insures directors and officers against liabilities they may incur in carrying out their duties.



# King IV outcome: effective control continued

## Remuneration governance King IV principle 14



The Board, assisted by the Remuneration Committee, ensures that executive directors, prescribed officers and employees are remunerated fairly, responsibly, transparently and in line with industry standards, to attract and retain the talent required to achieve the Group's strategy and create sustainable value. The Remuneration Committee engages proactively with shareholders on changes to the remuneration policy and the implementation report.

## Assurance King IV principle 15

### Committees that assist the Board

#### Audit Committee

#### Consistency of Care Committee

### Key Board activities in FY 2025

#### Approved:

- The Internal Audit Charter<sup>1</sup>.
- The risk-based audit plan and the internal clinical audit plan.
- Cybersecurity benchmarking against the NIST<sup>2</sup> framework.
- The audit and non-audit fees of the external auditors.
- Dividend payouts and the continuation of the share buyback programme, ensuring that solvency and liquidity criteria were met.

#### Reviewed:

- Loans, receivables, investments, asset valuations, the quality of earnings and recoverability of deferred taxation assets.
- Reviewed material matters arising from internal and external quality of care assessments and audits against regulations and internal standards.
- The outcomes of the environmental assurance process.
- The combined assurance model to ensure its alignment with King IV.



Reporting: [page 16](#)

### Key outcomes for the Group in FY 2025

- A professional and well-functioning internal audit division that is a trusted advisor to the business.
- The Group's sound financial position and access to sufficient borrowing facilities to meet our funding requirements for the foreseeable future.
- An adequate and effective control environment that supports the integrity of reporting for better decision-making both internally and for stakeholders.
- No key governance or control failures experienced in FY 2025.
- The independent external quality assessment review confirmed that internal audit 'generally conforms'<sup>3</sup> with the IIA<sup>4</sup> Standards and the spirit of the Code of Ethics.

### Board opinion

The Board is satisfied that management remains committed to strong financial performance, carefully balancing price and volume to protect margins and enhance growth. The Board is also confident that the external auditor for FY 2025 is independent, with no non-assurance services provided that could compromise this independence.

### FY 2026 focus areas

- Review:
  - The outcomes of the NIST benchmarking.
  - The outcomes of the gap analysis between the Group's reporting and the ISSB's IFRS S1 (sustainability-related standards) and IFRS S2 (climate change-related standards).
  - The Group governance framework in relation to King V (effective January 2026).

### More information

- Integrated report.
- Annual financial statements.

*Note: links to reports can be found in the reporting suite.*

1. The Internal Audit Charter is approved annually and aligns to the recommendations of King IV and the International Standards for the Professional Practice of Internal Auditing as determined by the Institute of Internal Auditors (IIA).  
 2. NIST: National Institute of Standards and Technology.  
 3. 'Generally conforms' is the highest level of compliance.  
 4. IIA: Institute of Internal Auditors.

# King IV outcome: effective control continued

## Going concern

The annual financial statements are based on appropriate accounting policies and the external auditors independently examine them in accordance with International Standards on Auditing. The Group's annual financial statements have been prepared on a going concern basis.

## Independent external quality assessment review

The International Standards for the Professional Practice of Internal Auditing requires that an external quality assessment of internal audit be conducted at least once every five years by a qualified, independent assessor from outside the organisation. Internal audit underwent its latest independent external quality assessment review during FY 2024 (previous review performed in FY 2019).

## Internal control and internal audit

The Board ensures that an appropriate system of internal controls is maintained to provide reasonable assurance that:

- Netcare's assets are safeguarded and managed.
- Losses from fraud and other illegal acts are minimised.
- Accounting records, financial statements and operating information are accurate, complete and fairly presented.

The Board delegates these responsibilities to the Audit Committee and internal audit assists by providing independent and objective assurance over Netcare's systems of internal controls. The Audit Committee chair meets regularly with management, external audit and internal audit.

Internal audit conducts independent reviews of financial, IT and operational processes and controls using a systematic and disciplined approach, supported by a data analytics tool. These activities not only highlight process improvements but also assure Netcare's stakeholders that the Group operates responsibly.

To ensure independence and objectivity, the head of internal audit reports functionally to the Audit Committee chair and administratively to the CFO. Internal audit has unrestricted access to all company records and employees, including the CEO, the Board chair and the chair and members of the Audit Committee.

The internal audit team is qualified and experienced, with all members holding at least a Bachelor of Commerce degree. The majority have completed SAICA<sup>1</sup> articles. All team members sign an annual Code of Ethics and Professionalism declaration based on the Global Internal Audit Standards.

## Combined assurance

Our combined assurance model is underpinned by the delegation of authority framework, aligned to King IV, and designed to effectively address the Group's key risks and material matters through a combination of the five levels of assurance outlined below.

### Level 1 assurance

Assurance provided to the Board by its governance committees.

Audit Committee	Nomination Committee	Risk Committee	Remuneration Committee	Social and Ethics Committee	Consistency of Care Committee
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### Level 2 assurance

#### Non-independent internal assurance providers

Line management, including elements of strategy implementation, performance measurement and continuous monitoring mechanisms.

#### Management

- Accountable to the Board for identifying and assessing risks.
- Responsible for developing, implementing, maintaining and reporting on the internal policies and control procedures to mitigate identified risks, without compromising the Group's ability to achieve its strategic priorities.
- Submits quarterly statements of assurance to the Executive Committee.
- All major divisions, business units and operational and administrative business areas conduct at least three management self-assessments each year. The results are reported to the Audit Committee. The self-assessment process enhances overall risk management practices and supports a culture of ownership over internal control procedures.

1. SAICA: South African Institute of Chartered Accountants.



## Level 3 assurance

### Non-independent internal assurance providers

Specialist functions independent from management, which facilitate and oversee risk management and compliance.

#### Risk Management function

- Acts as the custodian of the risk management policy and plan.
- Coordinates risk management activities throughout the Group, including reporting to the Risk Committee.
- Benchmarks the systems and processes of risk management against local and international standards and best practices.

#### Quality assurance reviews

- All Netcare facilities and services are reviewed against comprehensive clinical quality and risk management criteria. Facility, divisional and Group level reports highlight any high-risk areas.
- Independent subject matter experts conduct verification reviews. A standardised tool is used, which incorporates the NDoH's<sup>1</sup> Core Standards, criteria from the OHSC<sup>2</sup> Private Hospital Inspection Tools, Netcare's additional standards, and specific criteria based on trends and risks identified by quality outcomes data. Risk-based policies and standard operating procedures support quality assurance.

#### Data Council

- Prioritises data initiatives and implements Group-wide data definitions and standards of critical datasets to ensure data integrity and continuous data monitoring.

#### Clinical Data Council

- Coordinates the collection of clinical data across all divisions, ensures that clinical data collection, reports and analyses align, and ensures the accuracy and completeness of datasets.

## Level 4 assurance

### Independent internal assurance

Independent internal assurance providers.

#### Internal audit

- Provides independent and objective assurance to the Audit and Consistency of Care committees on the effectiveness of internal control and risk management systems and recommends improvements.

1. NDoH: National Department of Health.  
2. OHSC: Office of Health Standards Compliance.

# King IV outcome: effective control continued

## Level 5 assurance

### Independent external assurance

Independent external assurance providers.

#### British Standards Institution

- Conducts annual surveillance audits on sample facilities across all divisions to ensure Netcare remains compliant with the ISO 9001:2015 certification standards.

#### Office of Health Standards Compliance

- Audits our facilities on their compliance with the NDoH's Core Standards. Compliance certificates are valid for four years.

#### B-BBEE

- Empowerdex verifies the Group's B-BBEE scorecard and rating.

#### Environmental sustainability

- Verify CO<sub>2</sub> provides limited assurance on the Group's energy, carbon footprint, waste generation and water usage<sup>1</sup>.
- The Green House provides limited assurance on the Group's Scope 3 emissions.
- Talbot and Talbot provides limited assurance on Netcare's CDP disclosures.

#### Deloitte & Touche

- Audits our annual financial statements.

*Note: not all assurance providers are covered in the table.*

### Combined Assurance Committee

The Combined Assurance Committee assesses the skills and experience of assurance providers as well as the nature and extent of the assurance work provided. The committee meets twice a year (or as required) and reports to the Audit Committee. The Audit Committee chair approves the Combined Assurance Committee's terms of reference.

1. Verification is performed in accordance with the principles of the WBCSD/WRI GHG Protocol Corporate Accounting Standard, 2nd Edition, 2004 and ISO 14064-3 (2006).



# King IV outcome: legitimacy

## Stakeholder inclusion King IV principle 16

Committees that assist the Board			
Risk Committee	Remuneration Committee	Social and Ethics Committee	Consistency of Care Committee
<b>Key Board activities in FY 2025</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p><b>Monitored:</b></p> <ul style="list-style-type: none"> <li>Initiatives to improve the quality and adoption of Care reports, which provide patients with information relating to their care at Netcare.</li> <li>Progress of enhancements to the Netcare App.</li> <li>The continued rollout of the Care4YOU Programme across the Group to embed a culture of compassion.</li> <li>The continued progress on areas of improvement identified in the FY 2022 employee engagement survey.</li> <li>Engagement with private medical funders on the Group's clinical efficiency initiatives.</li> <li>The outcomes of evidence-based engagement with doctors on costs per event.</li> <li>Engagement with regulators and sector and business associations on employment equity, the nursing shortage, the NHI Act and UHC<sup>1</sup>.</li> </ul> <p><b>Reviewed:</b></p> <ul style="list-style-type: none"> <li>The results of patient feedback surveys and initiatives to improve patient experience in the Hospital Division.</li> <li>The results of healthcare practitioner engagement surveys (Netcare Akeso and Netcare Medicross).</li> <li>The results of the Top Employer survey.</li> <li>Engagements with various ESG rating agencies.</li> <li>The stakeholder engagement policy.</li> </ul> </div> <div style="width: 45%;"> <p><b>Key outcomes for the Group in FY 2025</b></p> <ul style="list-style-type: none"> <li>Improved PFS and nurse compassion scores.</li> <li>Improved adoption of Summary of Care reports among the Hospital Division's patients.</li> <li>Phase 2 of the Netcare App successfully launched.</li> <li>Recognised as a Top Employer in SA's healthcare sector for 2025.</li> <li>Completed Phase 1 of MyNetCareer, the HR function's digital platform, which was supported by change management.</li> <li>Doctor onboarding on the Big Data platform.</li> <li>Released 2 063 PCI<sup>2</sup> reports to doctors (FY 2024: 2 025<sup>3</sup>).</li> <li>98.0% of healthcare practitioners across six divisions were credentialled (FY 2024: 96.7% in six divisions).</li> </ul> </div> </div>			
<b>FY 2026 focus areas</b> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <ul style="list-style-type: none"> <li>Monitor efforts to retain doctors.</li> <li>Review the Group's stakeholder engagement plan.</li> </ul> </div> <div style="width: 45%;"> <p><b>More information</b></p> <ul style="list-style-type: none"> <li>Integrated report.</li> <li>ESG report.</li> </ul> <p><small>Note: links to reports can be found in the reporting suite.</small></p> </div> </div>			

**Board opinion**  
The Board is satisfied that the Group's stakeholder engagement strategy is appropriate and effective, and supports Netcare's strategy and ESG imperatives.

**Approach to stakeholder engagement**  
The Board ensures effective stakeholder management by delegating responsibility for proactive, ethical and transparent engagement to management. Relationship owners are responsible for ensuring engagement with stakeholders is effective, inclusive, sufficiently frequent and aligned with strategic priorities. Key issues raised by stakeholders are escalated to the Board through the Executive Committee.

We have mechanisms in place for stakeholders to voice their concerns, needs and expectations. We prioritise stakeholder groups that have the greatest impact on the Netcare strategy, aligning our engagement with their needs, expectations and interests as well as with our top business risks and priorities.

1. UHC: universal healthcare.

2. PCI: personalised clinical information tools that support one-on-one engagement with doctors.

3. Restated from 3 906 reported in FY 2024.

# 02

## REMUNERATION REPORT

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# Remuneration Committee chair review



Dear shareholders,

I am pleased to present the Netcare Group remuneration report for the financial year ended 30 September 2025 (FY 2025) on behalf of the Remuneration Committee. This report provides readers with information on the Group's performance against FY 2025 targets and sets out the financial and strategic non-financial targets for the financial year ending 30 September 2026 (FY 2026), which are aligned with Netcare's long-term strategy. It provides a holistic view of our fair, transparent and responsible remuneration philosophy and practices, designed to deliver sustained value for our stakeholders. The report also details the key decisions made by the Remuneration Committee during the year under review.

Ms Louisa Stephens

Key features of Netcare's remuneration report:

- Alignment with the principles and recommended practices of King IV.
  - **Part 1:** an overview of the Remuneration Committee's oversight role, the key decisions made in FY 2025 on executive remuneration and engagement with shareholders.
  - **Part 2:** an overview of the SIP<sup>1</sup> and the financial and strategic non-financial targets for FY 2026.
  - **Part 3:** an overview of how the remuneration policy has been implemented for FY 2025.
- Compliance with JSE Limited Listings Requirements.
- Fulfilment, to the extent applicable, of the requirements of the Companies Act.
- Request for shareholder support through a non-binding advisory vote on both the remuneration policy and implementation report.
- Inclusion of feedback from shareholder engagement on remuneration matters.
- Clear articulation of Netcare's approach to fair and responsible remuneration.

The Remuneration Committee has exercised its responsibility of ensuring that Netcare maintains a strong link between performance and remuneration. By so doing, the committee guarantees that the remuneration policy and practices for executives and senior management are aligned with the delivery of the Group's short-, medium- and long-term strategies, creating value for stakeholders in a fair, balanced and sustainable manner.

Despite a challenging macroeconomic and competitive environment, Netcare delivered robust financial results and achieved all key operational and strategic objectives. Performance was underpinned by resilient demand for private healthcare services and the continued benefits of the Group's digital transformation and data management strategy, which led to improved operational efficiency, enhanced quality of care and sustainable margin expansion.

In FY 2025, total paid patient days increased by 0.7%<sup>2</sup> and Group revenue increased by 4.5% compared to prior year. Ongoing efficiency initiatives, supported by digital enablement and prudent cost management, along with lower strategic costs, resulted in excellent operating leverage and an 11.3% increase in normalised operating profit<sup>3</sup>.

Most financial and non-financial strategic performance metrics were met and/or exceeded (see page 57).

1. *SIP: Single Incentive Plan.*

2. *Excluding Netcare Pretoria East Hospital.*

3. *This report discloses certain normalised financial information that excludes exceptional items.*

# Remuneration Committee chair review continued

## Overview of Group performance for FY 2025

### Financial metrics

#### Normalised EBITDA<sup>1</sup> margin

**18.6%**

FY 2024: 18.0%

#### Adjusted HEPS<sup>2</sup>

**137.2 cents**

FY 2024: 113.7 cents

#### ROIC<sup>3</sup>

**12.6%**

FY 2024: 11.7%

#### Cash conversion ratio

**111.3%**

FY 2024: 96.5%

### Non-financial strategic metrics

Achieved **92.4%** of all elective surgical cases booked through the **theatre resource planning tool**, resulting in more comprehensive clinical information included in the Summary of Care reports.

Implemented **four predictive AI algorithms** that inform clinical decision-making at the bedside with improved quality, safety and efficiency of care, exceeding the outperform target of three predictive models.

Added **ten new data domains** to the existing six aimed at enriching Netcare's Big Data analytics platform to facilitate clinical efficiency.

Established **six self-sustaining satellite business units** with direct access to Netcare's Big Data analytics platform to identify, plan and monitor data driven improvement opportunities and support clinical research.

**Exceeded all environmental sustainability targets** resulting in further reductions in year-on-year carbon emissions, HCRW<sup>4</sup> and general waste diversion from landfill, and increased recycled water with a corresponding reduction in freshwater consumption.

Improved representation of black people in senior management, reduced labour turnover and identified talent that can transition within a period of 12 to 24 months for 83.1% of executive (F band) to management (D band) levels.

1. EBITDA: earnings before interest, tax, depreciation and amortisation.

2. HEPS: headline earnings per share.

3. ROIC: return on invested capital.

4. HCRW: healthcare risk waste.



## Assurance and integrity of disclosure

The Remuneration Committee is committed to ensuring that the information disclosed in this report is accurate and supports effective stakeholder decision-making. To uphold the integrity of the report, the combined assurance model has been applied, involving management and internal and external assurance providers:

- Financial results were externally audited by Deloitte & Touche.
- Transformation and diversity metrics were externally audited by Empowerdex, a SANAS-accredited B-BBEE1 verification agent.
- Internal audit reviewed the Group BSC2 and a sample of Executive Committee BSCs, confirming their accuracy.
- The report was prepared by executives and approved by the Remuneration Committee.

## Gratitude to our people

The Remuneration Committee extends its gratitude to management and all Netcare employees, whose dedication to person centred, quality health and care drives Netcare's strategic priorities. Their efforts have culminated in these excellent outcomes for patients, the workforce, shareholders, suppliers and society.

Netcare places its employees and their wellbeing at the centre of its strategy, focusing on cultivating a positive, engaging experience and nurturing a diverse, inclusive and compassion-centred organisational culture that is supportive, welcoming and unleashes the potential of all our people. We strive to provide meaningful work that supports both personal and professional development.

In FY 2025, Netcare received Top Employer certification, a global benchmark, affirming the international comparability of our people policies, processes and practices. The launch of the first phase of the HR digital platform leverages modern technology and AI to improve operational efficiency, enable data driven decision-making and enhance overall employee engagement. These efforts, including our continued investment in the development of our people, DEI<sup>3</sup> and belonging, compassion-based Care4YOU training and gratitude cards<sup>4</sup>, among many initiatives, are yielding positive results. Overall voluntary labour turnover declined to 7.8% (FY 2024: 12.9%) and to 12.7% for nursing (FY 2024: 16.8%), indicating improved employee retention. Netcare was also voted as the employer of choice in private healthcare by students across SA's higher education institutions, affirming our brand strength and position in a scarce skills market.

## Executive remuneration overview for FY 2025

The Group's strong performance resulted in a BSC outcome of 135.4% out of a possible 150.0%. Under the SIP, both the Netcare Group and each executive must achieve at least 60% on their divisional and/or individual BSC to qualify for an incentive – these performance thresholds were met. Accordingly, the committee approved incentive payments based on performance condition approved at the 2024 AGM, with minor adjustments to the BSC outcomes of selected executives and employees to align with Group strategic goals that were revised in response to market conditions and changes in management teams.

### % of earnings before interest and tax

The approved SIP incentive amounted to **5.7% of EBIT**  
– well within the prescribed cap of 8% of EBIT.

### Shares awarded

The number of deferred shares awarded (**0.13%**)  
was below the 1% cap of total issued shares  
prescribed in the SIP.

The incentive will be settled in cash (33%) and deferred shares (67%), in line with the SIP rules. The deferred shares vest over five years for executives.

Executives are required to maintain minimum shareholding requirements (see page 54) to ensure alignment with shareholder value and exposure to Netcare share price performance, while offering them a competitive value proposition.

## Closing

The Remuneration Committee believes that the remuneration policy achieves a fair balance between rewarding executives for achieving stretching but motivational short-term objectives linked to long-term strategy, supporting talent retention and delivering shareholder value. The remuneration policy and implementation report will be presented for approval at the AGM on 6 February 2026.

### Ms Louisa Stephens

Remuneration Committee Chair

1. B-BBEE: broad-based black economic empowerment.

2. BSC: balanced scorecard.

3. DEI: diversity, equity and inclusion.

4. Gratitude cards enable patients and families to thank Netcare's employees for displaying compassion.

# Part 1: background

## Role of the remuneration committee

The primary responsibility of the Remuneration Committee is to ensure that the remuneration policy, practices and arrangements for executive directors and executive leadership are aligned with Netcare's short-, medium- and long-term strategies and performance objectives; and that these deliver shareholder value in a fair, consistent and sustainable manner. The committee ensures that a strong link is maintained between pay and performance in line with the approved Group remuneration policy. Accordingly, it considers, approves and reviews performance against annual financial and non-financial strategic targets that support long-term strategy, ensuring that superior performance is rewarded in line with stakeholder expectations. Concurrently, it ensures that the remuneration policy is effective at attracting and retaining talented people and motivating senior executives to deliver superior results and drive Netcare's long-term growth and success.

In addition, the committee reviews the remuneration of the Board chair, Board directors and related Board subcommittees, proposing fee adjustments to shareholders for approval at the AGM. It also reviews and recommends any material changes to employee remuneration and benefit structures to the Board for approval, ensuring that the Group's remuneration practices remain responsible, internally equitable and externally competitive.

The committee is dedicated to straightforward, comprehensive and transparent remuneration reporting, with a commitment to continuous improvement. It reviews and approves remuneration disclosures in the integrated reporting suite as well as any other disclosures required by King IV, the Companies Act and the JSE Listings Requirements. The committee also considers the results of the non-binding votes on the remuneration policy and the implementation report, and responds meaningfully to shareholder feedback.

## Committee composition

The Remuneration Committee is duly constituted in accordance with the JSE Listings Requirements and King IV. For the year under review, it comprised the following independent non-executive directors:

- Ms L Stephens (appointed to the committee on 1 January 2023 and as the committee chair from 2 February 2024).
- Ms L Human (appointed to the committee on 1 January 2023).
- Mr I Kirk (appointed to the committee on 1 January 2024).

Following the appointment of Ms L Stephens as chair of the audit committee on 1 October 2025, a new Remuneration Committee chair will be appointed in FY 2026.

All Netcare Board members are entitled to attend committee meetings as observers. The company secretary acts as the secretary of the committee. The CEO<sup>1</sup>, CFO<sup>2</sup> and director for HR and transformation, as well as external advisors, may be invited to attend committee meetings as appropriate. No member of the Executive Committee is permitted to attend meetings that relate to their own remuneration outcome.

## Key decisions of the remuneration committee in FY 2025

The Remuneration Committee met twice during the year to provide strategic guidance and approvals.

### Salary adjustments

Approved salary increases above CPI<sup>3</sup> for employees in non-managerial roles. Executive Committee members and senior managers received varying CPI-linked salary increases. This intentional approach – lower increases for executives and senior managers – reflects Netcare's ongoing commitment to progressively narrowing the income gap between the Group's highest and lowest earners.

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### Nursing and critical skills

Approved higher salary increases and skills allowances for nurses than non-nursing employees. Qualified registered nurses working in high care and ICU<sup>4</sup> and nurses in theatre, recovery, maternity and emergency department received higher increases. Skills allowances for nurses in scarce and critical specialist roles were also increased as were meal allowances across the board.

### Professional registration fees

Approved payment of annual SANC<sup>5</sup> professional registration fees for all practising nurses employed by Netcare and the annual HPCSA<sup>6</sup> professional fees for certain permanent employees in emergency services and permanent dental assistants.

1. CEO: chief executive officer.

2. CFO: chief financial officer.

3. CPI: consumer price index.

4. ICU: intensive care unit.

5. SANC: South African Nursing Council.

6. HPCSA: Health Professions Council of South Africa.

### Wage negotiations

Approved the mandate and outcome of wage negotiations for FY 2025/26. For the fourth consecutive year, wage negotiations were successfully concluded, reaching agreement on terms and conditions of employment with all three recognised trade unions, without disputes. To promote fairness and enhance pay parity, the same wage increments and terms and conditions agreed with the trade unions were extended to other employees in non-bargaining units.

### Companies Act amendments and income gap review

Considered the amendments to the Companies Act relating to remuneration. Although the effective date of sections 30A and 30B is pending, the committee reviewed vertical income gaps, finding that the remuneration earned by the top 5% is 9.6 times that of the bottom 5% impacted by higher incentives earned in FY 2025. The committee will continue to monitor developments.

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### Executive remuneration benchmarking

Reviewed the outcome of executive director remuneration benchmarking, confirming that both the CEO's and CFO's salaries compare well to sector and industry benchmarks. Executive director remuneration is benchmarked every two years.

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### Non-executive directors' remuneration

Proposed CPI-linked adjustments to NED<sup>1</sup> remuneration for FY 2026, to be presented for approval at the next AGM.

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### Performance incentives

Reviewed and approved the Group BSC performance for FY 2025 as well as the BSC performance of each Executive Committee member. Based on achievements against targets, the committee approved the award of incentives in line with the rules of the SIP.

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### Strategic targets for FY 2026

Considered and approved the financial and non-financial strategic BSC targets for FY 2026, incorporating shareholder feedback received on the FY 2025 remuneration policy and implementation report.

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1. NED: non-executive director.





# Part 1: background continued

## Shareholder engagement

To ensure comprehensive and transparent remuneration reporting that meets shareholder expectations, the chair of the Remuneration Committee and certain Executive Committee members met with shareholders in November 2024 and January 2025 to discuss Netcare's remuneration policy and report. Shareholders provided valuable feedback, set out below, to which the committee has given due consideration. The Remuneration Committee is satisfied that it has responded comprehensively to shareholder feedback and expectations.

Shareholder feedback	Remuneration Committee response
Shareholders requested disclosure of the WACC <sup>1</sup> used in the BSC targets for FY 2025 to provide clarity on the benchmark applied.	WACC for FY 2025 was 12.0%. Final approved WACC for FY 2026 is 11.6%.
Shareholders enquired about the underlying individual Executive Committee BSCs.	Disclosing the BSCs for each executive is not feasible. Executive BSCs are reviewed and approved by the Remuneration Committee annually, and are linked to Group and divisional strategic priorities. They are also measured against the Netcare Litmus Test. As such the financial and non-financial strategic metrics are designed to drive: <ul style="list-style-type: none"><li>• Growth above the market.</li><li>• A differentiated service offering.</li><li>• Margin growth and improved returns.</li><li>• Increased embedded value of Netcare's offering.</li><li>• Transformation and employee engagement.</li></ul>
Shareholders were comfortable with most targets for FY 2025, although some queried the adjusted HEPS target, which they believed did not correlate with the target for EBITDA margin.	For FY 2025, a normalisation of the effective tax rate to a level above both the South African corporate tax rate of 27% and the Group's FY 2024 effective tax rate is anticipated. In addition, despite two 25 basis point interest rate cuts in September and November 2024, overall interest rates remain elevated, continuing to impact finance costs.
Shareholders enquired as to why the threshold target (base case) for EBITDA margin was 18.0%, when strategic costs were set to decline significantly in FY 2025, which would also include a full 12 months of benefits from Netcare's strategic initiatives.	Margins remain a key focus and priority for Netcare. While we continuously strive to enhance efficiencies and improve margins, the operating environment presents ongoing challenges. Limited growth in insured lives and the continued migration of existing members to lower-cost, restricted network plans create structural pressures. Despite these challenges, we have successfully retained patients within designated service provider networks, even in cases where we do not have preferred provider status. However, the broader industry trend of funders driving the implementation of lower-cost models continues to impact volume growth, which in turn affects overall margins.
Given her role as the Audit Committee chair and involvement in the Risk and Consistency of Care committees, shareholders inquired about succession planning for Ms Bokelwa Bulo, who retired from the Board at the end of September 2025.	Ms Busisiwe Mathe was appointed to the Netcare Board, effective 1 October 2025 and is a member of the Audit Committee. Louisa Stephens was appointed chair of Audit Committee, effective 1 October 2025.
Shareholders requested clarity on why Growthpoint and Redefine were included in the benchmarking comparator group for both NED and CFO remuneration.	It is exceptionally challenging to find companies against which to compare Netcare within SA's private healthcare sector, especially since the delisting of Mediclinic, leaving Life Healthcare as the only comparator. Even though it is in the health value chain, we removed Discovery as a comparator due to its growing complex global structure and different business sectors. To rebalance the comparator group and given the size of Netcare's property portfolio, Growthpoint replaced Mediclinic and Redefine replaced Vukile. Other indicators for Growthpoint and Redefine, such as market capitalisation, revenue, assets and headcount are also more comparable to Netcare.

1. WACC: weighted average cost of capital.

## Shareholder feedback

While still pleasingly high, shareholders wanted to know why on-target metrics for cash conversion had been reduced and what expenditure this primarily related to.

Given the importance of clinical specialist recruitment, shareholders enquired why this metric had been removed from the FY 2025 BSC.

Shareholders requested clarity on the new metric relating to the digital booking of theatre cases and how this improves patient outcomes and experience.

Shareholders asked for information about Netcare's predictive clinical models and the way in which satellite business units will be self-sustaining.

Shareholders wanted to know the nature of the challenges that detrimentally affected the Group's ability to meet its FY 2024 water savings targets for the Hospital Division.

Shareholders noted that the 2030 environmental sustainability strategy baselines had been reset to FY 2023. They asked whether this meant that the goals for the 2030 environmental sustainability strategy had changed.

Shareholders asked whether labour turnover had slowed down, after having increased sharply in FY 2024 driven in part by financial pressures and changes to pension fund legislation (Two-Pot Retirement System).

## Remuneration Committee response

An overperformance in one year (eg very strong debtor collections on the last day of the financial year) can result in a cash conversion ratio above 100%. However, in such instances the working capital cash conversion cycle is negatively impacted in the following year. To address this, we opted to retain what we believe are very high targets, while allowing for some flexibility to accommodate factors beyond our control, such as the timing of funder pay runs.

Clinical specialist recruitment remains a top priority for Netcare, and we remain committed to attracting and retaining top medical talent to enhance patient care and drive sustainable growth. While no longer an item within the Group BSC, clinical specialist recruitment has been embedded within divisional BSCs, ensuring that each hospital, both acute and mental health, is fully accountable for achieving recruitment targets. This approach enables more focused and operationally driven execution, maintaining clear accountability at the hospital level for clinical specialist recruitment.

This metric refers to our partnership with doctors to ensure full adoption of our digital platform, specifically CareOn (Hospital Division). The digital theatre resource planning tool captures data used to produce a digital discharge summary (Summary of Care report), which is provided to patients upon discharge, empowering them to become more actively involved in their health and care. The information provided in the Summary of Care report can also be shared with other healthcare practitioners involved in current or future care episodes, ensuring a continuum of care and contributing to better clinical outcomes.

Having completed the digitisation phase of the Netcare strategy, our focus is now on harnessing data from our digital platform to ensure better and safer patient care. Predictive algorithms are applied to real-time clinical data to alert doctors to risks before they become clinically detectable, supporting timely interventions and improving the safety and quality of care.

The data and AI driven phase of the Netcare strategy leverages a world class analytics platform that structures our data and makes it accessible to Netcare's clinical teams and doctors for their analysis. Each self-sustaining business unit has a designated subject matter expert as lead user, responsible for extracting and analysing the unit's data. Once training is completed, a business unit is classified as self-sustaining when the lead user runs one or more queries monthly and assists other members in using the platform to run their own queries about clinical efficiency and outcomes.

SA experienced higher than normal ambient temperatures in FY 2024, resulting in HVAC<sup>1</sup> equipment operating at higher loads. Many HVAC systems use water in their cooling towers. We also identified water leaks at some facilities. This has since been resolved through the implementation of a leak detection procedure. Despite increased consumption in the Hospital Division in FY 2024, overall Group water consumption decreased from 426 litres per bed per day to 416 litres.

The targets remain fully aligned with the 2030 objectives set in FY 2021. The adjustments were made to reflect the progress made between FY 2021 and FY 2023. For example, a 20% reduction in water consumption was set for achievement by 2030. By FY 2023, the Group had already achieved a 15% reduction in litres of water consumed per bed per day. With the baseline reset in FY 2023, the new target is the remaining 5% reduction (ie 20% -15%).

Labour turnover is normalising and continues on a downward trend, driven by more aggressive education and awareness initiatives about the Two-Pot Retirement System as well as other employee engagement initiatives that are being rolled out across the Group.

1. HVAC: heating, ventilation and air-conditioning.

# Part 1: background continued

## Non-binding advisory votes

	2024 AGM			2023 AGM		
	Votes in favour	Votes against	Abstentions	Votes in favour	Votes against	Abstentions
Remuneration policy (%)	<b>91.0</b>	<b>9.0</b>	<b>0.01</b>	91.9	8.1	0.1
Implementation report (%)	<b>95.8</b>	<b>4.2</b>	<b>0.01</b>	91.8	8.2	0.1
NED remuneration (%)	<b>98.6</b>	<b>1.4</b>	<b>0.01</b>	94.4	5.6	0.1

Both the remuneration policy and implementation report for FY 2025 will be presented for separate non-binding advisory votes from shareholders at the AGM to be held on 6 February 2026. The related resolutions are set out in the 2025 AGM Notice.

Should the remuneration policy and/or implementation report be voted against by 25% or more of the voting rights exercised at the 2025 AGM, we will engage with shareholders to fully understand the reasons for dissenting votes and to address legitimate and reasonable objections raised.

## Board approval

The Remuneration Committee reviewed and approved the remuneration report on 12 December 2025.



# Part 2: remuneration policy

Subject to non-binding advisory vote at the AGM to be held on 6 February 2026

FY 2025 marks the first year of implementing the Netcare SIP policy on a normalised basis. This follows a three-year period (FY 2022 to FY 2024) during which the on-target percentage was enhanced to address the gap created by the deferral and subsequent cancellation of Forfeitable Share Plan 4, a consequence of the COVID-19 pandemic. From now on, the SIP will no longer include catch-up awards.

The SIP offers a competitive value proposition designed to attract, retain and motivate high-performing executives to deliver Netcare's long-term strategy. The policy allows for the setting of stretching yet realistic annual performance targets in a dynamic and challenging macroeconomic environment. These targets are comprehensive, encompassing both financial and non-financial strategic objectives, and are structured to align the Group's annual performance, executive incentives, shareholder value creation and stakeholder expectations. The SIP combines STIs<sup>1</sup> (cash paid to executives and managers based on their weighted average performance) and LTIs<sup>2</sup> (value provided through earned deferred shares). This structure supports employee retention in a scarce skills environment and strengthens the link between employee reward and Netcare's share price, aligning employees' interests with long-term value creation and the Group's success.

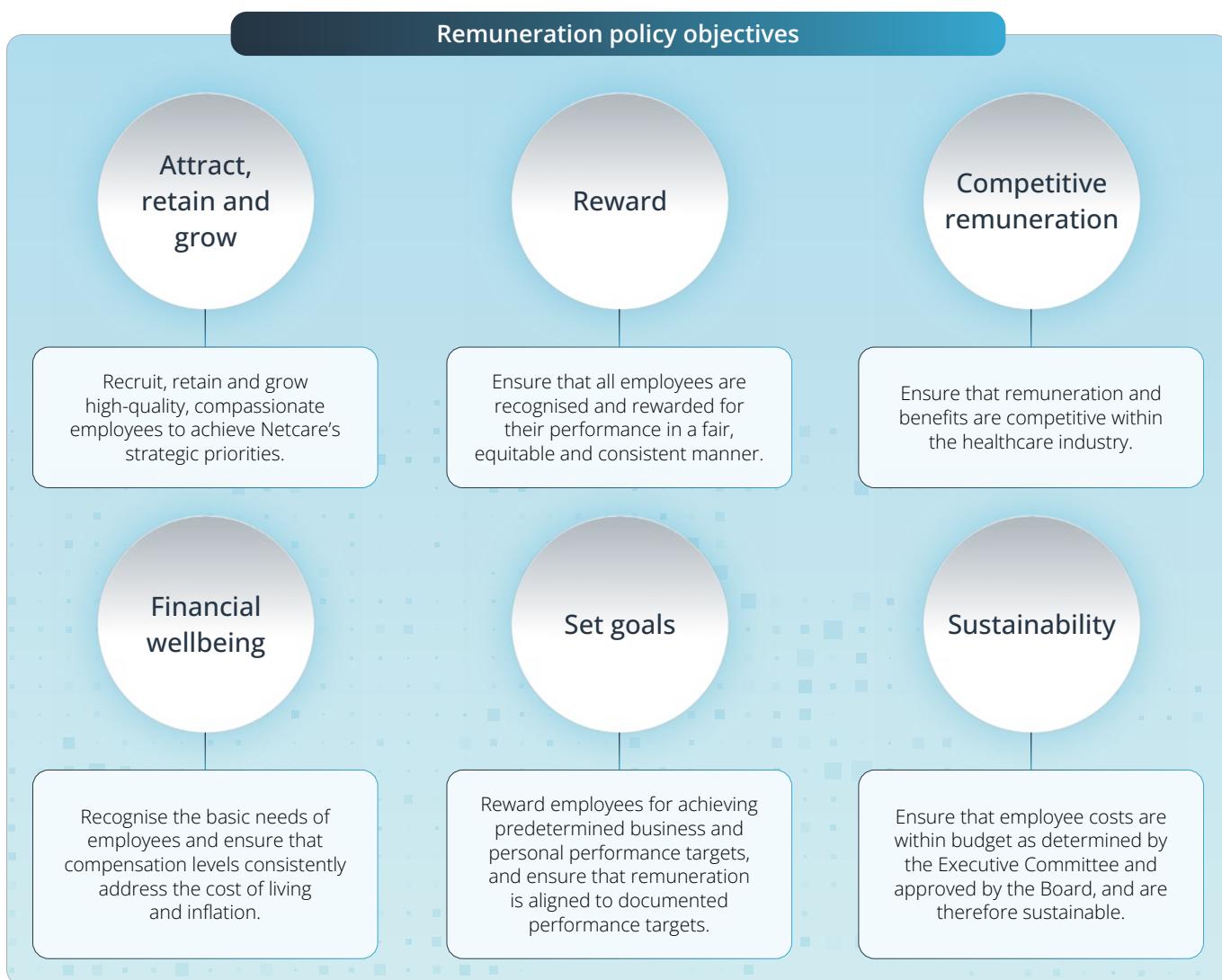
The SIP is externally benchmarked to drive and reward a high-performance culture that supports Netcare's strategy of providing person centred health and care that is digitally enabled and data and AI driven and underpinned by the following strategic priorities.

 <p><b>Consistency of care</b> Consistently excellent services and the best and safest person centred care.</p>	 <p><b>Disruptive innovation</b> Medical technologies, digitisation, data and AI solutions that benefit our patients and business.</p>	 <p><b>Transformation of society</b> Investing in our people and communities.</p>
 <p><b>Organic growth</b> Strategic engagements with doctors and private medical funders, maintaining the quality of our facilities and new products and services to promote sustainable and inclusive access to healthcare.</p>	 <p><b>Integration</b> Synergistic partnerships between all divisions and functions within the Netcare ecosystem.</p>	 <p><b>Investment</b> Creating economic value and optimising capacity utilisation.</p>
	 <p><b>Environmental sustainability</b> Responsible and efficient management of natural resources.</p>	

The remuneration policy aims to achieve a fair balance between a competitive annual guaranteed package and incentive remuneration. It also includes minimum shareholding requirements (see page 54) and malus and claw-back provisions (see page 54) to mitigate the risk of adverse events that could materially harm Netcare and/or its stakeholders.

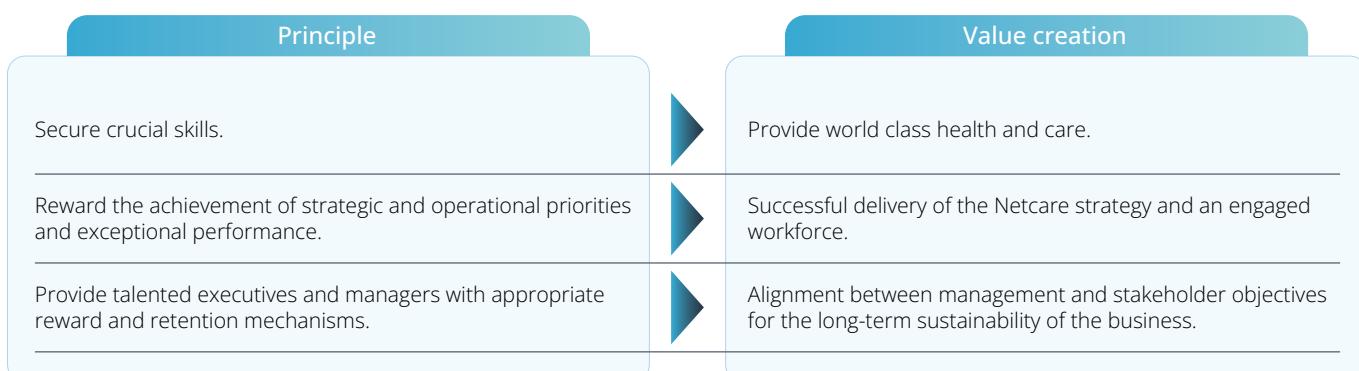
1. STI: short-term incentive.  
2. LTI: long-term incentive.

# Part 2: remuneration policy continued



## Remuneration philosophy

Our remuneration philosophy is to ensure that employees are rewarded fairly, reasonably, responsibly and competitively for their contributions to the Group's strategic, operating and financial performance. It guides our remuneration policy and supports our ability to attract and retain talent at every level of the organisation, while ensuring compliance with applicable laws and codes of good practice.



## Benchmarking

Our remuneration policy and practices, including structured packages, STIs, LTIs and benefits, are periodically benchmarked against the broader market, sector and industry to ensure that our remuneration is internally equitable, externally competitive and considers factors affecting the Group's financial position, the sector and industry, and the South African economy.

### Benchmarking of NED fees

Netcare benchmarks NED fees every two years. The last benchmark, conducted in FY 2024, resulted in a recommendation from the Remuneration Committee to continue the freeze on fee increases for the Board chair, Board members and Nomination, Risk, Remuneration and Social and Ethics committee members, as these benchmarked above the market median at that time. The committee also proposed a CPI-linked adjustment of 4.5% in NED fees for the members of the Audit and Consistency of Care committees as well as the chairs of the Nomination, Risk, Remuneration, Social and Ethics and Consistency of Care committees. A fee adjustment above CPI was proposed for the chair of the Audit Committee.

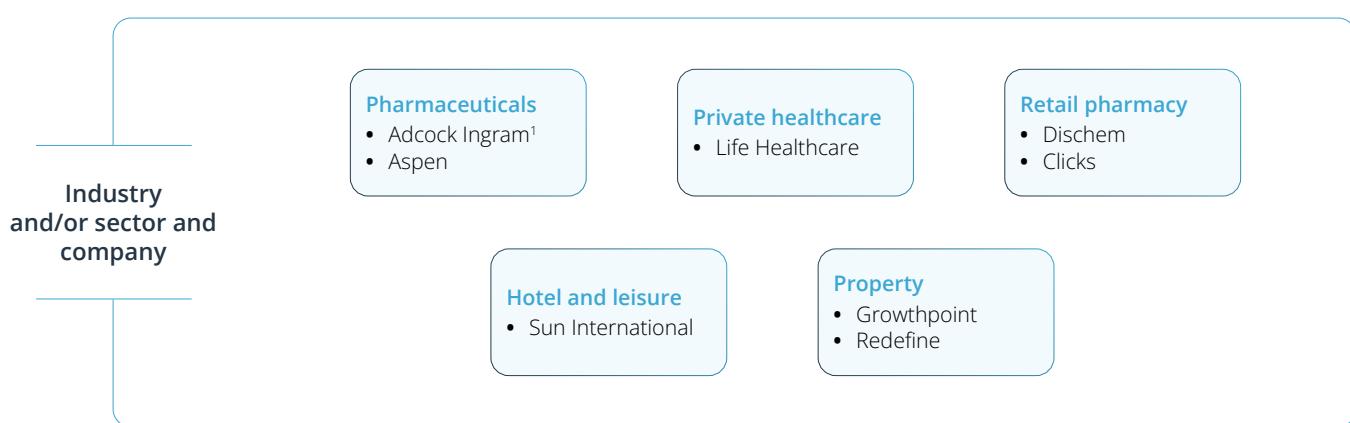
For FY 2026, the Remuneration Committee proposes a CPI-linked increase across the board.

### Benchmarking of executive directors' remuneration

Netcare engaged Bowmans to externally benchmark executive directors' remuneration. The outcome confirmed that the CEO's and CFO's 'on-target' total remuneration at the standard policy level, without catch-up awards, aligns well with market benchmarks.

### Comparator groups

The comparator group of South African listed companies used in FY 2024 for benchmarking both NED and CFO remuneration was maintained. The pool of private healthcare companies is exceptionally limited. Mediclinic has delisted and Discovery Health was excluded due to its growing complex global structure and different business sector, despite being in the health value chain. To rebalance the comparator group, Growthpoint was included and Vukile was replaced with Redefine. The comparator group was carefully selected based on market capitalisation, revenue, total assets and number of employees.



## Executive remuneration structure

The remuneration packages for executive directors, prescribed officers and senior executives for the year ended 30 September 2025 comprised fixed remuneration (AGP<sup>2</sup>) and variable remuneration (STI and LTI) awarded in line with the SIP.

### Annual guaranteed package (fixed remuneration)

<b>Objective</b>	<ul style="list-style-type: none"> <li>Reflect individual contribution and market value relative to role.</li> <li>Recognise skill and experience.</li> </ul>
<b>Basis for determination</b>	Guaranteed pay includes salary and benefits. It is determined based on the complexity of the role, market value, the ongoing review of personal performance and contribution to Netcare's overall performance and values. Guaranteed remuneration is reviewed annually and increases become effective in March. Annual increases consider factors such as prevailing economic conditions, inflation, Group performance and affordability, change in responsibilities, internal and external benchmarks, and average salary increases.
<b>Delivery</b>	Monthly payment after deducting contributions for statutory taxes, retirement funding and the medical scheme. The Group also makes contributions to group life assurance cover, funeral cover and disability insurance.

1. Adcock Ingram information was used for the period in which information was published. Following its delisting, a replacement entity will be sought for future benchmarking exercises.  
 2. AGP: annual guaranteed package.

# Part 2: remuneration policy continued

## Single Incentive Plan (variable pay)

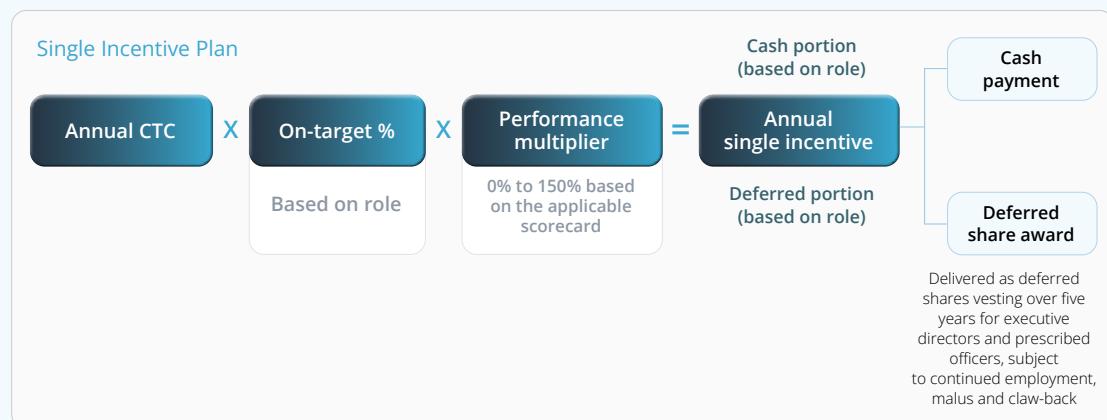
**Objective**

- Reward Group performance and individual contribution in the short and long term.
- Reward performance in alignment with shareholder interests and other important stakeholder objectives.
- Provide a competitive value proposition for loyal, high-performing employees and build their wealth over the longer term.
- Simplify and make remuneration processes consistent across the Group to enhance understanding and administration.
- Develop flexible and customised performance criteria that drive the desired business outcomes, balanced across financial and non-financial performance and reviewed annually.

**Eligibility** Executive directors, prescribed officers, senior executives and managers.

**Basis of determination**

- The SIP is calculated by multiplying annual CTC<sup>1</sup> by an on-target percentage (this being the total incentive for which an employee qualifies when meeting objectives) and the performance multiplier based on BSC achievement for the measured period (illustrated below).



The on-target percentage for FY 2025 onwards, for all eligible participants is illustrated below.

Executive leadership	On-target	Cash payment	Deferred share award	
CEO	120%	33% of total		
CFO and managing director of the Hospital Division	100%	33% of total	Balance in deferred shares (over five years)	
Executive Committee	75%	33% of total		
Performance multiplier	Below threshold 0%	Threshold 50%	On-target 100%	Outperform 150%

Linear interpolation is applied for performance between threshold and on-target and on-target and outperform.

The annual value of the performance multiplier is determined based on Group, division and business unit scorecards. This ensures that the scorecards for different roles drive the performance of the relevant entity/division/business unit, while retaining a minimum level of exposure to Group outcomes for all participants to avoid 'siloed' behaviour.

CEO	Group BSC 100%
CFO	Group BSC 80% and divisional BSC 20%
Executives (F band)	Group BSC 60% and divisional BSC 40%

**A score of 60% is required on the BSC at Group, divisional and/or personal and business unit levels to qualify for an incentive.**

1. CTC: cost to company.



### Single Incentive Plan (variable pay) continued

#### Delivery

The SIP is settled in cash and shares for executive directors and prescribed officers. The cash portion is settled annually in December of each year. The balance, in deferred share awards, vests at 20% per annum over five years for the members of the Executive Committee and prescribed officers. The deferred awards are governed by a set of plan rules in line with the salient features described below and are issued in December of each year.

While this formulaic determination provides the quantum of eligibility each year, the Remuneration Committee has discretion to determine the final award.

#### Deferred shares

- Deferred shares are forfeitable. They are either purchased as soon as possible after the award date or allocated from treasury shares, and are held in escrow for the benefit of participants.
- These shares qualify for ordinary dividends and voting rights. However, any special dividends must be used to acquire additional shares, which will be subject to the same terms as the original awards.
- Fault termination: if employment ends due to resignation, retirement before normal retirement date or dismissal for disciplinary reasons, all unvested awards are forfeited or cancelled. The Remuneration Committee may, at its discretion and in writing, allow a participant to retain all or part of their award if the circumstances warrant (in terms of the DSP<sup>1</sup>), even though they are no longer employed by the Group.
- No-fault termination: if employment ends due to disability, retirement at normal retirement age or operational reasons, awards will vest on the original vesting dates without acceleration. In the event of death, awards will vest as soon as practically possible.
- If there is a change of control, a portion of the awards will vest on a time pro-rated basis, reflecting the period served. The balance will either continue under the original terms or be replaced by awards of similar value, if this is not possible.
- Should there be a change in capital structure, the Remuneration Committee may adjust the awards to ensure they retain materially the same value before and after the transaction.

#### Other deferred share awards

The SIP allows for the granting of deferred share awards outside of the annual SIP cycle, including:

- Sign-on awards: granted as part of employment agreements for new employees, typically to compensate for awards forfeited at a previous employer due to resignation.
- Specific retention or counter-offer awards: granted to retain talent though these are generally not made to executive directors and prescribed officers.

Such awards must be motivated by the CEO and approved by the Remuneration Committee.

#### Discretion and safeguards

The Remuneration Committee has discretion to reduce the overall quantum of the annual single incentive in certain circumstances, such as:

- If the aggregate value of the SIP for the year (including both cash and deferred portions but excluding additional transition and/or catch-up awards) exceeds 8.0% of EBIT.
- If the total number of deferred share awards for the year exceeds 1.0% of shares in issue.

#### Purchase of deferred shares

Shares required to settle deferred share awards are purchased in the market as soon as possible after the award, or treasury shares are used. No new shares are issued for this purpose.

1. DSP: Deferred Share Plan.

# Part 2: remuneration policy continued

## Group BSC FY 2026

Area and weighting	Measure and weighting	FY 2025 actual	Threshold	On-target	Outperform
Financial results <b>60%</b>	<b>Normalised EBITDA margin (%)</b>	15.0%	<b>18.6%</b>	FY 2025+0.1%	FY 2025+0.3%
	<b>Adjusted HEPS (cents)</b>	15.0%	<b>137.2</b>	137.2+CPI+GDP+4.5%	137.2+CPI+GDP+6.0%
	<b>ROIC (%)<sup>1</sup></b>	15.0%	<b>12.6%</b>	WACC+1.2%	WACC+1.5%
	<b>Cash conversion</b>	15.0%	<b>111.3%</b>	90.0%	97.5%
Consistency of care <b>10%</b>	<b>Hospital Division perception of care:</b> overall patient satisfaction measured through a composite set of scores	2.0%	<b>8.24</b>	8.26	8.31
	<b>Hospital Division SoC<sup>2</sup>:</b> improve adoption of digital SoCs measured as a percentage of patients accessing and engaging with a SoC upon discharge	2.0%	<b>9.4%</b>	11.75%	14.10%
	<b>Clinical coding:</b> develop and roll out an AI-assisted clinical coding solution	4.0%	<b>n/a</b>	Successful pilot of clinical coding solution by 31 May 2026	Full rollout of clinical coding solution by 30 September 2026
	<b>Clinical efficiency:</b> develop proximal scoring methodologies to inform digitally enabled, AI-supported doctor decision-making measured by number of completed models	2.0%	<b>n/a</b>	1 model complete by 31 March 2026	2 models complete by 30 June 2026
Digitisation and application of clinical data <b>10%</b>	<b>Ambient listening and dictation:</b> roll out to doctors across the Hospital Division	2.0%	<b>n/a</b>	10 hospitals	25 hospitals
	<b>Wearables:</b> complete pilot and roll out across Hospital Division	2.0%	<b>n/a</b>	Pilot completed	5 hospitals
	<b>Data:</b> enrich the Big Data analytics platform and onboard data from core source systems into relevant data domains	2.0%	<b>n/a</b>	3 source systems	7 source systems
	<b>Optimise administration and finance systems:</b> implement across 13 divisions and departments	4.0%	<b>n/a</b>	9 divisions and departments optimised and benefits on-track	11 divisions and departments optimised and benefits on-track
Environmental sustainability <b>10%</b>	<b>Energy efficiency:</b> additional tCO <sub>2</sub> e <sup>3</sup> avoidance from new projects implemented	2.0%	<b>6 840</b>	3 400	3 600
	<b>Renewable energy:</b> additional tCO <sub>2</sub> e avoidance from renewable energy generated and/or purchased	2.0%	<b>1 573</b>	900	1 000
	<b>Water savings:</b> additional kilolitres of water recycled and/or obtained from boreholes	2.0%	<b>n/a</b>	12 000	16 000
	<b>Hospital Division general waste:</b> reduction in waste to landfill	2.0%	<b>80.0%</b>	85.0%	90.0%
Human capital and transformation <b>10%</b>	<b>Hospital Division HCRW:</b> reduction in HCRW to landfill	2.0%	<b>31.4%</b>	35.0%	40.0%
	<b>Talent and succession:</b> percentage of leadership roles with identified talent ready to transition within 12 to 24 months	5.0%	<b>83.1%</b>	85.0%	90.0%
	<b>Diversity:</b> improve racial representation at middle management	2.5%	<b>62.4%</b>	63.0%	64.0%
	<b>Diversity:</b> improve the inclusion of persons with disabilities in the permanent workforce	2.5%	<b>4.5%</b>	4.6%	4.8%
		100.0%			

1. WACC for FY 2026 is 11.6%.

2. SOC: Summary of Care report.

3. tCO<sub>2</sub>e: tonnes of carbon dioxide equivalent.

## Financial targets

We have retained the same financial metrics as prior years: **normalised EBITDA margin, adjusted HEPS, ROIC** and **cash conversion**. While improvements in some of SA's macroeconomic indicators are encouraging, the broader operating environment remains challenging, with formal sector employment levels yet to show meaningful improvement. Building on a high FY 2025 base, our targets reflect a commitment to disciplined management of price and volume, supporting margin protection and sustainable growth. Increased activity levels and continued operational efficiencies are expected to further expand EBITDA margins, increase earnings and enhance ROIC.

We will continue to maintain an optimal capital structure. The strength of our statement of financial position and ongoing operational improvements will continue to support dividend payments, with an objective to return between 50% and 70% of adjusted HEPS to shareholders. We will also continue to consider share buybacks as part of our capital allocation strategy.

## Consistency of care

For FY 2026, ongoing improvement in patient satisfaction remains a priority, and will once again be measured by the composite score (baseline: 8.24 in FY 2025), which aggregates six drivers of overall satisfaction. Another focus will be to increase patient adoption of, and engagement with, the digital SOC (baseline: 9.4% in FY 2025), which leverages AI to make comprehensive clinical data easier to understand. We intend to implement and evaluate an AI-assisted clinical coding solution that will ensure the quality and completeness of clinical coding, which is critical for accurate profiling of complex clinical cases. We also plan to further optimise clinical cost efficiencies by developing and integrating proximal scoring methodologies to inform clinical decision-making at the bedside, enhancing the quality, safety and cost-effectiveness of care.

## Digitisation and data

Having completed the rollout of EMRs<sup>1</sup> and transitioned to a data and AI driven strategy, we plan to implement AI-powered ambient listening and dictation in FY 2026. This technology reduces doctor and nurse documentation time, improves note accuracy and streamlines workflows, allowing doctors and nurses to focus more on patient care. Alleviating high administration burdens reduces the risk of nurse and doctor burnout, and Netcare benefits from higher productivity and improved billing accuracy. Overall, ambient listening is expected to strengthen clinical quality, efficiency and employee satisfaction.

In FY 2026, our goal is to onboard seven core systems across the person, clinical and medication data domains, which will introduce new capabilities and standardise data structures across the Group. We also plan to pilot and roll out wearable devices in general wards, enabling real-time, continuous monitoring of patient vital signs. This proactive approach will allow for early intervention before clinical deterioration becomes evident, with all data integrated into the EMR. From an administration perspective, we will automate back-office processes using robotic process automation and AI agents to improve accuracy, reduce manual workload and accelerate turnaround times. This will enhance productivity, compliance and data accuracy, strengthen operational performance, and free employees for higher-value non-repetitive work, improving employee satisfaction.

## Environmental sustainability

Netcare is well into Phase 2 of the FY 2030 environmental sustainability strategy, which prioritises operational efficiency and requires modest capital investment while progressing our goal of net-zero emissions by 2050. Our 2030 targets are to reduce Scopes 1 and 2 emissions by a combined 84% and achieve zero waste to landfill. The target to reduce water intensity by 5% against the FY 2023 baseline has already been achieved and a new target will be set and communicated in the future<sup>2</sup>. For FY 2026, our energy targets focus on reducing year-on-year carbon emissions through energy efficiency and renewable energy projects. The Hospital Division aims to recycle 90% of general waste and 40% of HCRW. We also target saving an additional 16 000 kilolitres of water through recycling and borehole initiatives.

## Human capital and transformation

Effective succession planning is critical for organisational continuity and sustainability and is particularly important in the context of shifting workplace demographics, particularly generational transition. Of the management and leadership vacancies that arose in FY 2025, nearly 60% were replaced with internal talent. This has reduced the pool of talented employees ready to transition to leadership and management positions within the short term. It is imperative that we replenish these gaps, and therefore we have set a target to identify successors for 90% of leadership and management roles in FY 2026, taking into account ongoing workforce movements.

Netcare continues to make steady progress in driving equitable representation across the workforce. While black representation at middle management has improved (from 35% in FY 2016 to 62% in FY 2025), it still lags national EAP<sup>3</sup> demographics. Our FY 2026 target for racial diversity at middle management is 64%; a step towards responsible alignment with the EAP over time, considering labour turnover and skills availability. Persons with disabilities are under-represented in South African organisations and are disproportionately affected by unemployment, poverty and inequality. In line with our aim to be a force for social good, we aim to improve the representation of persons with disabilities to 4.8% of our permanent workforce.

1. **EMR:** electronic medical record.

2. The original target was to reduce freshwater use by 20% from the initial FY 2021 baseline. Since we had already achieved a 15% reduction by FY 2023, we updated our target to a 5% reduction from the FY 2023 baseline. Our 2030 environmental sustainability strategy baselines were all reset to FY 2023 to reflect the progress made between FY 2021 and FY 2023, the close out of the 2023 environmental strategy and to prevent the lingering impacts of COVID-19 from affecting our targets.

3. **EAP:** economically active population.

# Part 2: remuneration policy continued

## Minimum shareholding requirements

Netcare executives are required to hold shares in the company and retain vested shares awarded under the SIP to ensure alignment between the interests of executives and shareholders. Our MSRs<sup>1</sup> have been benchmarked against peers and the MSR policy was approved by the Remuneration Committee.

Executive leadership	Minimum shareholding requirement	
CEO	200% of CTC	Met
CFO	150% of CTC	On track
Remaining Executive Committee members	100% of CTC	On track

The policy requires MSRs to be achieved within five years from the date of approval of the SIP, or within five years from the date the Remuneration Committee designates executives as eligible for the SIP. At the committee's discretion, the measurement period may be reset for a further five years from the prevailing measurement date.

Executives are expected to build up to the target MSR, after which a new measurement date will be set on a rolling basis, against which the minimum shareholding will be measured.

Executives may use personal investment shares or committed shares to satisfy the target minimum shareholding. Once the target is achieved, executives are expected to maintain their shareholding until termination of employment.

## Malus and clawback

### Malus (pre-vesting)

All LTI awards and deferred shares issued under the SIP to executive directors, prescribed officers and senior executives after 1 January 2020 are subject to malus provisions. The vesting levels of awards may be reduced, including to nil, in the following (but not limited to) instances:

- Deliberately misleading the Group, the market and/or shareholders in relation to the Group's financial performance; and
- Misconduct, incompetence or gross negligence regarding financial reporting or performance of the Group.

### Clawback (post-vesting)

Clawback clauses apply to variable remuneration awarded after 1 January 2020. In the case of the LTI and SIP, the Remuneration Committee may apply clawback at any time during the three-year period from the date on which variable remuneration vests, if there is reasonable evidence of material misconduct in line with the malus provisions above.

## Fair and responsible employee remuneration

Netcare is committed to ensuring that our remuneration policy and practices are externally competitive, fair, responsible and free of any unfair discrimination and prejudice. To give effect to this commitment, we use a reputable job grading system to ensure equal pay for work of equal value. Salaries are regularly benchmarked against other healthcare and non-healthcare companies of similar size to maintain competitiveness.

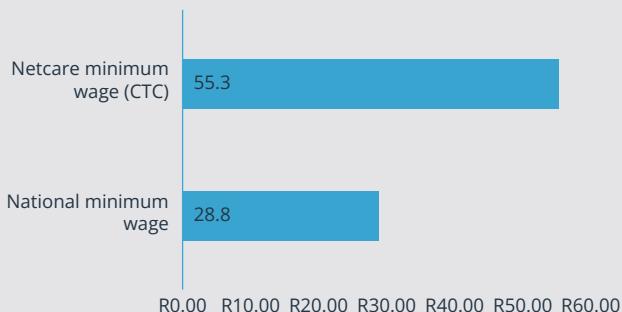
We conduct an annual analysis of income differentials to ensure there are no unjustifiable race- or gender-based pay gaps. Our FY 2025 analysis reaffirmed that our established practice of ensuring no unfair pay differentials based on gender, race or any other social demographics for work of equal value has been maintained. Where differentials exist, we investigate the underlying reasons, which typically relate to depth of expertise, work experience, skills and length of service in the role.

Netcare is a gender-empowered organisation, with women comprising 80% of the workforce. Women earn between 4.3% and 22.6% more than men in roles at junior management level and below, and men earn between 11.2% and 21.5% more than women at middle and senior management levels. The higher ratio at middle and senior management is predominantly due to voluntary and involuntary labour turnover at these levels, most of which were retiring women.

In line with King IV Principle 14 on remuneration governance, and recognising the global challenge of income gaps between the highest and lowest earners, particularly in SA which is one of the most unequal societies in the world, Netcare has implemented measures to progressively narrow the gap.

1. *MSR: minimum shareholding requirement.*

### Minimum rate of pay for each ordinary hour worked (Rand)



### FY 2025 vertical income analysis

#### 9.6 times

calculated by dividing the top 5% of the Group's earners by the total remuneration of the bottom 5%

FY 2024: 9.2 times

### Remuneration and benefits for non-managerial employees

<b>Basic salary</b>	<ul style="list-style-type: none"> <li>Netcare's minimum wage is almost double that of SA's legislated minimum wage.</li> </ul>
<b>Variable pay</b>	<ul style="list-style-type: none"> <li>A guaranteed 13th cheque for each completed 12-month period worked, paid to employees in service on 31 December of each year.</li> <li>Variable pay schemes, including overtime, skills allowance etc.</li> <li>Able to access earned variable pay (overtime) ahead of pay day.</li> <li>Able to access earned wages with a restricted basket that covers essentials ahead of pay day.</li> </ul>
<b>Annual salary adjustments</b>	<ul style="list-style-type: none"> <li>Annual salary adjustment in March of every year.</li> <li>Higher salary adjustments for employees at the lower end of the pay scale compared to lower salary increments for executive directors, prescribed officers and senior executives.</li> </ul>
<b>Benefits</b>	<p>Remuneration for permanent employees is based on a structured package plus benefits, which include:</p> <ul style="list-style-type: none"> <li>Benefits: <ul style="list-style-type: none"> <li>Employer retirement contribution.</li> <li>Medical aid membership: comprehensive benefits for the main member and options to add family members.</li> <li>Group life cover.</li> <li>Funeral cover.</li> <li>Disability cover.</li> </ul> </li> <li>Maternity leave benefit: this policy is under review to align with recent legislative changes.</li> <li>Paid annual leave.</li> <li>Paid sick leave.</li> <li>Subsidised meals to employees while on duty.</li> </ul>
<b>Share options</b>	<ul style="list-style-type: none"> <li>Netcare Employee Share Ownership Scheme.</li> <li>3 000 Netcare shares per employee allocated to employees who were in Netcare's employ in October 2019.</li> </ul>
<b>Freedom of association</b>	<ul style="list-style-type: none"> <li>Freedom to belong to or affiliate with any of the three trade unions recognised by Netcare.</li> </ul>
<b>Additional non-financial benefits</b>	<ul style="list-style-type: none"> <li>Uniform allocations every 18 months at no cost to employees.</li> <li>An employee assistance programme for psychosocial support at no cost to the employee (available to employees and family members).</li> <li>A range of financial solutions at favourable rates through Netcare's partnership with FNB.</li> </ul>
<b>Scholarships and bursaries</b>	<ul style="list-style-type: none"> <li><b>Nursing scholarship:</b> in partnership with the Professor Bongani Mayosi Netcare Clinical Scholarship, Netcare launched a nursing bursary fund to provide financial support to children of Netcare employees pursuing studies in nursing science at Netcare Education.</li> <li><b>Healthcare skills bursary fund:</b> in partnership with the Netcare Foundation and external donors, Netcare launched a scholarship to provide financial support to academically deserving students pursuing studies in nursing, pharmacy and emergency services.</li> </ul>

# Part 3: implementation report

Subject to non-binding advisory vote at the AGM to be held on 6 February 2026

This section of the remuneration report explains how the remuneration policy was implemented in FY 2025, covering:

- CPI-linked increases for AGP.
- Performance outcome against the FY 2025 BSC.
- Total single incentive approved for executive directors and prescribed officers.
- Total single figure remuneration.
- Schedule of the forfeitable shares held by executive directors and prescribed officers.
- NED remuneration.

## Annual increases

The Remuneration Committee considered the benchmarking outcome of AGPs pertaining to the Executive Committee members and prescribed officers against Old Mutual's RemChannel, excluding the CEO and CFO (executive directors). The benchmark confirmed that AGPs are well-aligned with the market median. After considering the prevailing market conditions, affordability and shareholder expectations, the committee approved lower average salary adjustments for executives, senior managers and prescribed officers, and higher average adjustments for employees, depending on scarcity of skills (agreed within the bargaining units).

## BSC performance for FY 2025

As previously reported, the Group delivered strong financial performance despite a challenging market. While improvements in some of SA's macroeconomic indicators are encouraging, unemployment in the formal sector remains high, consumers continue to experience sustained financial strain, reinforcing the buying down trend to lower-cost, restricted network medical scheme options. Other sector-wide trends included outmigration of lower-margin surgical cases, a decline in maternity cases and a milder flu season. Notwithstanding these factors, acute PPD<sup>1</sup> increased by 0.8%, while mental health PPD grew by 0.5% in line with expectations. Netcare managed its cost base well, with targeted efficiency activities resulting in operating leverage.

## Overview of financial performance

The Group met and exceeded the outperform target for EBITDA margin, adjusted HEPS and cash conversion, and marginally exceeded the target for ROIC.

- EBITDA margin improved by 60 basis points to 18.6% (FY 2024: 18.0%).
- Adjusted HEPS increased by 20.7% to 137.2 cents (FY 2024: 113.7 cents).
- ROIC improved to 12.6% (FY 2024: 11.7%).
- Cash conversion ratio reached 111.3% (FY 2024: 96.5%).

## Overview of non-financial performance

Netcare achieved excellent progress on non-financial strategic priorities that operationalise its long-term strategy. These carefully selected metrics position the Group to benefit from the long-term healthcare demand dynamics. Detailed information is available in the Group's 2025 integrated and ESG reports.

- **Consistency of care:** 92.4% of elective surgical cases were booked through the bespoke digital theatre resource planning tool, resulting in more comprehensive clinical information in SoCs. The composite patient satisfaction score (8.24, above threshold but slightly below target) reflects the embedding of a culture of compassion, while the metric relating to the Big Data analytics platform reflects the growing application of the platform to monitor clinical outcomes, patient safety and cost efficiency.
- **Digitisation and application of clinical data:** CareOn adoption among doctors reached 82.3% (measured through the percentage of orders placed on the system). Four predictive AI algorithms were implemented to inform clinical decision-making at the bedside, exceeding the outperform target. Ten new data domains were added to the Big Data analytics platform to support improved clinical cost efficiency. Six self-sustaining satellite units were established, with direct access to the analytics platform for data driven improvement and clinical research.
- **Environmental sustainability:** water usage decreased 14% compared to FY 2024, and the Hospital Division diverted 80% of its general waste and 31% of its HCRW from landfill, exceeding both waste targets. Both carbon emission avoidance targets (energy efficiency and renewable energy projects) exceeded the outperform targets.
- **Human capital and transformation of society:** representation of black people at senior management improved to 50%, meeting target. In a highly competitive scarce skills labour market, we are pleased to have achieved a significant reduction in voluntary labour turnover to 7.8%, surpassing the outperform target. 83% of strategic leadership and management roles have identified talent ready to transition within 12 to 24 months.

1. PPD: paid patient days.  
2. Excluding Netcare Pretoria East Hospital.

## Group performance outcome

Based on the Group's performance for FY 2025, an overall BSC performance score of 135.4% was achieved (out of 150.0% available if the Group achieved the outperform targets across the board). This score qualifies for payment of the SIP equivalent to 5.7% of EBIT.

### Group BSC FY 2025

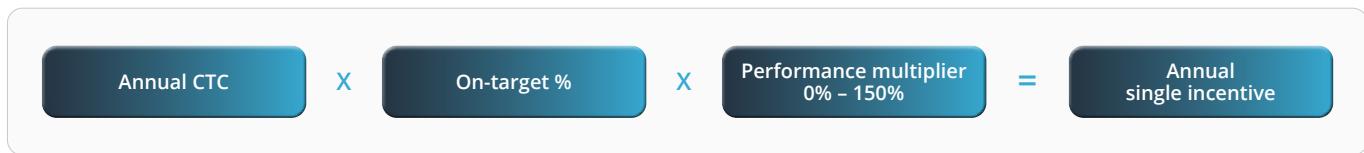
Area and weighting	Measure and weighting	Threshold	On-target	Outperform	Actual	Score Achieved
Financial results <b>60%</b>	<b>Normalised EBITDA margin:</b> growth on FY 2024 <b>15.0%</b>	18.0%	18.2%	18.5%	<b>18.6%</b>	<b>22.5%</b>
	<b>Adjusted HEPS:</b> growth on FY 2024 <b>15.0%</b>	120.7	122.4	124.7	<b>137.2</b>	<b>22.5%</b>
	<b>ROIC<sup>1</sup></b> <b>15.0%</b>	12.0%	12.5%	13.0%	<b>12.6%</b>	<b>16.5%</b>
	<b>Cash conversion</b> <b>15.0%</b>	90.0%	97.5%	107.5%	<b>111.3%</b>	<b>22.5%</b>
Consistency of care <b>10%</b>	<b>Perception of care measured in overall satisfaction score – composite score:</b> positively impact on overall satisfaction as measured through a composite set of scores <b>5.0%</b>	8.22	8.27	8.42	<b>8.24</b>	<b>3.5%</b>
	<b>Doctor partnership:</b> increase digital booking of theatre cases through our bespoke theatre resource planning tool, resulting in more comprehensive clinical information included in SoC <b>5.0%</b>	25.0% of elective surgical cases booked digitally	50.0% of elective surgical cases booked digitally	80.0% of elective surgical cases booked digitally	<b>92.4% of elective surgical cases booked digitally</b>	<b>7.5%</b>
Digitisation and application of clinical data <b>10%</b>	<b>CareOn:</b> sustain and improve CareOn adoption among doctors by measuring the percentage of orders placed by doctors on CareOn <b>2.5%</b>	80.0%	81.5%	84.0%	<b>82.3%</b>	<b>2.9%</b>
	<b>Digitally enabled clinical decision support:</b> implement predictive AI to algorithms that inform clinical decision-making at the bedside, resulting in improved quality, safety and efficiency of care <b>2.5%</b>	1 predictive model	2 predictive models	3 predictive models	<b>4 predictive models</b>	<b>3.8%</b>
	<b>Data:</b> enrich Netcare's Big Data analytics platform with new data domains to facilitate clinical efficiency <b>2.5%</b>	4 new data domains added to existing 6 (10 in total)	6 new data domains added to existing 6 (12 in total)	10 new data domains added to existing 6 (16 in total)	<b>10 new data domains (16 in total)</b>	<b>3.8%</b>
	<b>Data:</b> establish self-sustaining satellite business units with direct access to Netcare's Big Data analytics platform to identify, plan and monitor data driven improvement opportunities and to support clinical research <b>2.5%</b>	4 new units	6 new units	12 new units	<b>6 new units</b>	<b>2.5%</b>
Environmental sustainability <b>10%</b>	<b>Energy efficiency:</b> additional tCO <sub>2</sub> e avoidance from new projects implemented <b>2.0%</b>	4 300	4 700	5 100	<b>6 840</b>	<b>3.0%</b>
	<b>Renewable energy:</b> additional tCO <sub>2</sub> e avoidance from new projects implemented <b>2.0%</b>	1 100	1 300	1 500	<b>1 573</b>	<b>3.0%</b>
	<b>Water savings:</b> additional water recycled and reduced consumption <b>2.0%</b>	14 000 kl	17 000 kl	19 000 kl	<b>25 256</b>	<b>3.0%</b>
	<b>General waste:</b> reduction in Hospital Division waste to landfill <b>2.0%</b>	67.5%	75.0%	80.0%	<b>80.0%</b>	<b>3.0%</b>
	<b>HCRW:</b> reduction in Hospital Division HCRW to landfill <b>2.0%</b>	16.6%	20.0%	25.0%	<b>31.4%</b>	<b>3.0%</b>
Human capital and transformation <b>10%</b>	<b>Talent and succession:</b> percentage of strategic management and leadership roles with identified talent ready to transition within a period of between 12 to 24 months <b>5.0%</b>	50.0%	70.0%	100.0%	<b>83.1%</b>	<b>6.1%</b>
	<b>Labour turnover</b> <b>2.5%</b>	12.0%	11.8%	11.0%	<b>7.8%</b>	<b>3.8%</b>
	<b>Transformation:</b> improve racial representation at senior management level <b>2.5%</b>	48.0%	50.0%	52.0%	<b>50.0%</b>	<b>2.5%</b>
<b>100.0%</b>						<b>135.4%</b>

1. WACC for FY2025 was 12.0%.

# Part 3: implementation report continued

## FY 2025 remuneration of executive directors and prescribed officers

Based on this performance as well as potential eligibility and weighted BSC results for each director, the Board, on the recommendation of the Remuneration Committee, acknowledged the efforts of management and approved the payment of the SIP based on the formula below.



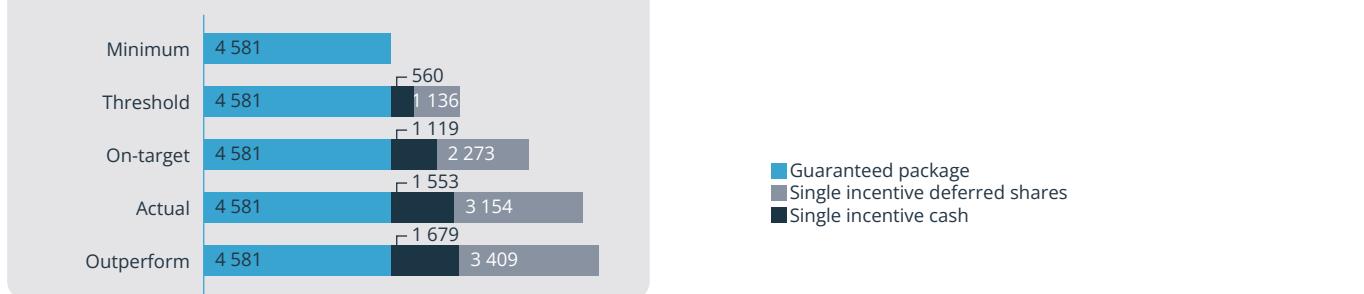
### Total SIP for executive directors and prescribed officers

Name	Annual CTC (R)	On-target	Performance multiplier	Annual single incentive (R)	% cash	Cash (R)	% shares	Shares (R)	Vesting period
R Friedland	12 205 273	120.00%	135.40%	19 831 127	33%	6 544 272	67%	13 286 855	5 years
K Gibson	7 650 724	100.00%	133.42%	10 207 595	33%	3 368 506	67%	6 839 089	5 years
E Bock	4 812 513	100.00%	135.40%	6 516 142	33%	2 150 327	67%	4 365 815	5 years
T Akaloo	4 437 531	75.00%	122.12%	4 064 335	33%	1 341 231	67%	2 723 104	5 years
M Da Costa	5 479 757	75.00%	130.12%	5 347 695	33%	1 764 739	67%	3 582 956	5 years
C Grindell	4 803 952	75.00%	131.72%	4 745 824	33%	1 566 122	67%	3 179 702	5 years
S Nayager <sup>1</sup>	3 369 849	75.00%	113.24%	2 862 012	33%	944 464	67%	1 917 548	5 years

### FY 2025 pay mix for the executive directors and prescribed officers



### Other (average R'000)



1. S Nayager commenced in her role as the managing director of the Primary Care Division in January 2025.

## Total single figure remuneration

FY 2025

	Annual guaranteed package			Single incentive			Total	2025 Incentive	
	Salary and benefits	Retirement fund savings and contributions	Guaranteed package	Cash portion	Deferred share portion	Total single incentive		Total single-figure remuneration	Incentive paid in cash
<b>Executive directors</b>									
R Friedland	11 978 093	614 954	<b>12 593 047</b>	6 544 272	13 286 855	<b>19 831 127</b>	<b>32 424 174</b>	6 544 272	13 286 855
K Gibson	7 264 723	397 930	<b>7 662 653</b>	3 368 506	6 839 089	<b>10 207 595</b>	<b>17 870 248</b>	3 368 506	6 839 089
	19 242 816	1 012 884	<b>20 255 700</b>	9 912 778	20 125 944	<b>30 038 722</b>	<b>50 294 422</b>	9 912 778	20 125 944
<b>Prescribed officers</b>									
T Akaloo	4 200 447	243 950	<b>4 444 397</b>	1 341 231	2 723 104	<b>4 064 335</b>	<b>8 508 732</b>	1 341 231	2 723 104
E Bock	4 567 020	252 645	<b>4 819 665</b>	2 150 327	4 365 815	<b>6 516 142</b>	<b>11 335 807</b>	2 150 327	4 365 815
M Da Costa	5 258 968	285 956	<b>5 544 924</b>	1 764 739	3 582 956	<b>5 347 695</b>	<b>10 892 619</b>	1 764 739	3 582 956
C Grindell	4 555 452	262 282	<b>4 817 734</b>	1 566 122	3 179 702	<b>4 745 824</b>	<b>9 563 558</b>	1 566 122	3 179 702
S Nayager <sup>1</sup>	2 447 384	146 759	<b>2 594 143</b>	944 464	1 917 548	<b>2 862 012</b>	<b>5 456 155</b>	944 464	1 917 548
W van der Merwe <sup>2</sup>	1 154 014	64 233	<b>1 218 247</b>	-	-	-	<b>1 218 247</b>	-	-
	22 183 285	1 255 825	<b>23 439 110</b>	7 766 883	15 769 125	<b>23 536 008</b>	<b>46 975 118</b>	7 766 883	15 769 125

FY 2024

	Annual guaranteed package			Single incentive			Total	2024 Incentive	
	Salary and benefits	Retirement fund savings and contributions	Guaranteed package	Cash portion	Deferred share portion	Total single incentive		Total single-figure remuneration	Incentive paid in cash
<b>Executive directors</b>									
R Friedland	11 457 218	595 641	<b>12 052 859</b>	3 229 366	12 917 466	<b>16 146 832</b>	<b>28 199 691</b>	3 229 366	12 917 466
K Gibson	6 825 983	378 546	<b>7 204 529</b>	1 865 153	7 460 614	<b>9 325 767</b>	<b>16 530 296</b>	1 865 153	7 460 614
	18 283 201	974 187	<b>19 257 388</b>	5 094 519	20 378 080	<b>25 472 599</b>	<b>44 729 987</b>	5 094 519	20 378 080
<b>Prescribed officers</b>									
T Akaloo	4 021 263	235 811	<b>4 257 074</b>	781 399	3 125 595	<b>3 906 994</b>	<b>8 164 068</b>	781 399	3 125 595
M Da Costa	4 972 130	273 444	<b>5 245 574</b>	1 156 387	4 625 547	<b>5 781 934</b>	<b>11 027 508</b>	1 156 387	4 625 547
J Du Plessis <sup>3</sup>	2 652 123	143 103	<b>2 795 226</b>	-	-	-	<b>2 795 226</b>	-	-
C Grindell	4 361 735	253 627	<b>4 615 362</b>	856 038	3 424 153	<b>4 280 191</b>	<b>8 895 553</b>	856 038	3 424 153
W van der Merwe	4 524 888	253 649	<b>4 778 537</b>	780 468	3 121 870	<b>3 902 338</b>	<b>8 680 875</b>	780 468	3 121 870
	20 532 139	1 159 634	<b>21 691 773</b>	3 574 292	14 297 165	<b>17 871 457</b>	<b>39 563 230</b>	3 574 292	14 297 165

1. S Nayager appointed on 1 January 2025.

2. W van der Merwe retired on 31 December 2024.

3. J Du Plessis resigned with effect 30 June 2024.

# Part 3: implementation report continued

## Single Incentive Plan

(deferred shares held at 30 September 2025)	1 October 2024	Granted	Shares forfeited during the year	Vested (sold and retained)	30 September 2025
<b>Executive directors</b>					
R Friedland	2 834 603	854 895	-	(630 300)	3 059 198
K Gibson	1 317 266	493 753	-	(290 927)	1 520 092
<b>Prescribed officers</b>					
T Akaloo	563 419	206 856	-	(125 019)	645 256
E Bock	137 543	201 331	-	(53 351)	285 523
M Da Costa	792 376	306 125	-	(176 107)	922 394
C Grindell	669 854	226 615	-	(147 631)	748 838
S Nayager	14 730	-	-	(14 730)	-
W van der Merwe	723 664	206 610	-	(160 389)	769 885
	7 053 455	2 496 185	-	(1 598 454)	7 951 186

## Health Partners for Life

The HPFL<sup>1</sup> B-BBEE trusts were established in 2005 through the transfer of 160 million Netcare shares valued at R1 billion. Trusts include our employee share ownership scheme and trusts that support clinical skills development and community-based health and wellness initiatives.

	1 October 2024 Grant date	Exercised	30 September 2025
<b>Executive director</b>			
K Gibson	2 Oct 2006	1 041	- 1 041
Weighted average exercise price		12.34	12.34
<b>Prescribed officer</b>			
C Grindell	25 Oct 2005	1 200	- 1 200
Weighted average exercise price		6.42	6.42
		2 241	- 2 241

This scheme has since been concluded therefore no HPFL share options were granted in FY 2025 (FY 2024: nil).

2 241 HPFL share options had vested at 30 September 2025 (FY 2024: 2 241).

1. HPFL: Health Partners for Life.

## Non-executive director remuneration

NEDs are paid a fixed fee for their services as directors and for services provided as members of Board committees. These fees vary depending on their committee roles. Fees are set at levels that will attract and retain the calibre of directors necessary to contribute to a highly effective Board. Non-executive directors do not qualify for participation in any of Netcare's share or incentive schemes.

### Board and governance committee meeting attendance

(meetings held as per the Group's MOI<sup>1</sup>)

Director	Netcare board	Audit committee		Risk committee		Nomination committee <sup>2</sup>		Remuneration committee		Consistency of care committee		Social and ethics committee	
B Bulo <sup>3</sup>	M	4/4	C	3/3	M	2/2				M	2/2		
L Human	M	4/4			M	2/2	M	2/2	M	2/2	C	2/2	
I Kirk	M	4/4	M	3/3	C	2/2		M	2/2				
A Maditse <sup>4</sup>	C	4/4			M	2/2	C	2/2		M	2/2	M	3/3
R Phillips	M	4/4				M	2/2			M	2/2	C	3/3
L Stephens <sup>5</sup>	M	4/4	M/C	3/3				C	2/2				
R Friedland	M	4/4	■	3/3	M	2/2		■	2/2	M	2/2	M	3/3
K Gibson	M	4/4	■	3/3	M	2/2							

C – Chair M – Member ■ – Attendance by invitation

### Fees paid to non-executive directors

(based on Board, committee and ad hoc committee attendance)

R'000	Board	Audit	Nom	Risk	Rem	Social and Ethics	Consistency of Care	Finance and Investment	2025 total	2024 total
B Bulo <sup>3</sup>	685	309		151			204	414	<b>1 763</b>	1 680
L Human	731		132	151	132		258		<b>1 404</b>	1 563
I Kirk	731	196		225	132				<b>1 284</b>	945
A Maditse	1 134		196	151		126	204	368	<b>2 179</b>	1 105
R Phillips	731		132			196	204		<b>1 263</b>	1 416
L Stephens	731	196			226				<b>1 153</b>	1 068
<b>Total</b>	<b>4 743</b>	<b>701</b>	<b>460</b>	<b>678</b>	<b>490</b>	<b>322</b>	<b>870</b>	<b>782</b>	<b>9 046</b>	<b>7 777</b>

1. *MOI: Memorandum of Incorporation.*

2. *Nomination Committee: ad-hoc meetings were held regarding CEO succession and new NED appointment.*

3. *B Bulo resigned with effect 30 September 2025.*

4. *A Maditse appointed Board chair with effect 27 January 2025.*

5. *L Stephens appointed as chair of Audit and Remuneration committees with effect 1 October 2025.*

# Part 3: implementation report continued

## Proposed non-executive directors' fees

The Remuneration Committee has proposed a CPI-linked increase for NEDs for FY 2026, to be approved by shareholders at the AGM on 6 February 2026. Adjustments are based on the findings of the Bowmans benchmarking.

R'000	Proposed 2026	% increase	Actual 2025
<b>Board</b>			
Chair	<b>1 543</b>	3.5%	1 491
Member	<b>709</b>	3.5%	685
<b>Audit Committee</b>			
Chair	<b>320</b>	3.5%	309
Member	<b>203</b>	3.5%	196
<b>Nomination Committee</b>			
Chair	<b>203</b>	3.5%	196
Member	<b>137</b>	3.5%	132
<b>Risk Committee</b>			
Chair	<b>233</b>	3.5%	225
Member	<b>156</b>	3.5%	151
<b>Remuneration Committee</b>			
Chair	<b>234</b>	3.5%	226
Member	<b>137</b>	3.5%	132
<b>Social and Ethics Committee</b>			
Chair	<b>203</b>	3.5%	196
Member	<b>130</b>	3.5%	126
<b>Consistency of Care Committee</b>			
Chair	<b>267</b>	3.5%	258
Member	<b>211</b>	3.5%	204
Payable per meeting			
Ad hoc committees (including the Finance and Investment Committee)	<b>48</b>	3.5%	46

*Note: values exclude VAT.*



# 03

## FINANCIAL STATEMENTS

Summarised Group annual financial statements

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Five-year review

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# Summarised Group annual financial statements

for the year ended 30 September 2025

These summarised Group annual financial statements comprise a summary of the complete audited Group annual financial statements for the year ended 30 September 2025 that were approved by the Netcare Board on 20 November 2025. The summarised Group annual financial statements do not contain sufficient information to allow for a complete understanding of the results of the Group, as would be provided in the audited Group annual financial statements. These summarised Group financial statements, and the audited Group annual financial statements from which they have been derived, were compiled under the supervision of KN Gibson CA(SA), Chief Financial Officer of the Group.

The summarised Group annual financial statements comprise:

- Summarised Group statement of profit or loss.
- Summarised Group statement of comprehensive income.
- Summarised Group statement of financial position.
- Summarised Group statement of cash flows.
- Summarised Group statement of changes in equity.
- Headline earnings.
- Summarised segment report.

The directors are responsible for the preparation and fair representation of the Group annual financial statements in accordance with the requirements of the Companies Act No. 71 of 2008 and in compliance with the Company's Memorandum of Incorporation.

The complete audited Group annual financial statements are available at [www.netcare.co.za/Netcare-Investor-Relations/Reports/Financial-Results](http://www.netcare.co.za/Netcare-Investor-Relations/Reports/Financial-Results).

## Operating activities

The activities of the Group's operating segments are described below:

- Hospital and emergency services, further disaggregated into Hospital and pharmacy operations, covering our private acute hospital network and day clinics, and non-acute services. The non-acute services include the provision of emergency services, the operation of private mental health clinics, cancer care, diagnostics services and the sale of healthcare products and vouchers.
- Primary Care offers comprehensive primary health care services, employee health and wellness services, and administrative services to medical and dental practices.

## Going concern

The directors have reviewed the Group budget and cash flow forecasts and have satisfied themselves that the Group is in a sound financial position and has access to sufficient borrowing facilities to meet foreseeable cash requirements.

On the basis of this review, the Netcare directors have concluded that there is a reasonable expectation that the Group will continue to meet its financial covenants and its obligations as they fall due for at least the next 12 months from the date of approval of these financial statements. The directors consider it appropriate to adopt the going concern basis in preparing the Group annual financial statements.

## Accounting policies

The accounting policies and methods of computation applied in the preparation of the Group annual financial statements are in accordance with IFRS. All policies are consistent in all material respects with those applied in the audited Group annual financial statements for the year ended 30 September 2024.

Certain new or amended standards became applicable for the current financial year. The adoption of these standards did not have a material impact on the Group.

## Report of the independent auditor's

These summarised Group annual financial statements for the year ended 30 September 2025 have been extracted from the complete audited Group annual financial statements on which the auditors, Deloitte & Touche, have expressed an unmodified audit opinion.

The directors take full responsibility for the preparation of the summarised Group annual financial statements, which have been extracted from and are consistent in all material respects with the Group's annual financial statements.



# Summarised Group annual financial statements continued

## Summarised Group statement of profit or loss for the year ended 30 September

Rm	2025	2024
<b>Revenue<sup>1</sup></b>	<b>26 344</b>	25 202
Cost of sales	(13 250)	(12 746)
<b>Gross profit</b>	<b>13 094</b>	12 456
Other income	718	546
Administrative and other expenses	(10 039)	(9 638)
Impairment of financial assets	(198)	(205)
<b>Operating profit</b>	<b>3 575</b>	3 159
Investment income	133	205
Finance costs	(1 218)	(1 269)
Other financial losses – net	(11)	(8)
Attributable earnings/(losses) of associates	1	(4)
Attributable earnings of joint ventures	69	55
Impairment of investments in associates	(26)	—
<b>Profit before taxation</b>	<b>2 523</b>	2 138
Taxation	(713)	(591)
<b>Profit for the year</b>	<b>1 810</b>	1 547
<i>Attributable to:</i>		
Owners of the parent	1 681	1 436
Preference shareholders	62	63
Non-controlling interests	1 743	1 499
	67	48
<b>Cents</b>	<b>1 810</b>	1 547
<b>Basic earnings per share</b>	<b>135.3</b>	110.4
<b>Diluted earnings per share</b>	<b>132.9</b>	108.9

1. Refer to segment report on page 74 for detail on the disaggregation of revenue.

## Summarised Group statement of comprehensive income

for the year ended 30 September

Rm	2025	2024
<b>Profit for the year</b>	<b>1 810</b>	1 547
<b>Items that will not subsequently be reclassified to profit or loss</b>	<b>9</b>	—
Remeasurement of post-employment benefit obligation	<b>11</b>	—
Fair value adjustment on equity investments	<b>2</b>	—
Taxation on items that will not subsequently be reclassified to profit or loss	<b>(4)</b>	—
<b>Items that may subsequently be reclassified to profit or loss</b>	<b>(7)</b>	(33)
Effect of cash flow hedge accounting	<b>(10)</b>	(45)
Reclassification of cash flow hedge accounting reserve	<b>1</b>	(27)
Change in fair value of cash flow hedges	<b>(11)</b>	(18)
Taxation on items that may subsequently be reclassified to profit or loss	<b>3</b>	12
<b>Other comprehensive income for the year</b>	<b>2</b>	(33)
Total comprehensive income for the year	<b>1 812</b>	1 514
<i>Attributable to:</i>		
Owners of the parent	<b>1 683</b>	1 403
Preference shareholders	<b>62</b>	63
Non-controlling interests	<b>67</b>	48
	<b>1 812</b>	1 514



# Summarised Group annual financial statements continued

Summarised Group statement of financial position  
at 30 September

Rm	2025	2024
<strong>ASSETS</strong>		
<strong>Non-current assets</strong>		
Property, plant and equipment	<strong>15 009</strong>	14 413
Right of use assets	<strong>4 308</strong>	4 418
Goodwill	<strong>1 677</strong>	1 606
Intangible assets	<strong>455</strong>	314
Equity-accounted investments, loans and receivables	<strong>482</strong>	544
Financial assets	<strong>54</strong>	26
Deferred lease assets	<strong>1</strong>	20
Deferred taxation	<strong>733</strong>	668
<strong>Total non-current assets</strong>	<strong>22 719</strong>	22 009
<strong>Current assets</strong>		
Loans and receivables	<strong>43</strong>	22
Financial assets	—	17
Inventories	<strong>520</strong>	550
Trade and other receivables	<strong>4 041</strong>	3 940
Taxation receivable	<strong>13</strong>	51
Cash and cash equivalents	<strong>1 889</strong>	1 802
<strong>Total current assets</strong>	<strong>6 506</strong>	6 382
<strong>Total assets</strong>	<strong>29 225</strong>	28 391
<strong>EQUITY AND LIABILITIES</strong>		
<strong>Capital and reserves</strong>		
Ordinary share capital	<strong>4 077</strong>	4 233
Treasury shares	<strong>(4 396)</strong>	(4 306)
Other reserves	<strong>576</strong>	563
Retained earnings	<strong>9 970</strong>	9 799
Equity attributable to owners of the parent	<strong>10 227</strong>	10 289
Preference share capital and premium	<strong>644</strong>	644
Non-controlling interests	<strong>117</strong>	39
<strong>Total shareholders' equity</strong>	<strong>10 988</strong>	10 972
<strong>Non-current liabilities</strong>		
Long-term debt	<strong>6 805</strong>	5 505
Long-term lease liabilities	<strong>4 867</strong>	4 810
Financial liabilities	<strong>24</strong>	15
Post-employment healthcare benefit obligations	<strong>534</strong>	526
Deferred taxation	<strong>325</strong>	265
Provisions	<strong>33</strong>	35
<strong>Total non-current liabilities</strong>	<strong>12 588</strong>	11 156
<strong>Current liabilities</strong>		
Trade and other payables	<strong>4 263</strong>	3 786
Short-term debt	<strong>562</strong>	1 603
Short-term lease liabilities	<strong>731</strong>	731
Financial liabilities	—	14
Taxation payable	<strong>93</strong>	129
<strong>Total current liabilities</strong>	<strong>5 649</strong>	6 263
<strong>Total equity and liabilities</strong>	<strong>29 225</strong>	28 391

## Summarised Group statement of cash flows

for the year ended 30 September

Rm	2025	2024
<b>Cash flows from operating activities</b>		
Cash received from customers	<b>26 204</b>	24 689
Cash paid to suppliers and employees	<b>(20 736)</b>	(20 315)
<b>Cash generated from operations</b>	<b>5 468</b>	4 374
Interest paid on debt	<b>(635)</b>	(679)
Interest paid on lease liabilities	<b>(541)</b>	(511)
Taxation paid	<b>(758)</b>	(345)
Ordinary dividends paid by subsidiaries	<b>(57)</b>	(50)
Ordinary dividends paid to owners of the parent	<b>(957)</b>	(850)
Preference dividends paid	<b>(62)</b>	(63)
Distribution paid to beneficiaries of the HPFL B-BBEE <sup>1</sup> trusts	<b>(11)</b>	(7)
<b>Net cash from operating activities</b>	<b>2 447</b>	1 869
<b>Cash flows from investing activities</b>		
Advances (to)/from associates	<b>(31)</b>	27
Advances from joint ventures	<b>16</b>	58
Additions to property, plant and equipment <sup>2</sup>	<b>(1 503)</b>	(1 463)
Payments for additions to intangible assets	<b>(127)</b>	(56)
Proceeds on disposal of property, plant and equipment and intangible assets	<b>35</b>	40
Proceeds on disposal of investment in subsidiaries	<b>2</b>	—
Cash and cash equivalents of businesses disposed	<b>(3)</b>	—
Insurance proceeds on damaged assets	<b>5</b>	—
Acquisition of business	<b>(54)</b>	—
Proceeds from investments and loans	<b>4</b>	7
Interest received	<b>150</b>	205
Dividends received	<b>38</b>	28
<b>Net cash from investing activities</b>	<b>(1 468)</b>	(1 154)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	<b>(855)</b>	(722)
Debt raised	<b>2 150</b>	2 600
Debt repaid	<b>(1 875)</b>	(2 814)
Payment for acquisition of non-controlling interests	<b>(11)</b>	—
Proceeds from disposal/issue of shares to non-controlling interests	<b>—</b>	3
Payment of principal elements of lease liabilities	<b>(301)</b>	(258)
<b>Net cash from financing activities</b>	<b>(892)</b>	(1 191)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>87</b>	(476)
Cash and cash equivalents at the beginning of the year	<b>1 802</b>	2 278
<b>Cash and cash equivalents at the end of the year</b>	<b>1 889</b>	1 802

1. Health Partners for Life Broad-based Black Economic Empowerment.

2. Included in payments for acquisition of property, plant and equipment is R25 million (2024: R25 million) of capitalised borrowing costs.

# Summarised Group annual financial statements continued

## Summarised Group statement of changes in equity for the year ended 30 September

Rm	Ordinary share capital	Treasury shares	Cash flow hedge accounting reserve
<b>Balance at 1 October 2023</b>	4 297	(3 926)	25
Shares cancelled during the year	(64)	282	—
Transfer <sup>1</sup>	—	60	—
Purchase of treasury shares	—	(722)	—
Capital gains tax attributable to the sale of treasury shares	—	—	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Dividend withholdings tax	—	—	—
Reserve movements – other	—	—	—
Distributions paid to beneficiaries of the HPFL B-BBEE <sup>2</sup> trusts	—	—	—
Changes in equity interests in subsidiaries	—	—	—
Total comprehensive income for the year	—	—	(33)
Profit for the year	—	—	—
Other comprehensive income	—	—	(33)
<b>Balance at 1 October 2024</b>	4 233	(4 306)	(8)
Shares cancelled during the year	(156)	663	—
Transfer <sup>1</sup>	—	102	—
Purchase of treasury shares	—	(855)	—
Capital gains tax attributable to the sale of treasury shares	—	—	—
Share-based payment reserve movements	—	—	—
Preference dividends paid	—	—	—
Ordinary dividends paid	—	—	—
Dividend withholdings tax	—	—	—
Acquisition of subsidiary	—	—	—
Reserve movements – other	—	—	—
Distributions paid to beneficiaries of the HPFL B-BBEE <sup>2</sup> trusts	—	—	—
Changes in equity interests in subsidiaries	—	—	—
Total comprehensive income for the year	—	—	(7)
Profit for the year	—	—	—
Other comprehensive income	—	—	(7)
<b>Balance at 30 September 2025</b>	4 077	(4 396)	(15)

1. Transfer of treasury shares and share-based payment reserve in respect of vested shares.

2. Health Partners for Life Broad-based Black Economic Empowerment.

Share-based payment reserve	Retained earnings	Equity attributable to owners of the parent	Preference share capital and premium	Non-controlling interests	Total shareholders' equity
501	9 479	10 376	644	21	11 041
—	(218)	—	—	—	—
(60)	—	—	—	—	—
—	—	(722)	—	—	(722)
—	(10)	(10)	—	—	(10)
130	(1)	129	—	—	129
—	—	—	(63)	—	(63)
—	(850)	(850)	—	(50)	(900)
—	(14)	(14)	—	—	(14)
—	(16)	(16)	—	—	(16)
—	(7)	(7)	—	—	(7)
—	—	—	—	20	20
—	1 436	1 403	63	48	1 514
—	1 436	1 436	63	48	1 547
	—	(33)	—	—	(33)
<b>571</b>	<b>9 799</b>	<b>10 289</b>	<b>644</b>	<b>39</b>	<b>10 972</b>
—	(507)	—	—	—	—
<b>(104)</b>	<b>2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
—	—	(855)	—	—	(855)
—	(11)	(11)	—	—	(11)
<b>124</b>	<b>—</b>	<b>124</b>	<b>—</b>	<b>—</b>	<b>124</b>
—	—	—	(62)	—	(62)
—	(957)	(957)	—	(57)	(1 014)
—	(10)	(10)	—	—	(10)
—	—	—	—	52	52
—	1	1	—	—	1
—	(11)	(11)	—	—	(11)
—	(26)	(26)	—	16	(10)
—	<b>1 690</b>	<b>1 683</b>	<b>62</b>	<b>67</b>	<b>1 812</b>
—	<b>1 681</b>	<b>1 681</b>	<b>62</b>	<b>67</b>	<b>1 810</b>
—	9	2	—	—	2
<b>591</b>	<b>9 970</b>	<b>10 227</b>	<b>644</b>	<b>117</b>	<b>10 988</b>

# Summarised Group annual financial statements continued

## Headline earnings for the year ended 30 September

Rm	2025	2024
<b>Reconciliation of headline earnings</b>		
Profit for the year	<b>1 810</b>	1 547
<i>Adjusted for:</i>		
Dividends paid on shares attributable to the Single Incentive Plan and HPFL B-BBEE <sup>1</sup> trusts units	(25)	(24)
Preference shareholders	(62)	(63)
Non-controlling interests	(67)	(48)
<b>Profit for the purposes of basic and diluted earnings per share</b>		
<i>Adjusted for:</i>		
Profit on disposal of property, plant and equipment and intangible assets	(10)	(13)
Loss on disposal of property, plant and equipment and intangible assets	46	13
Recognition of net impairment of property, plant and equipment in operating profit	8	38
Recognition of impairment of investment in associate	26	—
Profit on disposal of subsidiaries	(7)	—
Insurance proceeds on damaged assets	(96)	—
Tax effect of headline adjusting items	14	(5)
<b>Headline earnings</b>	<b>1 637</b>	1 445

1. Health Partners for Life Broad-based Black Economic Empowerment.

## Headline earnings continued for the year ended 30 September

Rm	2025	2024
<b>Adjusted headline earnings</b>		
Headline earnings	<b>1 637</b>	1 445
Adjusted for:		
Regulatory review costs	<b>10</b>	—
Other impairments	<b>22</b>	—
Impairment of short-term associate loans	<b>13</b>	3
Fair value loss on derivative financial instruments	—	4
Ineffectiveness losses on cash flow hedges	—	4
Net impairment reversal of short-term joint venture loans	—	(1)
Tax effect of headline adjusting items	<b>(3)</b>	(1)
<b>Adjusted headline earnings</b>	<b>1 679</b>	1 454
Cents		
<b>Headline earnings per share</b>	<b>133.7</b>	113.0
<b>Diluted headline earnings per share</b>	<b>131.4</b>	111.4
<b>Adjusted headline earnings per share</b>	<b>137.2</b>	113.7
<b>Diluted adjusted headline earnings per share</b>	<b>134.8</b>	112.0

Adjusted headline earnings per share is an alternative non-IFRS measurement used by the chief operating decision maker as a key measure of sustainable earnings from trading operations and is used in setting the dividend to be paid to shareholders. The calculation of adjusted headline earnings per share excludes non-trading and/or non-recurring items, and is based on the adjusted profit attributable to ordinary shareholders, divided by the weighted average number of ordinary shares in issue during the year. Non-IFRS measures are not defined by IFRS Accounting Standards nor a JSE Listings Requirement, and may not be uniformly defined by others resulting in non-comparability directly to similarly labelled measures and disclosures.

Adjusted headline earnings represent headline earnings which have been adjusted for specific items of a non-trading and/or non-recurring nature, including:

- Gains or losses on financial instruments;
- Impairments and reversal of impairments on loans;
- Acquisition costs;
- Regulatory inquiry costs;
- Onerous lease provisions;
- Significant restructuring costs;
- New business development costs;
- Realisation of reserves through profit or loss;
- B-BBEE transaction costs;
- Changes in tax rates;
- Other non-trading items; and
- Other non-recurring items.



# Summarised Group annual financial statements continued

## Summarised segment report

for the year ended 30 September

### Hospital and emergency services

This segment is further disaggregated into Hospital and pharmacy operations, covering our private acute hospital network and day clinics, and non-acute services. The non-acute services include the provision of emergency services, the operation of private mental health clinics, cancer care, diagnostics services and the sale of healthcare products and vouchers.

#### Primary Care

This segment offers comprehensive primary healthcare services, employee health and wellness services, and administrative services to medical and dental practices.

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination <sup>1</sup>	Total
<b>30 September 2025</b>						
<b>Statement of profit or loss</b>						
<b>Revenue</b>	<b>23 648</b>	<b>2 047</b>	<b>25 695</b>	<b>662</b>	<b>(13)</b>	<b>26 344</b>
<b>EBITDA<sup>2</sup></b>	<b>4 451</b>	<b>315</b>	<b>4 766</b>	<b>162</b>	<b>—</b>	<b>4 928</b>
Depreciation and amortisation	(1 081)	(189)	(1 270)	(83)	—	(1 353)
<b>Operating profit</b>	<b>3 370</b>	<b>126</b>	<b>3 496</b>	<b>79</b>	<b>—</b>	<b>3 575</b>
<b>Additional segment information</b>						
Cost of sales (excluding direct payroll)	(6 660)	(368)	(7 028)	(45)	13	(7 060)
Direct payroll	(5 357)	(685)	(6 042)	(148)	—	(6 190)
Property rental received	418	14	432	22	—	454
Indirect payroll (including executive directors)	(3 596)	(240)	(3 836)	(170)	—	(4 006)
Net impairment of property, plant and equipment	—	(8)	(8)	—	—	(8)

Rm	Hospital and pharmacy operations	Non-acute services	Hospital and emergency services	Primary Care	Inter-segment elimination <sup>1</sup>	Total
<b>30 September 2024</b>						
<b>Statement of profit or loss</b>						
<b>Revenue</b>	<b>22 807</b>	<b>1 699</b>	<b>24 506</b>	<b>712</b>	<b>(16)</b>	<b>25 202</b>
<b>EBITDA<sup>2</sup></b>	<b>4 228</b>	<b>115</b>	<b>4 343</b>	<b>148</b>	<b>—</b>	<b>4 491</b>
Depreciation and amortisation	(1 067)	(178)	(1 245)	(87)	—	(1 332)
<b>Operating profit/(loss)</b>	<b>3 161</b>	<b>(63)</b>	<b>3 098</b>	<b>61</b>	<b>—</b>	<b>3 159</b>
<b>Additional segment information</b>						
Cost of sales (excluding direct payroll)	(6 419)	(330)	(6 749)	(70)	16	(6 803)
Direct payroll	(5 136)	(641)	(5 777)	(166)	—	(5 943)
Property rental received	394	19	413	22	—	435
Indirect payroll (including executive directors)	(3 366)	(225)	(3 591)	(180)	—	(3 771)
Net impairment of property, plant and equipment	(16)	(6)	(22)	(16)	—	(38)

1. Relates to revenue earned in the Hospital and emergency services segment.

2. Earnings before interest, tax, depreciation and amortisation.

# Five-year review

	Compound growth % <sup>1</sup>	2025	2024	2023	2022	2021
<b>Summarised Group statement of profit or loss</b>						
<b>Revenue</b>	5.6	<b>26 344</b>	25 202	23 699	21 636	21 200
Cost of sales		<b>(13 250)</b>	(12 746)	(11 937)	(11 085)	(10 748)
<b>Gross profit</b>		<b>13 094</b>	12 456	11 762	10 551	10 452
Other income		<b>718</b>	546	466	435	330
Administrative and other expenses		<b>(10 039)</b>	(9 638)	(9 371)	(8 524)	(8 518)
Impairment of financial assets		<b>(198)</b>	(205)	(141)	(180)	(188)
<b>Operating profit</b>	14.6	<b>3 575</b>	3 159	2 716	2 282	2 076
Investment income		<b>133</b>	205	144	115	116
Finance costs		<b>(1 218)</b>	(1 269)	(1 064)	(885)	(903)
Other financial (losses)/gains – net		<b>(11)</b>	(8)	2	1	1
Attributable earnings/(losses) of associates		<b>1</b>	(4)	2	(23)	(147)
Attributable earnings of joint ventures		<b>69</b>	55	38	44	33
Impairment of investment in associates		<b>(26)</b>	–	(31)	–	–
<b>Profit before taxation</b>		<b>2 523</b>	2 138	1 807	1 534	1 176
Taxation		<b>(713)</b>	(591)	(471)	(484)	(416)
<b>Profit for the year</b>		<b>1 810</b>	1 547	1 336	1 050	760
Attributable to:						
Owners of the parent		<b>1 681</b>	1 436	1 271	975	730
Preference shareholders		<b>62</b>	63	50	38	39
Profit attributable to shareholders		<b>1 743</b>	1 499	1 321	1 013	769
Non-controlling interest		<b>67</b>	48	15	37	(9)
		<b>1 810</b>	1 547	1 336	1 050	760
<b>Summarised segment report</b>						
<b>Revenue</b>						
Hospital and pharmacy operations	5.0	<b>23 648</b>	22 807	21 472	19 733	19 465
Non-acute services	15.5	<b>2 047</b>	1 699	1 578	1 291	1 152
Hospital and emergency services	5.7	<b>25 695</b>	24 506	23 050	21 024	20 617
Primary care	2.7	<b>662</b>	712	663	634	595
Inter-segment eliminations <sup>2</sup>		<b>(13)</b>	(16)	(14)	(22)	(12)
		<b>26 344</b>	25 202	23 699	21 636	21 200
<b>EBITDA<sup>3</sup></b>						
Hospital and pharmacy operations	10.0	<b>4 451</b>	4 228	3 661	3 211	3 040
Non-acute services	40.9	<b>315</b>	115	168	111	80
Hospital and emergency services	11.2	<b>4 766</b>	4 343	3 829	3 322	3 120
Primary care	6.9	<b>162</b>	148	161	163	124
	11.0	<b>4 928</b>	4 491	3 990	3 485	3 244
<b>Operating profit</b>						
Hospital and pharmacy operations	12.0	<b>3 370</b>	3 161	2 615	2 282	2 144
Non-acute services		<b>126</b>	(63)	26	(72)	(104)
Hospital and emergency services	14.4	<b>3 496</b>	3 098	2 641	2 210	2 040
Primary care	21.7	<b>79</b>	61	75	72	36
	14.6	<b>3 575</b>	3 159	2 716	2 282	2 076

1. Compound annual growth rate for the period 2021 to 2025.

2. Relates to revenue earned in the Hospital and emergency services segment.

3. Earnings before interest, tax, depreciation and amortisation.

# Five-year review continued

	2025	2024	2023	2022	2021
<b>Summarised Group statement of financial position</b>					
<b>Non-current assets</b>					
Property, plant and equipment	<b>15 009</b>	14 413	13 887	13 469	12 915
Right of use assets	<b>4 308</b>	4 418	4 073	3 770	3 600
Goodwill	<b>1 677</b>	1 606	1 606	1 606	1 606
Intangible assets	<b>455</b>	314	267	237	200
Equity-accounted investments, loans and receivables	<b>482</b>	544	606	594	643
Financial assets	<b>54</b>	26	63	99	63
Deferred lease asset	<b>1</b>	20	19	17	12
Deferred taxation	<b>733</b>	668	854	1 040	987
<b>Total non-current assets</b>	<b>22 719</b>	22 009	21 375	20 832	20 026
<b>Current assets</b>					
Loans and receivables	<b>43</b>	22	27	59	132
Financial assets	<b>-</b>	17	15	2	4
Inventories	<b>520</b>	550	556	562	640
Trade and other receivables	<b>4 041</b>	3 940	3 542	3 288	3 251
Taxation receivable	<b>13</b>	51	9	28	112
Cash and cash equivalents	<b>1 889</b>	1 802	2 279	1 499	1 456
<b>Total current assets</b>	<b>6 506</b>	6 382	6 428	5 438	5 595
<b>Total assets</b>	<b>29 225</b>	28 391	27 803	26 270	25 621
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Ordinary share capital and premium	<b>4 077</b>	4 233	4 297	4 297	4 297
Treasury shares	<b>(4 396)</b>	(4 306)	(3 926)	(3 504)	(3 557)
Other reserves	<b>576</b>	563	526	473	413
Retained earnings	<b>9 970</b>	9 799	9 479	8 980	8 780
Equity attributable to owners of the parent	<b>10 227</b>	10 289	10 376	10 246	9 933
Preference shares capital and premium	<b>644</b>	644	644	644	644
Non-controlling interest	<b>117</b>	39	21	54	12
<b>Total shareholders' equity</b>	<b>10 988</b>	10 972	11 041	10 944	10 589
<b>Non-current liabilities</b>					
Long-term debt	<b>6 805</b>	5 505	6 057	5 265	4 936
Long-term lease liabilities	<b>4 867</b>	4 810	4 334	3 906	3 588
Financial liabilities	<b>24</b>	15	-	-	32
Post-retirement benefit obligations	<b>534</b>	526	495	533	503
Deferred taxation	<b>325</b>	265	254	319	309
Provisions	<b>33</b>	35	19	22	42
<b>Total non-current liabilities</b>	<b>12 588</b>	11 156	11 159	10 045	9 410
<b>Current liabilities</b>					
Trade and other payables	<b>4 263</b>	3 786	3 657	3 521	3 207
Short-term debt	<b>562</b>	1 603	1 249	1 105	1 851
Short-term lease liabilities	<b>731</b>	731	658	582	508
Financial liabilities	<b>-</b>	14	12	20	38
Taxation payable	<b>93</b>	129	26	49	18
Bank overdrafts	<b>-</b>	-	1	4	-
<b>Total current liabilities</b>	<b>5 649</b>	6 263	5 603	5 281	5 622
<b>Total equity and liabilities</b>	<b>29 225</b>	28 391	27 803	26 270	25 621

	2025	2024	2023	2022	2021
<b>Summarised Group statement of cash flows</b>					
<b>Cash flows from operating activities</b>					
Cash received from customers	<b>26 204</b>	24 689	23 338	21 522	20 702
Cash paid to suppliers and employees	<b>(20 736)</b>	(20 315)	(19 203)	(17 572)	(16 908)
<b>Cash generated from operations</b>	<b>5 468</b>	4 374	4 135	3 950	3 794
Interest paid on debt	<b>(635)</b>	(679)	(516)	(419)	(441)
Interest paid on lease liabilities	<b>(541)</b>	(511)	(454)	(409)	(371)
Taxation paid	<b>(758)</b>	(345)	(374)	(439)	(618)
Ordinary dividends paid by subsidiaries	<b>(57)</b>	(50)	(47)	(25)	(19)
Ordinary dividends paid to owners of the parent	<b>(957)</b>	(850)	(808)	(728)	–
Preference dividends paid	<b>(62)</b>	(63)	(50)	(38)	(39)
Distribution paid to beneficiaries of the HPFL B-BBEE <sup>1</sup> trusts	<b>(11)</b>	(7)	(6)	(8)	(1)
<b>Net cash from operating activities</b>	<b>2 447</b>	1 869	1 880	1 884	2 305
<b>Cash flows from investing activities</b>					
Advances (to)/from associates	<b>(31)</b>	27	(25)	(30)	(12)
Advances from/(to) joint ventures	<b>16</b>	58	(20)	17	(9)
Additions to property, plant and equipment	<b>(1 503)</b>	(1 463)	(1 443)	(1 382)	(1 132)
Payments for additions to intangible assets	<b>(127)</b>	(56)	(64)	(14)	(12)
Proceeds on disposal of property, plant and equipment and intangible assets	<b>35</b>	40	101	35	36
Proceeds on disposal of investment in subsidiaries	<b>2</b>	–	–	–	–
Cash and cash equivalents of businesses disposed	<b>(3)</b>	–	–	–	–
Insurance proceeds on damaged assets	<b>5</b>	–	–	–	–
Acquisition of business	<b>(54)</b>	–	–	–	–
Proceeds from/(payments for) investments and loans	<b>4</b>	7	(45)	(8)	(105)
Interest received	<b>150</b>	205	144	115	116
Dividends received	<b>38</b>	28	46	19	92
<b>Net cash from investing activities</b>	<b>(1 468)</b>	(1 154)	(1 306)	(1 248)	(1 026)
<b>Cash flows from financing activities</b>					
Proceeds on disposal of treasury shares	<b>–</b>	–	49	29	1
Purchase of treasury shares	<b>(855)</b>	(722)	(510)	(29)	–
Debt raised	<b>2 150</b>	2 600	2 080	1 903	1 000
Debt repaid	<b>(1 875)</b>	(2 814)	(1 174)	(2 325)	(2 108)
Payments for equity interests in subsidiaries	<b>–</b>	–	(8)	–	–
Payment for acquisition of non-controlling interests	<b>(11)</b>	–	(2)	–	(1)
Proceeds from disposal/issue of shares to non-controlling interests	<b>–</b>	3	–	2	9
Payment of principal elements of lease liabilities	<b>(301)</b>	(258)	(226)	(177)	(170)
<b>Net cash from financing activities</b>	<b>(892)</b>	(1 191)	209	(597)	(1 269)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>87</b>	(476)	783	39	10
Cash and cash equivalents at the beginning of the year	<b>1 802</b>	2 278	1 495	1 456	1 446
<b>Cash and cash equivalents at the end of the year</b>	<b>1 889</b>	1 802	2 278	1 495	1 456
<b>Consisting of</b>					
Cash on hand and balances with banks	<b>1 889</b>	1 802	2 279	1 499	1 456
Bank overdrafts	<b>–</b>	–	(1)	(4)	–
<b>Cash and cash equivalents at the end of the year</b>	<b>1 889</b>	1 802	2 278	1 495	1 456

1. Health Partners for Life Broad-based Black Economic Empowerment.

# Five-year review continued

	2025	2024	2023	2022	2021
<b>Normalised earnings</b>					
<b>EBITDA</b>					
Reported	<b>4 928</b>	4 491	3 990	3 485	3 244
Impairment of investment in an associate	<b>44</b>	–	–	–	–
Impairment of properties	<b>2</b>	39	125	11	73
Net insurance gain on asset claim	<b>(62)</b>	–	–	–	–
Lesotho PPP termination	–	–	–	–	(124)
<b>Normalised EBITDA</b>	<b>4 912</b>	4 530	4 115	3 496	3 193
<b>Operating profit</b>					
Reported	<b>3 575</b>	3 159	2 716	2 282	2 076
Impairment of investment in an associate	<b>44</b>	–	–	–	–
Impairment of properties	<b>2</b>	39	125	11	73
Net insurance gain on asset claim	<b>(62)</b>	–	–	–	–
Lesotho PPP termination	–	–	–	–	(124)
<b>Normalised operating profit</b>	<b>3 559</b>	3 198	2 841	2 293	2 025
<b>Invested capital</b>					
Property, plant and equipment	<b>15 009</b>	14 413	13 887	13 469	12 915
Right of use assets	<b>4 308</b>	4 418	4 073	3 770	3 600
Intangible assets	<b>455</b>	314	267	237	200
Deferred lease assets	<b>1</b>	20	19	17	12
Deferred taxation	<b>733</b>	668	854	1 040	987
Current assets	<b>4 574</b>	4 541	4 107	3 878	4 003
Inventories	<b>520</b>	550	556	562	640
Trade and other receivables	<b>4 041</b>	3 940	3 542	3 288	3 251
Taxation receivable	<b>13</b>	51	9	28	112
Current liabilities	<b>(4 356)</b>	(3 915)	(3 683)	(3 570)	(3 225)
Trade and other payables	<b>(4 263)</b>	(3 786)	(3 657)	(3 521)	(3 207)
Taxation payable	<b>(93)</b>	(129)	(26)	(49)	(18)
	<b>20 724</b>	20 459	19 524	18 841	18 492
<b>Key performance indicators</b>					
<b>Ratios</b>					
EBITDA margin <sup>1</sup>	%	<b>18.6</b>	18.0	17.4	16.2
Operating profit margin <sup>1</sup>	%	<b>13.5</b>	12.7	12.0	10.6
Interest cover <sup>1</sup>	times	<b>3.3</b>	3.0	3.1	3.0
Effective tax rate <sup>1</sup>	%	<b>27.5</b>	27.7	26.1	29.8
Return on invested capital	%	<b>12.6</b>	11.7	10.8	8.8
Current ratio	:1	<b>1.2</b>	1.0	1.1	1.0
<b>Shareholder returns</b>					
Basic earnings per share	cents	<b>135.3</b>	110.4	94.5	72.3
Headline earnings per share	cents	<b>133.7</b>	113.0	101.0	74.0
Adjusted headline earnings per share	cents	<b>137.2</b>	113.7	105.7	83.2
Ordinary dividends per share	cents	<b>85.0</b>	70.0	65.0	50.0
Dividend cover <sup>2</sup>	times	<b>1.6</b>	1.6	1.6	1.7
Net asset value per share	cents	<b>922</b>	878	846	818

1. Normalised to exclude extraordinary items.

2. Adjusted headline earnings per share divided by total dividends per share.

		2025	2024	2023	2022	2021
<b>Key performance indicators continued</b>						
<b>Ordinary share statistics</b>						
Shares in issue	million	<b>1 365</b>	1 418	1 439	1 439	1 439
Shares in issue net of treasury shares	million	<b>1 192</b>	1 249	1 305	1 338	1 337
Weighted average number of shares	million	<b>1 224</b>	1 279	1 330	1 338	1 336
Diluted weighted average number of shares	million	<b>1 246</b>	1 298	1 345	1 348	1 344
Market capitalisation <sup>1</sup>	R million	<b>19 383</b>	21 851	19 427	19 743	23 312
<b>JSE statistics</b>						
Market price per share						
at 30 September	cents	<b>1 420</b>	1 541	1 350	1 372	1 620
highest	cents	<b>1 577</b>	1 556	1 633	1 730	1 738
lowest	cents	<b>1 193</b>	1 101	1 262	1 276	1 130
weighted average	cents	<b>1 417</b>	1 279	1 430	1 506	1 416
Number of share transactions		<b>378 393</b>	452 384	364 011	318 239	508 997
Value of share transactions	R million	<b>13 052</b>	16 475	14 919	15 117	17 076
Volume of shares traded	million	<b>921</b>	1 288	1 043	1 004	1 206
Volume traded to issued	%	<b>67.5</b>	90.8	72.5	69.7	83.8
<b>Market performance ratios</b>						
Earnings yield	%	<b>9.4</b>	7.3	7.5	5.4	3.8
Distribution yield	%	<b>6.0</b>	4.5	4.8	3.6	2.1
Price: earnings ratio	times	<b>10.6</b>	13.6	13.4	18.5	26.3
<b>Operational performance indicators</b>						
<b>Acute hospitals</b>						
Number of hospitals <sup>2</sup>		<b>49</b>	49	49	49	53
Registered beds		<b>9 831</b>	9 827	9 903	9 903	10 005
Theatres		<b>343</b>	343	343	343	349
Hybrid theatres, catheterisation and electrophysiology laboratories		<b>34</b>	34	34	34	34
Day clinics		<b>10</b>	11	12	12	12
Patient days <sup>3</sup>		<b>2 140 240<sup>3</sup></b>	2 198 673	2 193 598	2 068 040	1 972 996
Average length of stay	days	<b>4.5</b>	4.5	4.4	4.3	4.8
<b>Mental health</b>						
Number of facilities		<b>14</b>	14	14	13	12
Registered beds		<b>1 007</b>	1 007	1 007	935	891
Patient days		<b>258 464</b>	257 167	253 896	225 304	202 091
Average length of stay	days	<b>11.8</b>	11.7	11.9	12.1	12.6
Emergency Services						
Netcare 911 sites		<b>91</b>	93	92	87	82
<b>Cancer Care</b>						
Cancer care centres providing radiation treatment		<b>7</b>	9	9	9	9
Haematology centres		<b>8</b>	8	8	8	8
<b>National Renal Care</b>						
Renal chronic dialysis centres		<b>78</b>	75	73	71	69
Renal dialysis stations		<b>1 047</b>	1 013	996	971	956
<b>Primary Care</b>						
Primary healthcare centres and travel clinics		<b>63</b>	63	63	65	67
Sub-acute facilities		<b>1</b>	1	1	1	1
Registered sub-acute beds		<b>30</b>	30	30	30	31
Total number of visits	million	<b>1.5</b>	1.6	1.6	1.7	2.1

1. Based on shares in issue.

2. Owned and managed entities.

3. Excludes Netcare Bougainville, Netcare Ceres.

4. Paid patient days for FY 2025 have been normalised to exclude Netcare Pretoria East Hospital, which was impacted by a fire in December 2024.

# Five-year review continued

		2025	2024	2023	2022	2021
<b>Key performance indicators continued</b>						
<b>Social performance indicators</b>						
Permanent employees <sup>1</sup>		<b>18 495</b>	18 350	18 568	18 245	18 346
Employee turnover		<b>11.5</b>	16.0	14.5	17.2	16.6
Gender split						
Male	%	<b>20.5</b>	20.2	19.4	19.2	18.8
Female	%	<b>79.5</b>	79.8	80.6	80.8	81.2
Employees trained		<b>18 617</b>	16 554	18 565	15 968	12 731
Training costs	Rm	<b>58</b>	58	57	51	49
Black (African, Coloured and Indian) employee representation	%	<b>84.4</b>	85.1	82.7	81.3	79.7
Unionised employees	%	<b>48.3</b>	48.1	49.0	48.6	50.9
Corporate social investment <sup>2</sup>	Rm	<b>27</b>	25	29	35	31
<b>Environmental performance indicators</b>						
<b>South Africa and Lesotho</b>						
Energy usage	gigajoules	<b>877 193</b>	945 675	1 011 723	925 719	954 692
Water usage	kilolitres	<b>1 481 039</b>	1 729 619	1 695 949	1 953 678	1 895 020
CO <sub>2</sub> e <sup>3</sup> emissions	tonnes	<b>767 472</b>	766 612	341 721	283 102	306 304
Scope 1 and Scope 2 CO <sub>2</sub> e per R1 million revenue		<b>7.95</b>	8.77	9.86	10.43	11.65

1. Includes PPPs.

2. Inclusive of bursaries.

3. Carbon dioxide equivalent.



# Corporate information

## Company registration number

Registration number 1996/008242/06

## Business address and registered office

Netcare Limited  
76 Maude Street (corner West Street),  
Sandton 2196  
Private Bag X34,  
Benmore 2010

## Company secretary

Charles Vikisi  
Tel no: +27 (0) 11 301 0265  
charles.vikisi@netcare.co.za

## Investor relations

ir@netcare.co.za

## Customer call centre

0860 NETCARE (0860 638 2273)  
customer.service@netcare.co.za

## Fraud line

0860 fraud 1 (086 037 2831)  
fraud@netcare.co.za

## JSE information

JSE share code: NTC (Ordinary shares)  
ISIN code: ZAE000011953  
JSE share code: NTCP (Preference shares)  
ISIN code: ZAE000081121

## Sponsor

Nedbank Corporate and Investment Banking,  
a division of Nedbank Limited  
Third floor, F Block, Nedbank  
135 Rivonia Campus  
135 Rivonia Road  
Sandown, Sandton, 2196

## Transfer secretaries

CTSE Registry Services  
The District Building, Office B6,  
6th Floor, 41 Lowry Road,  
Woodstock, Cape Town,  
7925  
admin@ctseregistry.co.za  
+27 (0)11 100 8352

## Auditors

Deloitte & Touche

## Principal bankers

RMB Private Bank  
Nedbank Limited

## Selected websites

[www.netcare.co.za](http://www.netcare.co.za)  
[www.nrc.co.za](http://www.nrc.co.za)

# Shareholder's diary

## Annual general meeting

6 February 2026

## Reports

Interim results announcement	May
Final results announcement	November

## Dividends

### Ordinary dividends

	Declared	Paid
Interim	May	July
Final	November	January

### Preference dividend

	Declared	Paid
Interim	April	May
Final	October	November

## Disclaimer

Certain statements in this document constitute 'forward-looking statements'. Forward-looking statements may be identified by words such as 'believe', 'anticipate', 'expect', 'plan', 'estimate', 'intend', 'project', 'target', 'predict' and 'hope'. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future, involve known and unknown risks, uncertainties and other facts or factors which may cause the actual results, performance or achievements of the Group, or the healthcare sector to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and are based on assumptions regarding the Group's present and future business strategies and the environments in which it operates now and in the future. No assurance can be given that forward-looking statements will prove to be correct and undue reliance should not be placed on such statements.

Any forward-looking information contained in this notice has not been audited and reported on by the Company's external auditor.

Forward-looking statements apply only as of the date on which they are made, and Netcare does not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise.

The normalised information has been prepared for illustrative purposes only, which is the responsibility of the directors. It has not been reviewed or reported on by the auditor because of its nature, and may not fairly represent Netcare's financial position, changes in equity, results of operations or cash flows.



# NETCARE