03

HOW OUR STRATEGY DRIVES VALUE CREATION

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Note: denotes leadership's outlook for the medium term.

Chief executive officer's review



The essence of Netcare's strategic ambition is simple: we want to partner with YOU in living a healthier, longer life. We want to be your trusted and preferred provider of health and care services, empowering you as a unique individual and an active and equal partner in enhancing your healthspan – the years you live in good health[1], and extending your lifespan – the years you live.

Dr Richard Friedland

A ten-year journey to transform healthcare delivery

These aspirations require nothing short of a major rethink and complete transformation of the way healthcare is delivered. Traditional healthcare is broken; in healthcare systems around the world, whether public or private, spiralling care costs are not delivering commensurately better health outcomes, as chronic conditions and NCDs[2] surge. As Dr Peter Attia says, modern medicine has become good at dealing with "fast death" (trauma and heart attacks for example) but is bad at dealing with "slow death" (chronic conditions and NCDs for example). Our healthcare systems globally are siloed, fragmented and people have inadvertently abrogated responsibility for their healthcare to the professionals. As a result, compliance to treatment, behaviour change and outcomes remain poor.

Our approach is to intentionally put the individual person at the centre of all we do, empowering them to become active and equal partners in preserving and enhancing their single most important asset – their health! To achieve this, we initiated Netcare's ten-year transformational journey in 2018. We set out to repair the unequal and often disempowering relationship between providers and patients, and to reorientate the delivery of care – to transform not only how we provide care but also how our patients experience it. This was not about incremental change; it was a revolution in care delivery to person centred health and care that is digitally enabled and data and AI driven.



1. *Attributed to Dr Peter Attia, author of* ***Outlive: The Science & Art of Longevity****.*
2. ***NCDs:*** *non-communicable diseases.*

Chief executive officer's review continued

With the full implementation of our EMR[1] platforms across our national network last year, we crossed a threshold that opens exponential possibilities. Our world class digital platform gives us a head start to a future-ready healthcare model, a digital backbone for the Netcare of tomorrow. It is enabling us to accelerate data and AI driven benefits to our stakeholders and realise a myriad of improvements in the quality, efficiency and sustainability of our care – what we term **Netcare's digital dividend**.

Our material matters for a detailed assessment of Netcare's operating context: page 18.

The Board chair's review for Netcare's position on National Health Insurance and public sector collaboration: page 40.

Our strategy for a detailed discussion of Netcare's strategy to 2030, with objectives and targets: page 59.

Expanding the Netcare digital dividend

In FY 2025, we assessed our strategy against multiple scenarios, to ensure resilience in a constrained market, and relevance amid evolving patient and funder preferences and the growing predominance of AI. This process reaffirmed our long-term strategic direction, while sharpening our focus on agility and innovation. Consistent with our person centred model, it affirmed our commitment to human-first design – 'automation with a heart' – an approach to technology aimed at empowering, not replacing, humans. Human-AI collaboration, which integrates advanced technology and uniquely human attributes, will deliver cutting-edge improvements and innovation in tandem with enhanced empathy and engagement – synergy that will deepen trust.

Alongside the margin improvement we are achieving through our digitisation and environmental sustainability initiatives, revenue growth remains top of mind. Our strategy process prioritised several avenues for growth, which leverage our growing digital, data and AI led capabilities in combination with our national network of facilities and trusted brand, our track record in clinical excellence and quality leadership, and our skilled and engaged employees.

Our approach to growth is intentional and disciplined. We will only expand our capacity in high demand disciplines such as mental health and brown field expansions where we are experiencing capacity constraints. We aim to grow capital-light revenue streams; establishing positions in uncontested 'blue ocean' spaces with innovative care models and new service formats, and commercialising our data analytics and AI driven capabilities. Our advanced clinical data platform – operating to strict governance parameters relating to data privacy, security and ethical use – will be the springboard for these monetisation opportunities as well as further advances in clinical excellence, personalised care, research and collaboration.

All our growth initiatives depend on consistently delivering the best quality care at the lowest cost, underpinned by the resilience and efficiency of our environmental sustainability programme. These leadership dimensions will rely on the consistency of care and digital fluency of our nurses and doctors, maintaining a culture of clinical excellence and continuous innovation, and delivering on the expectations of our funders. All these factors come together in our vision for 2030; leveraging our digital backbone and the power of our data assets, unlocked by advanced analytics and AI, and delivered by our enabled and empowered people and partners, Netcare will provide an integrated ecosystem of services under a trusted brand, that leads in quality, cost and sustainability, and is trusted and preferred by patients, doctors and funders.

Our material matters for more on the context and our responses to growing market share and profitability: page 19.

Quality leadership

For patients, quality leadership will mean safer, more personalised care and a better experience. Our digital platform and AI enablement, which have already eliminated up to 60% of potential medication errors, are simplifying and streamlining clinical processes and reducing variability. Predictive analytics are identifying life-threatening events early, enabling timely interventions that improve survival rates and elevate the standard of care. Our introduction in 2026 of wearable technology across our general, psychiatry, maternity and rehabilitation wards, will enable 24-hour proactive monitoring – a world first on this scale in hospital care – and will improve clinical outcomes even further.

As these innovations scale, doctors will have real-time insights and tools to support evidence-based decisions. Our ability to measure quality outcomes will increase in scope, accuracy and transparency, with benefits for our funders.

Patient satisfaction measures continue to improve, with nurse compassion scores reaching a record high of 8.49 in August 2025, an indicator of perceived quality in complement to our clinical outcomes. Building on this positive trend are various initiatives that will coalesce to provide an outstanding patient experience, centred on the evolution of the Netcare App. As a comprehensive engagement platform, the app provides seamless access to our ecosystem of services, putting health records, personalised recovery guides and real-time engagement features in the palm of patients' hands.

Over time, these capabilities will empower patients to engage in their own health management, appealing to their intrinsic motivation to encourage proactive health-seeking behaviours, preventative care and adherence to treatment protocols. Besides significantly better health outcomes, we aim to make the app indispensable to their daily lives and earn their loyalty.

Intellectual capital for more on consistency of care: page 95.

Social and relationship capital – our patients: page 99.

Cost leadership

With healthcare costs rising faster than affordability and tariff pressure intensifying, cost leadership is as critical as quality leadership for growth and competitive advantage. Leveraging digitisation and automation is enabling us to pair clinical excellence and operational efficiency, optimising complex and interconnected care delivery processes and reducing variability, to create value for patients, doctors and funders.

For patients, cost leadership will mean greater affordability without compromising quality, with benefits such as better continuity of care and shorter waiting times. For doctors, AI driven processes and robotic automation optimise workflows, resulting in less administration and more time for patient care. Other initiatives such as the centralised clinical cost efficiency programme, lower the cost per acute care event with no compromise in outcomes. Importantly, these advances also enable transparent and predictable costs. This strengthens our engagement with funders, underpinning confident value-based contracting.

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

Chief executive officer's review continued

Widening access to quality healthcare is both a growth lever for Netcare and a driver of health equity in SA. Our ability to leverage predictable cost structures to take on risk is the foundation for NetcarePlus. This business provides an innovative funding solution to offer bundled healthcare products of Netcare quality to medically uninsured patients. Momentum is building, with sales growth across retail and corporate channels underscoring our confidence in its potential for scalable impact.

Intellectual capital – for more on clinical cost efficiency: page 95.

Environmental sustainability leadership

Initiated in 2013, our environmental sustainability programme has positioned Netcare as a leader in healthcare sustainability globally, with many international and local accolades recognising our pioneering role. The programme is a core enabler of our quality and cost leadership aspirations, delivering operational resilience and efficiency, measurable impact and competitive advantage. It ensures uninterrupted care for patients amid unreliable national utilities and enables doctors to deliver excellence.

In FY 2025, we advanced significantly against our ambitious 2030 targets. Our renewable wind energy wheeling agreements and renewable solar and wind energy programme should bring us close to eliminating Scope 2 emissions by 2028 – two years ahead of target, and we will accelerate progress on Scopes 1 and 3 emissions through renewable energy, solar PV expansion and supply chain decarbonisation. With cumulative benefits from the programme now exceeding R1.5 billion in savings and cost avoidance, while reducing emissions and resource consumption at scale, our future commitment is bold: to achieve net zero emissions well ahead of 2050.

Water intensity reduced by 16% against the 2030 strategy baseline (2023), safeguarding a critical resource in a water-stressed country. At the same time, 80% of general waste in the Hospital Division was diverted from landfill, advancing circular economy principles and reducing environmental impact.

Natural capital: page 112.

Our most powerful advantage

Our ability to deliver truly differentiated person centred care depends on the skill, resilience and compassion of our employees. We continue to invest in programmes that enhance resilience, engagement and inclusion, with initiatives such as Care4YOU, comprehensive wellbeing support and flexible work models enhancing employee experience and retention. Digitising HR processes will streamline administration, improve data accuracy and accelerate decision-making, enabling a more agile and responsive workforce model and even better engagement outcomes going forward.

Voluntary turnover declined to 7.8% from 12.9% in FY 2024, and headcount increased marginally to 18 495 permanent employees, reflecting improved retention and stability. Netcare achieved Top Employer certification from the Top Employers Institute, with an overall score of 80%. This prestigious recognition, which includes a rigorous assessment against global standards, underscores our commitment to providing an outstanding employee value proposition rooted in competitive rewards, career development pathways and a culture of care. Patient feedback improved and nurse compassion scores rose to record levels, affirming the impact of Care4YOU and other employee engagement initiatives. Another significant accolade, especially given the critical need to build a pipeline of young talent amid ongoing skills shortages, was Netcare's recognition in the GradStar Students' Choice 2025 awards as a top employer in the healthcare sector that students most want to work for.

SA's critical shortage of nurses, doctors and allied healthcare professionals is a threat to quality care in both the public and private sectors, and a structural barrier to universal health coverage. After years of engagement with key stakeholders and regulators, Netcare Education has received approval to double its nurse intake (from around 300 in the 2023 to around 600 in 2025). Netcare Education is also the first private institution fully SANC-accredited to offer the Postgraduate Diploma in Adult Critical Care Nursing. Such initiatives are critical to addressing the severe healthcare skills shortage and strengthening the talent pipeline in the sector. In addition, higher student intake will support our skills development targets and should improve our B-BBEE performance from the Level 3 we have sustained for four consecutive years.

Our material matters for more on the skills shortage and investing in our employees; transformation and access to quality health and care in SA: page 18.

Human capital: page 91.

Demonstrating resilience, delivering enhanced returns

The Group's financial performance reflected the tangible benefits of our strategic achievements, which strengthened operating leverage while positioning Netcare for long-term growth. Surgical volumes and enhanced specialist capacity supported revenue growth of 4.5%. The lift in EBITDA[1] of 8.4%, with margins expanding by 60 basis points to 18.6%, came from disciplined expense control and operational efficiencies, as well as cash savings and cost avoidance from digitisation and environmental sustainability initiatives. To illustrate the potential of these initiatives, our digital platform has already generated savings of R587 million with an IRR[2] above 25%.

Strong cash generation and prudent capital allocation supported a higher ROIC[3] of 12.6%. We were able to continue investing R1.6 billion in capital expenditure including in our digital innovation and environmental sustainability initiatives, and returned R1.8 billion to shareholders through share buybacks and dividends in FY 2025. Despite these outflows of R3.4 billion, net debt only increased by R172 million.

CFO review for an analysis of the Group's financial performance and capital allocation framework: page 83.

1. ***EBITDA:*** *earnings before interest, taxes, depreciation and amortisation.*
2. ***IRR:*** *internal rate of return.*
3. ***ROIC:*** *return on invested capital.*

Chief executive officer's review continued

Closing and appreciation

I believe one truth will endure: in a time that is being increasingly defined by automation and artificial intelligence, it will still be our nurses, doctors, pharmacists, paramedics and allied healthcare professionals that keep healthcare human, that bring care to life. They face relentless pressure everyday with courage and grace, and in doing so they preserve what matters most: the sanctity of life, and the immeasurable value of compassion, dignity and hope.

To my Executive Committee colleagues and our leadership teams throughout our various divisions and support services, my deep gratitude and thanks for your extraordinary commitment, work ethic and dedication over this past year. To our Board members, I am so grateful for the robust debate and the valuable and sage advice that characterises our interactions. And to our chair, Alex Maditse, thank you sir for your wise, measured and transparent stewardship. Your consistent engagement and support over this past year have been of tremendous assistance to me.

To all of our Netcare family, whether on the frontline or in support of care, thank you for embracing the transformational change of our strategy while holding fast to our purpose. To our partners in healthcare delivery, thank you for your trust and collaboration; together, we are building a model of care that is digitally enabled yet deeply personal, highly efficient yet profoundly empathetic.

As leadership transitions, I know that continuity of purpose is assured. The bold vision at the centre of all this change – to partner with people in living heathier lives for longer is bigger than any individual. My belief in Netcare, and the future we dared to reimagine so many years ago is unwavering, and my gratitude immense.

Dr Richard Friedland
Chief Executive Officer



Executive Committee

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 the Group. 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.



Dr Richard Friedland | 63

Chief executive officer

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

Joined Medicross in 1995 and Netcare in 1997

Chairs:
Executive, Environmental Sustainability and AI committees



Keith Gibson | 55

Chief financial officer

Qualifications:
BAcc, CA(SA)

Joined Netcare in 2006

Chairs:
Finance and Investment, Working Capital and Procurement committees



Teshlin Akaloo | 42

Managing director – NetcarePlus

Qualifications:
BSc Financial and Actuarial Mathematics, Fellow of the Institute of Actuaries

Joined Netcare in 2020



Dr Erich Bock | 46

Managing director – Hospital Division

Qualifications:
PhD Business Administration, MBA, BA Psychology (Hons), Post Graduate Teaching Certificate, BA Human Movement Science

Joined Netcare in 2013



Melanie Da Costa | 53

Director of strategy and health policy

Qualifications:
CFA, MCom, BCom (Hons)

Joined Netcare in 2006

Chairs:
Tariff Committee

Board committees[1]

- Audit Committee
- Social and Ethics Committee
- Remuneration Committee
- Risk Committee
- Nomination Committee
- Consistency of Care Committee

Operating committees

- Finance and Investment Committee
- Operational Transformation Committee
- Tariff Committee
- Combined Assurance Committee
- Environmental Sustainability Committee
- Procurement Committee
- Working Capital Committee
- IT Management Committee
- AI Committee

1. *Executive Committee member attends the Board committee as either a member or invitee.*

Executive Committee continued



Travis Dewing | 52

Chief information officer

Qualifications:
NDip IT, Certificate in IT (project management)

Joined Netcare in 1997

Chairs:
IT Management Committee



Craig Grindell | 54

Managing director – Netcare 911

Qualifications:
NDip EMC, NH Dip Business Management, BEMC

Joined Netcare in 2013



Dr Anchen Laubscher | 45

Group medical director

Qualifications:
MBChB, DCH, DipPEC, PGDipGM, MBA (Cum Laude)

Joined Netcare in 2007



Vuyokazi Maleki | 46

Managing director – Netcare Akeso

Qualifications:
MBA, PGDip General Management, BCom (risk management)

Joined Netcare in 2022



Mary Ann Nabbie | 54

Group director of nursing and nursing education

Qualifications:
Medical and Surgical Nursing Science (Critical Care) Diploma, General, Psychiatric, Community and Midwifery Nursing Diploma

Joined Netcare in 2022



Sara Nayager | 51

Managing director – Primary Care Division

Qualifications:
BPharmacy, MBL

Joined Netcare in 2004



Dr Nceba Ndzwayiba | 47

Director of human resources and transformation

Qualifications:
PhD, M Phil HRD, BEd BTD Hons (Cum Laude), B Technology, NDip ODETD

Joined Netcare in 2008

Chairs:
Operational Transformation Committee



Gershon Venkatsamy | 46

Chief data and AI officer

Qualifications:
BSc Computer Science, MBA

Joined Netcare in 2020



Charles Vikisi | 50

General counsel and Group secretary

Qualifications:
BA, BA (Hons) (Clinical Psychology), LLB, BTh (Hons), PDip Compliance Management

Joined Netcare in 2020

Board committees[1]

- Audit Committee
- Social and Ethics Committee
- Remuneration Committee
- Risk Committee
- Nomination Committee
- Consistency of Care Committee

Operating committees

- Finance and Investment Committee
- Operational Transformation Committee
- Tariff Committee
- Combined Assurance Committee
- Environmental Sustainability Committee
- Procurement Committee
- Working Capital Committee
- IT Management Committee
- AI Committee

1. *Executive Committee member attends the Board committee as either a member or invitee.*

Executive Committee continued

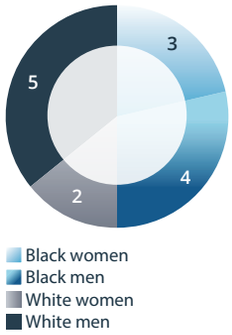
Executive Committee composition

Age

Younger than 46 years	2
46 to 55 years	11
Older than 55 years	1
Average age	**50**

Black South African	Women	Black women
50%	**36%**	**21%**
FY 2024: 43% FY 2023: 38%	FY 2024: 36% FY 2023: 31%	FY 2024: 14% FY 2023: 8%

Diversity (number)



Tenure (number)



195 years of combined service

Our strategy

The digital, data and AI driven and person centred phases of Netcare's medium-term strategy have unlocked new opportunities, many of which were unforeseen at the outset of our transformation journey. Looking ahead to 2030, our strategy focuses on expanding and developing new business streams, improving efficiency and positioning Netcare as the first choice for patients, doctors and funders. As AI will play a central role in enabling these initiatives, our focus will be on building our AI capabilities to seize opportunities in the most efficient and responsible manner. Our approach supports close collaboration between people and technology, ensuring that systems enhance, rather than replace, human skills.

Phases of the Netcare strategy

	Timeline	Focus	Measure
01 Digitally enabled	4 to 6 years to April 2024	Operational efficiency.	• Margins. • Returns.
Complete			
02 Data and AI driven	2 to 3 years from FY 2024	• Clinical cost efficiency. • Funder contracting. • Clinical product innovation.	• Patient safety and clinical outcomes. • Clinical research contribution. • Doctor attraction and retention.
In progress			
03 Person centred health and care	3 to 4 years from FY 2024	Person centred engagement and retention throughout a person's lifetime.	• Digital engagement and adoption. • Long-term health outcomes. • Patient embedded value[1].
In progress			

Adopting a human-AI collaborative approach as we embrace all AI has to offer.
In a fully digitised environment, we retain our human touch and adopt automation with a human heart.

PHASE 1 – Digitally enabled

The implementation of seven EMR[2] platforms marked a pivotal point in the Group's transformation to person centred health and care, establishing a robust foundation for future innovation. This integrated healthcare platform entrenches a powerful competitive and first-mover advantage for the Group and reinforces our commitment to innovation, clinical excellence and patient empowerment. Doctors were included in the design process to ensure our systems met their expectations and comprehensive change management programmes helped our nurses and employees adapt to new ways of working.



Initial investment and change in ways of working	▼ FC ▼ HC ▲ MC
Operational efficiency, removal of manual processes and improved margins	▲ FC ▲ HC ▲ SRC
Foundation established to analyse digital data	▲ IC

1. *Embedded value indicates the extent to which patients are staying within our ecosystem.*
2. ***EMR:*** *electronic medical record.*

▲ *Positive impact.* ▼ *Negative impact.*

Our strategy continued

PHASE 2 – Data and AI driven

A world class Big Data analytics platform

Harnessing over 53GB of clinical data generated daily

Leveraging the wealth of clinical data generated daily across Netcare's EMR platforms, Phase 2 of the strategy focuses on developing advanced analytical tools that enable data driven and AI-enabled decision-making about patient safety and the appropriateness of treatments, delivering improved quality of care outcomes at the most appropriate cost. Examples of tools developed include the PCI[1] tool that supports data driven engagement with doctors, the digital theatre booking and resource planning tool, digital pathology reports to avoid duplication and the sepsis prediction algorithm.

This phase of the strategy will provide continued benefits for our various stakeholders, including patients and partners in the healthcare value chain. Doctors practising at Netcare benefit from access to anonymised data on clinical outcomes, practices and pathways as well as the analytical tools to interrogate this data. In addition, they as well as Netcare's clinical teams, will be able to meaningfully contribute to clinical research and the advancement of medicine and surgery in SA. For Netcare's clinical and operational teams and private medical funders, this phase introduces centrally coordinated clinical cost efficiency programmes tailored to individual hospitals, optimising cost per event.

Value creation

Continued investment	▼ FC
Digitised data, advanced analytics and research	▲ IC ▲ SRC
Improved quality of care outcomes and clinical cost efficiency	▲ FC ▲ SRC
Relevance and attractiveness to private medical funders	▲ FC ▲ SRC
Competitiveness and market share growth in a challenging macroeconomic environment	▲ FC

PHASE 3 – Person centred health and care

What's the matter with **YOU**? becomes What matters to **YOU**?

Person centred care recognises each patient as unique, with an individual healthcare journey. By providing our patients with access to their personal health records, we can encourage and empower them to take co-responsibility for their health and care. This will also facilitate meaningful engagement with them to ensure that care delivery is tailored to their individual needs and preferences. This model of care extends beyond treating acute episodes to promoting health during times of wellness. By improving patient experience and fostering sustained engagement, we will advance our objective to retain patients within the Netcare ecosystem over their lifetimes.

Our ultimate goal is to provide patients with a unified record of all healthcare data across the entire Netcare ecosystem and, where appropriate, external sources. Patients will have seamless access to these records on the ONE Netcare website and Netcare App, whenever they need it.

Central to this objective is the Netcare App, which provides easy access to our services and information both inside and outside the hospital.

Netcare App

Phase 1: FY 2023 and FY 2024
Improve digital access to our facilities.

Phase 2: FY 2025
Improve in-hospital ease of use.

Phase 3: FY 2025 to FY 2027
Provide clinical information to patients.

Value creation

Continued investment	▼ FC
Enduring relationships and patient retention	▲ FC ▲ SRC
Positive long-term health over a patient's lifetime	▲ SRC

1. ***PCI:*** *personalised clinical information.*

▲ *Positive impact.* ▼ *Negative impact.*

Overview of strategic progress: page 73.

Our strategy continued

Widening the digital divide and expanding the Netcare digital dividend
across four distinct categories

Ongoing **operational efficiencies.**	Improving consistency and quality of **patient care outcomes.**	Increasing person centred **doctor centricity.**	Increasing person centred **funder centricity.**
Pages 62 and 36.	*Page 95*.	*Page 102*.	*Page 103*.

Drive growth and market share

- Continue improving the doctor value proposition (digitised processes, data and analytics tools, ambient listening, research opportunities, GP partnership models etc).
- Expand hospital services while staying true to our asset-light strategy.
- Explore business opportunities to offer healthcare solutions and services originally created to solve Netcare's internal needs.
- Explore new service lines for Netcare Akeso and the Primary Care Division.
- Leverage AI to grow pathology services.
- Develop new products for NetcarePlus.
- Provide medical research services.

Improve margins and returns

- Drive operational efficiencies through business process engineering, robotic process automation and using AI to solve problems that matter to patients, doctors and the bottom line.
- Fundamentally change how we engage with doctors and private medical funders.

Improve clinical cost efficiency

- Enhance our contracting strategy.
- Continue to improve quality of care outcomes and clinical cost efficiency (integrated systems, predictive algorithms, wearables, research etc).
- Provide care solutions beyond hospital discharge.

Gain sustainable competitive advantage

- Leverage our digital, data and AI progress as true differentiators.
- Be the lowest cost provider of best, high quality care.
- Drive patient attraction and retention through superior quality of care and service and digital engagement that is easy to use.

2030 environmental strategy

- Eliminate Scope 2 emissions
- Zero waste to landfill
- Reduce water intensity by an additional 5%*

On track and potentially ahead of schedule.

* *Having achieved and surpassed our water reduction target, we will provide updated targets in future reports.*

Environmental sustainability: page 112.

2030 people priorities

People
A collaborative, knowledge-exchanging multi-generational workforce of mostly tech-natives.

Technology
An agile, collaborative and smart workforce of humans and AI.

Culture
A human centric, innovative culture that delivers world class experience underpinned by authentic, compassionate leadership.

Skill
A digitally fluent and data literate healthcare workforce with free access to world class democratised learning to unleash innovation.



Person centred employee proposition: page 91.

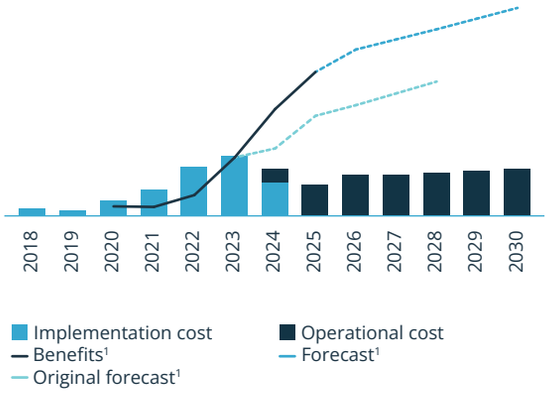
A digitally, AI-powered people centric HR delivery model

Our strategy continued

Expanding the Netcare digital dividend

Operational efficiencies

Investment to digitise Netcare



	Rm
Rollout capex to April 2024	**320**
Operational expenditure to April 2024	**350**
Cash savings and cost avoidance (gross)	
FY 2022	**37**
FY 2023	**104**
FY 2024	**190**
FY 2025	**256[2]**
Total	**587**
IRR	**>25%[3]**

1. *These include in-year cash savings and cost avoidance.*
2. *Our forecast was R178 million in savings and cost avoidance.*
3. *An internal rate of return (IRR) of 23% was reported in FY 2024.*

Clinical cost efficiency: page 97.

Digital transformation and data management: page 98.

Patient care outcomes

Netcare will introduce medical-grade wearable devices to all patients in general, maternity, psychiatry and rehabilitation wards. Roll out on this scale will be a global first.



Manual recording of drug administration times and adverse events by nurses or doctors frequently results in under-reporting and inaccurate quality measures, often presenting a more favourable picture than reality. On the other hand, digital reporting, supported by clear audit trails and precise time stamps, provides an objective and reliable assessment of bedside care.

Wearable devices equipped with remote patient monitoring capabilities will automate the collection of key vital signs, integrating this data in real time for continuous patient monitoring. This enables the early detection of patient deterioration, allowing for timely intervention and escalation of care before critical issues develop. By providing accurate, non-invasive and proactive monitoring – rather than relying on intermittent and reactive observation – these devices help nurses and doctors to provide better and safer care.

Patient safety: page 95.

Person centricity

Patients

An **AI assistant** to help de-jargonise medical terms in Summary of Care reports was made available on the **Netcare App** in September 2025, alongside other enhancements.



>883 000
app downloads.

>332 000
active users.

Our patients: page 99.

Healthcare practitioners

EMRs offer a number of benefits for doctors (see page 60) and have greatly improved doctor work-life balance. In addition, the Big Data analytics platform allows us to now partner with doctors and provide them with data and AI-driven clinical support tools to help them deliver safer, more effective and cost-efficient patient care aligned with best practice.

Introducing AI-driven, ambient listening and dictation in FY 2026

AI-enabled ambient listening automates the transcription of dictation and consultations directly into EMRs as structured clinical notes, improving the quality and completeness of records and reducing administrative burden for healthcare practitioners. Over time, this tool will evolve into AI clinical assistants that can prepare referral letters, coding, orders and prescriptions.

Doctors and allied healthcare professionals: page 102.

Funders

Enhancing our partnership with private medical schemes:

- **Digital funder portal:** provides medical schemes with 24/7 access to patient records and information needed to approve level of care and length of stay, reducing the need for onsite funder case managers.
- **Big Data analytics platform:** supports alignment across clinical outcomes, patient experience and cost efficiency – key underpins of alternative reimbursement models and value-based contracts.

Private medical funders: page 103.

Our strategy continued

FY 2026 financial and non-financial targets and objectives

Strategic underpins		FY 2026 on-target
Financial results 60% weighting	Normalised EBITDA margin	**FY 2025 + 0.3%**
	Adjusted HEPS	**137.2 cents** + CPI + GDP **+ 6.0%**
	ROIC	WACC of **11.6% + 1.5%**
	Cash conversion	**97.5%**
Consistency of care 10% weighting	Hospital Division overall patient satisfaction (composite set of scores)	**8.31**
	Hospital Division adoption of digital Summary of Care reports	**14.10%**
	Develop and roll out an AI-assisted clinical coding solution	**Full rollout** by 30 September 2026
	Develop proximal scoring methodologies to inform digitally enabled, AI-supported doctor decision-making	**2 models** completed by 30 June 2026
Digitisation and application of clinical data 10% weighting	Roll out ambient listening and dictation to doctors across the Hospital Division	**25** hospitals
	Complete a wearables pilot and roll out across the Hospital Division	**5** hospitals
	Enrich the Big Data analytics platform and onboard data from core source systems into relevant data domains	**7** source systems
	Optimise administration and finance systems	**11** divisions and departments optimised and benefits on track
Environmental sustainability 10% weighting	Additional tCO_2e[1] avoidance from new energy efficient projects and renewable energy generated and/or purchased	Energy efficiency: **3 600** Renewable: **1 000**
	Water savings from recycling and/or obtained from boreholes	**16 000** kilolitres
	Hospital Division waste diverted from landfill	General waste: **90%** HCRW: **40%**
Human capital and transformation 10% weighting	% of leadership roles with identified talent ready to transition within 12 to 24 months	**90%**
	Black representation at middle management	**64%**
	% of the permanent workforce comprising persons with disabilities	**4.8%**

Operational

- Add 55 new and convert 34 acute beds to higher demand disciplines.
- Open the 87-bed Netcare Akeso Polokwane facility.
- Open a 32-bed new sub-acute facility.
- Drive our doctor partner networks across the hospital network and Netcare Medicross.
- Grow the Primary Care Division's independent nursing practice offering.
- Improve the Primary Care Division's participation in DSP[2] network options.

Consistency of care

- Continue to research and develop the prediction models built in FY 2025.
- Develop a tool to assess and measure the impact of our clinical cost efficiency interventions.
- Develop, pilot and scale clinical products.
- Collaborate with universities (local and international) on medical research.

Digital and data

- Add new functionality to the Netcare App.
- Integrate **appoint**med™ with doctor partner networks.
- Integrate wearables[3] with CareOn, AI-driven early warning systems and predictive algorithms. A pilot will be conducted in a general ward of a flagship Netcare hospital.

Environmental sustainability

- Advance virtual wheeling arrangements for renewable energy.
- Upsize and optimise solar PV systems and integrate energy storage capacity.
- Drill additional boreholes and secure water use licences.
- Construct groundwater treatment works at four Netcare hospitals.
- Start construction on a greywater treatment plant for Netcare Alberton Hospital.
- Leverage machine learning and IoT[4] to improve water and energy usage.
- Implement supplier engagement programmes to manage indirect supply chain emissions.

Human capital and transformation

- Introduce new nursing models.
- Progress the digitisation of HR processes.
- Complete the Care4You Programme.
- Roll out the integrated health and wellness strategy for employees and an ergonomics programme.
- Use the Big Data analytics platform to enable in-depth analysis of wellbeing and SHEQ[5].
- Link high-potential emerging enterprises with opportunities in the Netcare supply chain.
- Find replacements for our structured ESD[6] programme to replace businesses that have achieved independent supplier status.
- Continue to progress our transformation strategy.

Remuneration report (full FY 2026 balanced scorecard).

1. *Tonnes of carbon dioxide equivalent.*
2. ***DSP:** designated service provider.*
3. *Netcare's wearables are Food and Drug Administration and EU Conformité Européenne certified for a full range of clinical parameters.*
4. ***IoT:** internet of things.*
5. ***SHEQ:** safety, health, environmental sustainability and quality.*
6. ***ESD:** enterprise and supplier development.*

Our risks and opportunities

Our embedded risk management framework ensures that the decisions we make to achieve the Netcare strategy fall within our risk appetite and tolerance levels, and at the same time support our commitment to deepen the socioeconomic and environmental value we create for stakeholders and society. The framework defines how we identify, understand and mitigate risks and realise their related opportunities.

The Board approves the risk levels the Group can tolerate; risk tolerance varies for each top business risk. The Group has zero-tolerance for unethical behaviour, including fraud, corruption, bullying, discrimination and racism, and no appetite for legal and regulatory non-compliance.

Identifying our top business risks

Strategic risk assessments are conducted at least twice a year before Risk Committee meetings. Operational and executive teams across the Group identify key business and operational[1] risks, evaluating their impact, likelihood and materiality, the Group's exposure and the attention required from leadership to manage them. The risk management team, with leadership and the Risk and Audit committees, identifies the top business risks. These are the risks that affect the Group's strategy and sustainability by having an adverse impact on important assets; namely, leadership and employee competence and commitment, the competitiveness of our brands and stakeholder perceptions.

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

Board opinion

The Board is satisfied that it is appropriately informed about the top business risks facing the Group, and that our risk mitigation strategies and existing insurance cover are adequate and appropriate in relation to our identified risk exposures.

The Board is confident that:

- Our risk management systems and processes support our strategy and business model, and are effective and sound.
- Our appetite for risk is appropriate and risks are managed accordingly.
- Our risk-aware culture enables relevant, informed and consistent decision-making.
- In the event of a disastrous incident, the documented and tested major incident plan and disaster recovery programme support the continuity of critical business processes.

1. *An operational risk is a risk arising from the execution of our business functions, including loss due to inadequate or failed internal processes, people and systems. Operational risks can be mitigated by management actions.*

Five levels of assurance

The combined assurance model optimises all assurance services and functions to ensure effective decision-making processes and systems of internal controls, and to support the integrity of Netcare's external reporting.

Level 01	Assurance provided to the Board by governance committees	• Audit Committee • Risk Committee • Social and Ethics Committee • Consistency of Care Committee
Level 02	Non-independent assurance	• Management • Quarterly statements of assurance • Management self-assessments on financial metrics
Level 03	Non-independent assurance	• Risk management function • Quality assurance reviews • Data Council and Clinical Data Council
Level 04	Independent assurance	• Internal audit function
Level 05	Independent assurance	• British Standards Institution • Office of Health Standards Compliance • Deloitte & Touche • Empowerdex • Verify CO_2 • The Green House • Talbot and Talbot

Note: not all assurance providers are covered here. More detail on internal and independent assurance is provided per top business risk in the disclosure that follows.

Shareholder report (for detailed disclosure).

Our risks and opportunities continued

Overview of our top business risks

Our top business risks reflect the challenges and uncertainties that have the potential to adversely impact the successful delivery of the Netcare strategy and the Group's ability to create a sustainable competitive advantage.

Top business risks 2025			2024 rating	2023 rating
BR1	Funder regime	→	1	2
BR2	Availability and quality of skills*	↑	2	4
BR3	Climate change and water security*	↑	3	5
BR4	Economic environment and demand for private healthcare	↑	4	1
BR5	Cybercrime and cybersecurity	→	5	7
BR6	Delivering consistently outstanding and clinically efficient person centred health and care*	→	6	8
BR7	Sector regulations	↑	8	10
BR8	Socioeconomic challenges and civil unrest	↑	10	6
BR9	Technology and data imperatives*	→	9	9
BR10	Fire safety[1]	↑	NEW	NEW
BR11	Availability of electricity supply*	↓	7	3

Change compared to FY 2024

→ *Risk exposure remained constant*
↑ *Risk exposure increased*
↓ *Risk exposure decreased*

* *Linked to remuneration*

1. *The increasing risk exposure elevated fire safety into the Group's top business risks for FY 2025.*
2. *Residual risk refers to the amount of risk that remains after all efforts have been made to identify, assess and mitigate or control risks.*

Residual[2] risk exposure heat map

(for the next 24 months)



Residual risk exposure heat map

(beyond 24 months)



Level of control

Low: *risk mitigation measures are not entirely within Netcare's control (external risk factors).*

Medium: *certain risk mitigation measures are within Netcare's control (internal and external risk factors).*

High: *risk mitigation measures are largely within Netcare's control (internal risk factors).*

Our risks and opportunities continued

BR1 Funder regime

Context and impact

No growth in member numbers and adverse risk in medical scheme risk pools, which drives increased utilisation, are placing pressure on funder solvency, forcing high medical scheme premium increases, reduced benefits and increased co-payments to preserve scheme reserves and maintain financial stability.

Impacts:

- Limited or no participation in restricted hospital networks threatens patient volumes and doctor retention.
- Reduced patient volumes due to outmigration.
- Pressure on revenue and EBITDA margins.
- Potential loss of market share.

Material matter 1: grow market share and long-term profitability: page 19.

Mitigation

- Funder strategy to improve our competitiveness in hospital networks and increase market share (page 21).
- Clinical cost efficiency programme to reduce cost per event (page 97).
- Initiatives to attract and retain patients, grow in new markets and contain outmigration (pages 59 and 99).

Level of assurance

Level 1: Board oversight
Audit Committee, Risk Committee and Consistency of Care Committee.

Level 2 and 3: non-independent
Executive Committee, Tariff Committee, Efficiency Committee, risk management team, funder relations team, consistency of care team, Clinical Data Council and external consultants.

Level 4: independent
Internal audit team.

Risk to strategy

Capitals at risk

FC SRC

Level of control

Medium

Risk exposure outlook

This risk is likely to increase in the short to medium term; however; it should reduce in the medium to long term due to the successful implementation of clinical cost efficiency initiatives supported by data and AI enablement.

BR2 Availability and quality of skills

Context and impact

Competition for scarce skills is rife with a critical shortage of nurses. Netcare relies on specialised healthcare skills to consistently provide optimal care (nurses) and drive revenue (doctors and specialists). We also compete with all other industries for digital and data analytics skills, which are critical for driving our strategy forward.

Impacts:

- Sub-optimal quality of care (BR6).
- Increased costs to attract and retain talented individuals.
- Increased costs resulting from a higher ratio of more expensive registered nursing[1] hours due to scarcity of enrolled nurses.
- Pressure on EBITDA margins.
- Limited ability to improve our B-BBEE skills development score due to nurse training restrictions.

Material matter 3: attract, retain and invest in our employees and healthcare practitioners: page 27.

Mitigation

- Doctor attraction and retention strategy (page 28).
- Nursing initiatives to ensure our operational needs are met (page 27).
- A compelling employee value proposition (page 91).
- Reward outstanding contributions to strategic, operating and financial performance (page 79).
- Employee retention strategy for specialised, skilled and talented employees.
- Collaboration to find solutions to the structural challenges faced by SA's healthcare system.

Level of assurance

Level 1: Board oversight
Risk Committee, Nomination Committee and Social and Ethics Committee.

Level 2 and 3: non-independent
Executive Committee, Operational Transformation Committee, Clinical Practice Committee, Physician Advisory and Digital Advisory Boards, risk management team.

Level 5: independent
South African Nursing Council.

Risk to strategy

Capitals at risk

FC HC IC SRC

Level of control

Low

Risk exposure outlook

Competition for scarce skills is likely to continue but the differentiation of our digital and data strategy and HR initiatives may lessen our exposure in the longer term.

1. *A registered nurse is a qualified medical professional who performs diverse clinical care duties.*

Our risks and opportunities continued

BR3 Climate change and water security

Context and impact

In the long term, SA's water supply is vulnerable to the effects of climate change and the design of the national water system. In the short term, it is at risk due to aging and fragile municipal infrastructure. The water crisis is particularly pronounced in Gauteng, where most of our hospitals are located. The short-term impacts on our operations have been adequately mitigated.

Impacts:

- Sub-optimal quality of care (BR6) and business disruption, affecting surgeries and other medical procedures.
- Increasing water tariffs and costs to actively monitor the quality of water and implement interventions (eg bring water onsite).
- Pressure on EBITDA margins.
- Risk to fire safety measures (BR10).

Material matter 2: outstanding person centred health and care that is digitally enabled and data and AI driven: page 22.
Material matter 4: effective leadership and responsible business conduct: page 31.

Mitigation

- Environmental sustainability strategy to significantly reduce our impact on freshwater sources (page 36).
- Initiatives to secure the supply of water (pages 26 and 111).
- Major incident response plan in the event of prolonged water supply disruption.
- Strong relationships with suppliers of water for emergency supply to hospitals.

Level of assurance

Level 1: Board oversight
Risk Committee and Social and Ethics Committee.

Level 2 and 3: non-independent
Executive Committee, Sustainability Committee and risk management team.

Level 5: independent
Verify CO_2, The Green House and Talbot and Talbot.

Risk to strategy

Capitals at risk

FC SRC NC

Level of control
Medium

Risk exposure outlook
Water security is likely to become an escalating risk for SA in the coming decade. We are confident that the successful implementation of the environmental sustainability strategy will reduce our risk exposure for the aspects we can control in the medium to long term.

BR4 Economic environment and demand for private healthcare

Context and impact

Netcare is exposed to SA's macroeconomic realities and how they impact healthcare affordability. Heightened unemployment rates and pressure on disposable income limit consumer funds for out-of-pocket expenses, suppressing private healthcare demand.

Impacts:

- An increasing number of patients on hospital network options equates to retaining the same number of patients and performing the same procedures but at lower remuneration rates than before. Combined with ongoing cost pressures (utility increases and skills shortages), a weak Rand and a stagnant economy, this trend dilutes EBITDA margins.

Material matter 1: grow market share and long-term profitability: page 19.
Material matter 5: accelerating transformation and access to quality health and care in SA: page 37.

Mitigation

- Funder strategy to improve our competitiveness in hospital networks and increase market share (pages 21).
- Doctor attraction and retention strategy (page 28).
- Initiatives to attract and retain patients and grow in new markets (pages 59 and 99).
- Increase the contribution of non-acute divisions to the Netcare ecosystem.
- Expand our mental health hospital footprint (page 110).
- Drive operating efficiencies to mitigate the impact of lower tariffs.
- Strict expense control.
- Optimise capacity utilisation and, if required, shift capacity to higher demand specialties and close low occupancy wards (page 110).

Level of assurance

Level 1: Board oversight
Audit Committee and Risk Committee.

Level 2 and 3: non-independent
Executive Committee, Finance and Investment Committee, Working Capital Committee, risk management team, treasury team, compliance team and external consultants.

Level 5: independent
Financial Sector Conduct Authority.

Risk to strategy

Capitals at risk

FC SRC

Level of control
Low

Risk exposure outlook
In the absence of positive developments in the macroeconomic environment, our strategy should prevent our negative risk exposure from worsening.

Our risks and opportunities continued

BR5 Cybercrime and cybersecurity

Context and impact

While connectivity and digital transformation provide numerous benefits, they also give rise to increased cyberthreats, with cybercriminals holding organisations to ransom and leaking sensitive data. In addition, the volume of personal data we process increases our legal and regulatory exposure.

Impacts:

- Potential business disruption, litigation, penalties, fines for non-compliance, reputational damage and financial loss in the event of a systems breach and/or loss of corporate or personal information.
- Increased costs to ensure defence systems are robust and effective.

Material matter 4: *effective leadership and responsible business conduct:* page 31.

Mitigation

- Risk-based cybersecurity strategy.
- Best-of-breed technologies.
- Collaboration with external specialists.
- Benchmarking our cybersecurity performance against industry and global peers.
- Cybersecurity and protection of personal information awareness training for employees and the Board.
- Rigorous monitoring and assessment of third-party compliance with our privacy framework and control measures.

Level of assurance

Level 1: Board oversight
Audit Committee, Risk Committee and Social and Ethics Committee.

Level 2 and 3: non-independent
Executive Committee, IT Management Committee, Information Security Management Committee, POPIA Steering Committee, risk management team, IT governance risk and compliance team, Outsourced Security Operations Centre and external consultants, among others.

Level 4 and 5: independent
Internal audit team and external auditors.

Risk to strategy



Capitals at risk

FC IC SRC

Level of control

Medium

Risk exposure outlook

The increasing frequency and sophistication of cyberattacks will increase into the long term; our cybersecurity efforts should prevent our negative risk exposure from worsening.

BR6 Delivering consistently outstanding and clinically efficient person centred health and care

Context and impact

Delivering care that consistently achieves the best outcomes, and meets patients' expectations underpins our competitiveness in a fast-changing healthcare sector. Nurse training limitations place pressure on existing nurses, and the shortage of nurses (see BR2), together with an unstable supply of water (see BR3) and electricity (see BR11), pose risks to our ability to not only maintain, but also to improve, the quality of care we provide to our patients.

Impacts:

- Potential adverse impact on reputation, employee morale and long-term sustainability if the care we provide is perceived negatively.

Material matter 2: *outstanding person centred health and care that is digitally enabled and data and AI driven:* page 22.
Material matter 3: *attract, retain and invest in our employees and healthcare practitioners:* page 27.

Mitigation

- Group-wide consistency of care strategy that leverages digitisation, data analytics and best practice care interventions.
- Digital patient centred engagement that is easily accessible, convenient, streamlined and improves the patient experience (page 100).
- Publication of transparent and accurate quality of care outcomes.
- Quality of our facilities and medical equipment (page 109).
- All risk mitigation measures for BR2, BR3 and BR11.

Level of assurance

Level 1: Board oversight
Risk Committee and Consistency of Care Committee.

Level 2 and 3: non-independent
Executive Committee, Clinical Practice Committee, Clinical Data Council and risk management team and internal quality team.

Level 4 and 5: independent
Internal audit team, British Standards Institution, Provincial Departments of Health, Office of Health Standards Compliance, Department of Employment and Labour, medical schemes and professional clinical associations.

Risk to strategy



Capitals at risk

FC IC SRC

Level of control

Medium

Risk exposure outlook

We are confident that the successful implementation of our consistency of care strategy will reduce our risk exposure for the aspects we can control in the medium to long term.

Our risks and opportunities continued

BR7 Sector regulations

Context and impact

The regulatory environment remains in flux and uncertain, with potential impacts on the business models, operations and processes of private healthcare providers.

Impacts:

- Potential adverse impact on reputation and penalties and fines or loss of operating licences for failure to comply with regulations.
- Sector regulations and healthcare policy uncertainty limit organisational growth and impact the sector-wide outlook.

Material matter 5: accelerating transformation and access to quality health and care in SA: page 37.

Mitigation

- Provide constructive input on health policy formulation and the realisation of sustainable UHC[1] through business forum and sector association memberships.
- Collaborate to find solutions to the structural challenges faced by SA's healthcare system.

Level of assurance

Level 1: Board oversight
Risk Committee and Social and Ethics Committee.

Level 2 and 3: non-independent
Executive Committee, Compliance Committee, risk management team, external consultants and legal counsel, Hospital Association of South Africa, Business Unity South Africa, Public Private Growth Initiative and National Economic Development and Labour Council.

Risk to strategy

Capitals at risk

FC HC SRC

Level of control

Medium

Risk exposure outlook

Regulatory uncertainty and disruption are likely to increase over the short to long term as new regulations relating to NHI are introduced.

BR8 Socioeconomic challenges and civil unrest

Context and impact

South Africans continue to contend with economic stagnation, high unemployment, poverty and inequality and lack of basic service delivery (especially water). Youth unemployment and basic service delivery failures are key drivers of social frustration and fuelled unrest. Municipal elections in 2026 may give rise to frustrated voters resorting to social unrest.

Impacts:

- Decreased consumer and investor confidence.
- Threat to workforce and patient safety.
- Could disrupt business operations and/or physically damage property and assets.
- Increased costs to protect people and infrastructure (physical security and insurance cover).

Material matter 5: accelerating transformation and access to quality health and care in SA: page 37.

Mitigation

- Major incident response plan, which is based on global best practices.
- Ensure our strategic suppliers (medication, security, cleaning, catering etc) have robust business continuity plans.
- Collaboration with public and private stakeholders to find solutions that address the systemic and structural inequalities in SA.
- Transformation strategy to support inclusive societal, economic and labour markets.

Level of assurance

Level 1: Board oversight
Risk Committee and Social and Ethics Committee.

Level 2 and 3: non-independent
Executive Committee and risk management team.

Risk to strategy

Capitals at risk

FC HC SRC MC

Level of control

Low

Risk exposure outlook

Given the extent of the challenges facing SA, this risk may escalate over the long term. In the short term, local government elections in 2026 and the African National Congress elective conference in 2027 could lead to increased voter frustration and social unrest.

1. **UHC:** *universal health coverage.*

Our risks and opportunities continued

BR9 Technology and data imperatives

Context and impact

As we continue on the journey to transform the way we deliver health and care, ongoing technology and data imperatives are needed to support and sustain the Netcare strategy. Rigorous control must also be maintained over the quality of data sourced from across the Netcare ecosystem.

Impacts:

- Enhancements and upgrades of digital platforms may lead to disrupted business operations and a negative experience for stakeholders.
- The integration and interdependencies between Netcare's systems and external third-party integrations raise the risk of multiple critical business systems failing concurrently, potentially resulting in a financial loss and a negative impact on reputation.

Material matter 2: outstanding person centred health and care that is digitally enabled and data and AI driven: page 22.
Material matter 4: effective leadership and responsible business conduct: page 31.

Mitigation

- Doctor engagement to gain their views on improvements to digital applications.
- Robust IT and AI governance practices.
- Disaster recovery and business continuity plans.

Level of assurance

Level 1: Board oversight
Audit Committee and Risk Committee.

Level 2 and 3: non-independent
Executive Committee, Finance and Investment Committee, IT Management Committee, Data Council, AI Committee, AI Governance Committee, risk management team and external consultants.

Level 4: independent
Internal audit team.

Risk to strategy

Capitals at risk

FC HC IC SRC

Level of control

High

Risk exposure outlook

While our risk exposure has decreased over the short to medium term due to the successful implementation of key digitisation and data projects, it is likely to increase in the long term as we implement a new enterprise management system.

BR10 Fire safety

Context and impact

The successful execution of highly specialised fire-fighting services relies on water supply and operational fire brigades. Frequent municipal water outages, throttling of water pressure and flow and general concerns relating to the aging and fragile municipal water infrastructure (BR3) increases the likelihood that fire authorities may not be able to respond appropriately in the event of a catastrophic fire.

Impacts:

- Threat to workforce and patient safety.
- Damage to physical assets.
- Unexpected capex required to repair damage.

Manufactured capital: page 109.

Mitigation

- Major incident response plan, which is based on global best practices.
- Agreements with private fire-fighting services.
- Independent fire risk analyses.
- Physical asset management system that ensures the optimal performance of our plant and equipment and compliance with laws and regulations relating to safety, health, environment and quality.

Level of assurance

Level 1: Board oversight
Risk Committee.

Level 2 and 3: non-independent
Executive Committee, Finance and Investment Committee, risk management team and external consultants.

Risk to strategy

Capitals at risk

FC HC SRC MC

Level of control

High

Risk exposure outlook

Our risk exposure to fire remains stable in the short to medium term and will improve in the medium to long term with the successful implementation of the major emergency preparedness and readiness project.

Our risks and opportunities continued

BR11 Availability of electricity supply

Context and impact

While Eskom currently has sufficient capacity to meet demand, substations and transformers still come under strain when electricity consumption surges, requiring load reduction to protect the strained equipment from damage. The impact of an unreliable electricity supply on our operations is adequately mitigated; however, the adverse knock-on impact on SA's growth remains.

Impacts:

- Risk to patient safety, sub-optimal quality of care (BR6) and business disruption.
- Increasing electricity tariffs.
- Diesel generators that are more expensive to run but needed during power outages.
- Pressure on EBITDA margins.
- Increased Scope 1 emissions from diesel generators.

Material matter 2: outstanding person centred health and care that is digitally enabled and data and AI driven: page 22.

Mitigation

- Environmental sustainability strategy to achieve 100% renewable energy and zero Scope 2 emissions (page 36).
- 20-year renewable energy supply arrangement.
- Initiatives to secure the supply of electricity for critical healthcare activities (pages 26 and 111).
- Strong relationships with our preferred diesel suppliers to ensure availability of diesel.
- Major incident response plan in the event of prolonged electricity disruption and blackout.

Level of assurance

Level 1: Board oversight
Risk Committee and Social and Ethics Committee.

Level 2 and 3: non-independent
Executive Committee, Sustainability Committee and risk management team and external consultants (for electricity supply).

Level 5: independent:
Verify CO_2, The Green House and Talbot and Talbot.

Risk to strategy

Capitals at risk

FC SRC NC

Level of control
Medium

Risk exposure outlook
This risk has decreased over the short to medium term due to a more stable electricity supply. The successful implementation of our renewable energy initiatives together with added national grid capacity should further reduce the risk into the long term.

Opportunities

Expanding the Netcare digital dividend

Capitalise on our digital platform to improve the patient experience

Netcare's digital platform, particularly the Netcare App, creates significant opportunities for the Group to enhance patient experience and foster patient loyalty by providing easy, convenient and streamlined access to our products and services. The digital platform enables more effective engagement with doctors and private medical funders, and supports the development of strategic and synergistic partnerships among the Group's divisions and functions, all of which ultimately improves the patient's experience.

Strategic underpins

Capitals enhanced
FC IC SRC

Expanding the Netcare digital dividend

Become the most cost-effective high-quality provider of healthcare services

The Big Data analytics platform will become a true differentiator for the Group in terms of measuring cost per event. Our rich statistical data can be leveraged to identify inefficiencies and develop AI-driven solutions that support clinical decision-making, improve patient safety and streamline administrative tasks. As we mature our ability to demonstrate evidence-based value to medical schemes and their members, our competitiveness in network tenders will strengthen, supporting better strategic alignment with private medical funders.

Strategic underpins

Capitals enhanced
FC IC SRC

Improve access to Netcare for more South Africans

NetcarePlus is a key growth enabler for Netcare (see *page 106*). Its suite of innovative healthcare products and funding solutions provides access to our facilities for patients who are not adequately covered by insurance or medical aid (including network patients who must make co-payments to be treated at Netcare). NetcarePlus supports patient retention in hospitals and increased use of our services, preserving revenue within the system. Its contribution to the Netcare ecosystem grew 87% year on year. Beyond NetcarePlus, our ongoing innovation and efficiency initiatives will also allow for greater affordability and wider access to our services.

Strategic underpins

Capitals enhanced
FC SRC

Our risks and opportunities continued

Opportunities continued

Expanding the Netcare digital dividend

Develop new clinical product offerings focused on specific market needs

Our clinical data allows us to differentiate and expand our clinical product portfolio, to positively contribute to patient days and revenue. For example, Netcare birthwise is a strategic differentiator, leveraging efficiency improvement to provide a novel, affordable maternity care offering with no out-of-pocket expenses for patients. The offering is available at two Netcare hospitals.

Strategic underpins



Capitals enhanced

FC IC SRC

Improve access to quality mental health services

Demand for mental health services continues to surge in SA. Our investment in expanding Netcare Akeso's geographic footprint will alleviate some of this unmet need. In total, 255 new beds will be added to our mental health network across Polokwane (Limpopo), Montana (Gauteng) and Ballito (KwaZulu-Natal).

Strategic underpins



Capitals enhanced

FC SRC MC

Play a key role in South African medical research

The extraordinary potential of the Big Data analytics platform and the reliability of our data supports large scale randomised controlled trials to small local audits and quality improvement projects. We expect to see a significant increase in the number of research applications and research projects being conducted at Netcare, particularly at a time when the US is withdrawing its research funding. 61 applications to conduct research were received in FY 2025.

Strategic underpins



Capitals enhanced

IC SRC

Accelerate renewable energy adoption

Electricity demand in SA is expected to rise as technology and digital adoption increase. We are transitioning to renewable and diversified energy sources, with enhanced energy storage and digital management solutions. This approach will strengthen energy security, stabilise costs, continue to deliver operational efficiencies and support our goal of achieving zero Scope 2 emissions by 2030 as part of our environmental sustainability strategy.

Strategic underpins



Capitals enhanced

FC MC NC

Expanding the Netcare digital dividend

Develop research-based high impact clinical pharmacy interventions

Our digital platforms will support the delivery of standardised, evidence-based clinical pharmacy interventions across all Netcare hospitals, allowing central pharmacists to optimise patient outcomes and expand access to high-impact, data driven pharmaceutical care regardless of location.

Strategic underpins



Capitals enhanced

FC SRC

Provide a world class employee experience

When the digitisation of the HR function is complete, MyNetCareer will provide our employees and divisions with access to a seamless, digital HR experience that includes intelligent analytics capabilities to drive data-informed decisions for more effective workforce planning. Significant process optimisation, efficiency enhancements and cost savings are also anticipated.

Strategic underpins



Capitals enhanced

FC HC SRC

Overview of strategic progress

Our primary objectives are to grow market share by delivering patient centred health and care that is digitally enabled and data and AI driven and ensure our services are accessible and competitive in an increasingly price-sensitive environment. Strategic progress is measured using the Netcare Litmus Test and Group BSC[1] – every element of the BSC is evaluated against the Netcare Litmus Test to ensure alignment with our strategic priorities. We set ambitious yet achievable targets, all designed to drive sustained improvement in ROIC[2] over time. We remain dedicated to managing overall financial performance by carefully balancing the key drivers of price and volume, thereby supporting margin protection and fostering growth.

Netcare Litmus Test criteria:	Grow above the market	Differentiate the services we offer	Grow margins and improve returns	Increase the embedded value of our offering

Our strategy: page 59.

Performance against the FY 2025 balanced scorecard

Financial indicators

Strategic underpins

Remuneration weighting 60%

Why we measured these indicators	Measure and weight		Threshold	On-target	Outperform	Actual	Assurance	Capital enhanced
Together, these metrics provide a comprehensive view of profitability, sustainability, capital efficiency and liquidity. This enables stakeholders to assess both our current performance and potential to create long-term value.	Normalised EBITDA[3] margin	**15.0%**	18.0%	18.2%	18.5%	**18.6%**	IA[5]/EA[6]	
	Adjusted HEPS[4] (cents)	**15.0%**	120.7	122.4	124.7	**137.2**	IA/EA	FC ▲
	ROIC	**15.0%**	12.0%	12.5%	13.0%	**12.6%**	IA/EA	
	Cash conversion	**15.0%**	90.0%	97.5%	107.5%	**111.3%**	IA/EA	

Consistency of care

Strategic underpins

Remuneration weighting 10%

Why we measured these indicators	Measure and weight		Threshold	On-target	Outperform	Actual	Assurance	Capital enhanced
The overall patient satisfaction score for the Hospital Division is calculated on a composite set of six drivers and strongly correlates with the likelihood of recommending a Netcare facility. Greater use of the digital theatre booking and resource planning tool provides more comprehensive clinical information for inclusion in the Summary of Care reports, enhancing our engagement with patients. Both measures support our objective to retain patients in our ecosystem.	Perception of care measured in overall satisfaction score	**5.0%**	8.22	8.27	8.42	**8.24**	IA	FC ▲
	Doctor utilisation of our bespoke tool to digitally book theatre cases	**5.0%**	25% of elective surgical cases booked digitally	50% of elective surgical cases booked digitally	80% of elective surgical cases booked digitally	**92.4%**	IA	IC ▲ SRC ▲

1. ***BSC:*** *balanced scorecard.*
2. ***ROIC:*** *return on invested capital.*
3. ***EBITDA:*** *earnings before interest, tax, depreciation and amortisation.*
4. ***HEPS:*** *headline earnings per share.*
5. ***IA:*** *independently assured by internal audit.*
6. ***EA:*** *external audit of financial information.*

Overview of strategic progress continued

Digitisation and application of clinical data

Strategic underpins

Remuneration weighting 10%

Why we measured these indicators	Measure and weight		Target range: Threshold	On-target	Outperform	Actual	Assurance	Capital enhanced
Our EMR platforms provide the data to enable person centred health and care, supporting patient retention. Measuring orders on CareOn is a gauge of doctor adoption of Netcare's largest EMR platform. The remaining measures focus on the optimal use of our vast data resources to drive patient retention, attract and retain doctors and support funder negotiations. Predictive AI algorithms enhance doctor decision-making at the bedside, resulting in improved quality, safety and efficiency of care. The last two measures track progress in building the Big Data analytics platform, which will strengthen our ability to optimise cost per event, identify improvements and advance clinical research.	Percentage of orders placed by doctors on CareOn	**2.5%**	80.0%	81.5%	84.0%	**82.3%**	IA	
	Implementation of predictive AI algorithms	**2.5%**	1 prediction model	2 prediction models	3 prediction models	**4**	IA	
	New data domains added to the Big Data analytics platform	**2.5%**	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)	**10 (16 in total)**	IA	FC ▲ IC ▲ SRC ▲
	Self-sustaining satellite business units with direct access to the Big Data analytics platform	**2.5%**	4 new units	6 new units	12 new units	**6**	IA	

Environmental sustainability

Strategic underpins

Remuneration weighting 10%

Why we measured these indicators	Measure and weight		Target range: Threshold	On-target	Outperform	Actual	Assurance	Capital enhanced
Our environmental sustainability targets are interim milestones designed to advance our 2030 strategic objectives: achieving zero waste to landfill, eliminating Scope 2 emissions and reducing water intensity. Effective resource management underpins long-term security, consistency of care, operating efficiency and cost savings for the Group.	Additional tCO_2e[1] avoidance from new energy efficiency projects implemented	**2.0%**	4 300	4 700	5 100	**6 840**	IA	
	Additional tCO_2e avoidance from new renewable energy projects implemented	**2.0%**	1 100	1 300	1 500	**1 573**	IA	FC ▲ SRC ▲
	Additional water recycled and reduced consumption	**2.0%**	14 000 kl	17 000 kl	19 000 kl	**25 256 kl**	IA	MC ▲
	Reduction in Hospital Division general waste to landfill	**2.0%**	67.5%	75.0%	80.0%	**80.0%**	IA	NC ▲
	Reduction in Hospital Division HCRW[2] to landfill	**2.0%**	16.6%	20.0%	25.0%	**31.4%**	IA	

1. *Tonnes of carbon dioxide equivalent.*
2. ***HCRW:** healthcare risk waste.*

Overview of strategic progress continued

Human capital and transformation

Strategic underpins

Remuneration weighting 10%

Why we measured these indicators	Measure and weight		Target range: Threshold	On-target	Outperform	Actual	Assurance	Capital enhanced
These targets demonstrate our commitment to developing a strong pipeline of diverse successors for key strategic leadership roles, ready to transition within a period of between 12 to 24 months. Our employee value proposition helps us attract and retain best-in-class talent, measured using turnover rates.	Percentage of strategic management and leadership roles with identified successors	**5.0%**	50.0%	70.0%	100.0%	**83.1%**	IA	HC ▲
	Labour turnover	**2.5%**	12.0%	11.8%	11.0%	**7.8%**	IA	IC ▲
	Improve racial representation at senior management level	**2.5%**	48.0%	50.0%	52.0%	**50.0%**	OA[1]	SRC ▲

1. **OA:** *external verification of B-BBEE scorecard.*



Overview of strategic progress continued

Strategic projects

Over 100 strategic projects have been undertaken in the last six years to advance the Group's long-term strategic objectives. In FY 2025, operational expenditure relating to strategic projects amounted to R60 million (FY 2024: R131 million). All milestones for FY 2025 were completed in line with their budgets. With the first phase of our strategy successfully completed in FY 2024, no further strategic costs were incurred for EMR platforms in the reporting year; all related operational costs are now fully integrated into the cost base of each division.

Key FY 2025 strategic projects

Project	Status at year end	Notes	Strategic trade-offs
Big Data analytics platform	Completed		Our investment in strengthening our data analytics capabilities (▼ FC) is enhancing patient safety and care, benefitting doctors and other healthcare practitioners and identifying usage patterns and drivers of costs. In time, as we set new standards for clinical cost efficiency, our capabilities will support innovation and Netcare's contribution to the sustainability and advancement of SA's healthcare system (▲ FC, ▲ IC and ▲ SRC). Through our clinical cost efficiency projects, we aim to responsibly reduce the cost per event without compromising the quality and safety of care we provide (▲ IC) nor jeopardising margins (■ FC). In addition, data driven evidence will reinforce our position in tariff negotiations and enhance our ability to compete for inclusion in restricted provider hospital networks (▲ FC and ▲ SRC).
Prediction of sepsis project	Completed		
Clinical cost efficiency programme (eight projects)	FY 2025 milestone completed	Four projects completed. Remaining projects to be completed in FY 2026.	
Digital theatre booking and resource planning tool	FY 2025 milestone completed	Multi-year project.	
Improve the Summary of Care reports to make them more useful for patients and doctors	Completed		Our capital allocation to meaningful, person centred engagement (▼ FC) strengthens patient retention within our ecosystem and is expected to enhance the patient experience (▲ FC and ▲ SRC). We are actively seeking patient consent to receive their healthcare information from Netcare. However, protecting confidential patient data demands ongoing investment in robust cybersecurity measures and continuous employee training and awareness, which can become onerous for employees but is necessary (▼ FC, ▲ IC and ▼ HC).
Phase 2 of the Netcare App	FY 2025 milestone completed	Multi-year project.	
Patient communication and consent	FY 2025 milestone completed	This project will continue into FY 2026.	
Billing programme (12 projects)	FY 2025 milestone completed	Eleven projects completed. The remaining project to be completed in FY 2026.	Digitising our processes can be expensive (▼ FC); however, this investment leads to substantial improvements in operating efficiency and generates cost savings over time (▲ FC). The HR function is the final Group support service to undergo this transformation. Once completed, the system will offer employees and divisions a seamless digital HR experience and deliver the data needed for more informed HR decision-making (▲ HC).
Complete phase one of the HR digitisation project (MyNetCareer)	FY 2025 milestone completed	This is an extensive project that will complete in FY 2027.	

▲ *Positive impact on capital.* ■ *Capital preserved.* ▼ *Negative impact on capital.*

Report back on forward-looking statements in the FY 2024 report.

Overview of strategic progress continued

Key FY 2025 strategic projects continued

Project	Status at year end	Notes	Strategic trade-offs
Shared services project	FY 2025 milestone completed	This project will continue into FY 2026.	Operational efficiency projects generally require an initial capital outlay (▼ FC), but generate cost savings over time (▲ FC). A number of these projects are underway, covering the Hospital Division, Netcare Cancer Care, Netcare 911, Netcare Akeso, Netcare Medicross, Netcare Occupational Health, Netcare Diagnostics and National Renal Care as well as our shared services, property, finance and procurement functions. These projects analyse our processes to understand where we can streamline them through automation and AI (■ HC).
Project Streamline (11 workstreams)	FY 2025 milestone completed	This project will continue into FY 2026.	
New nursing models	FY 2025 milestone completed	This project will continue into FY 2026.	Our considerable investment to enhance Netcare's employee value proposition and our competitive remuneration arrangements are significant features of our cost base (▼ FC and ▲ HC) but are critical in a highly competitive and shrinking market for scarce healthcare skills. We are investigating new nursing models to address nurse shortages and reduce the demand on our nurses to improve their wellbeing (▲ HC), in turn, positively impacting the quality of compassionate care for our patients and professional support for the doctors practising at Netcare (▲ FC and ▲ SRC).
The reinvigoration of the Primary Care Division: re-engineering the drivers of primary care and sub-acute facilities and introducing new digitally smart solutions for Netcare Occupational Health that will deliver unique service offerings for employers.	Underway	Medium term	Our strategic decisions (▼ FC) that aim to grow market share are guided by our capital allocation principles (see ***page 88***) to ensure value is created for Netcare, our investors and other stakeholders (▲ FC and ▲ SRC). The Hospital and Primary Care divisions are developing a model to build GP partnerships across our ecosystem that will strengthen doctor relationships (▲ FC and ▲ SRC). The Primary Care Division's management team have considered a number of strategies throughout the year to respond to the FY 2024 consumer research survey; however, the impact of changes made will take time to reflect in the division's financial performance. We are extending our rehabilitation and sub-acute offering with a new facility to open in FY 2026 (▲ MC). Three Netcare Akeso facilities will open in the short to medium term (▲ MC) to meet the demand for mental health services (▲ FC and ▲ SRC). These new builds and the new sub-acute facility will have a negative impact on the environment (▼ NC) through an increased demand for natural resources; however, our environmental sustainability strategy will minimise this impact by employing efficient natural resource use and curbing our waste to landfill (▼ FC and ▲ NC).
Feasibility study for a GP partnership model	Completed	National implementation of GP partner network will continue into FY 2026.	
Expanding the Netcare Akeso hospital network	Underway	Short to medium term	

▲ *Positive impact on capital.* ■ *Capital preserved.* ▼ *Negative impact on capital.*

Report back on forward-looking statements in the FY 2024 report.

Overview of strategic progress continued

Divisional priorities for FY 2025

Private hospitals

Hospital Division and Cancer Care
- Recruiting and attracting specialists.
- Capitalising on referral pathways, focusing on GPs and Centres of Excellence.
- Gaining new business by expanding clinical pathways, introducing new care models such as Netcare birthwise and exploring new opportunities for Netcare Cancer Care.
- Converting three beds from under-utilised disciplines to higher demand disciplines.
- Identifying partnerships to enhance the supply of cancer care services.
- Operationalising CareOn to capitalise on Netcare's various digital platforms, driving ecosystem synergies.
- Optimising online pre-admission.
- Digitising the Netcare Navigator, which orchestrates the healthcare journey of cancer patients.
- Extracting operational efficiencies in the billing process and by optimising asset utilisation and reviewing processes.
- Digitising to reduce labour intensive tasks.
- Returning to service the seven theatres damaged in the Netcare Pretoria East Hospital fire in December 2024.

Nursing
- Increasing nurse training numbers to meet our operational needs.
- Exploring new nursing models.

Netcare Akeso
- Engaging doctors on Summary of Care reports.
- Progressing construction of the greenfield expansions.
- Launching the CareOn Akeso medication module.
- Implementing new billing systems.
- Completing essential refurbishment upgrade projects.

Primary care

Netcare Medicross
- Converting Netcare Medicross practices to the MPower business model, which supports better financial performance. 72.0% of practices converted to date (FY 2024: 57.4%)
- Strengthening doctor relationships.
- Leveraging the Netcare App to enhance the patient experience.
- Introducing different payment options to assist patients in the current economic climate.
- Reopening the Netcare Medicross Cape Road facility in the Eastern Cape.
- Growing occupancy of the rehabilitation and sub-acute facilities.
- Increasing Netcare Medicross' collaboration within the Netcare ecosystem.
- Continuing to advance the digitisation journey.
- Extracting operational efficiencies in the billing process and by optimising space utilisation.

Netcare Occupational Health
- Opening an executive health and travel clinic.
- Continuing to advance the digitisation journey (new tools and website).
- Implementing solutions that support quality, safety and operational excellence.

Other divisions

NetcarePlus
- Improving product sales and onboarding new corporate clients for EmergencyCare.
- Completing a new cell captive business arrangement.

Netcare Diagnostics
- Restructuring to right-size laboratories and instruments.
- Appointing new resources to further enhance the management of working capital.
- Expanding operations in the Hospital Division's emergency departments and Netcare Medicross facilities.
- Migrating to a new laboratory information management system.
- Expanding the presence of onsite phlebotomists.

National Renal Care
- Growing through new facilities and partnerships.
- Exploring cross-border partnerships to provide acute services and supply consumables, machines and technical support.

Social and environmental

Planet
- Piloting BESS[1] at two acute hospitals.
- Piloting the use of biodiesel as generator fuel.
- Progressing our second national energy-efficient lighting rollout.
- Acquiring approval for the Netcare Alberton Hospital's greywater treatment plant.
- Piloting an anaerobic digestion plant.
- Driving better waste segregation.
- Updating our environmental policies.

People
- Enhancing the employee experience and engagement.
- Attracting and retaining key skills, particularly clinical, digital, data science and leadership.
- Facilitating talent management, succession planning and targeted learning and development.
- Driving diversity, equity, inclusion and belonging.
- Digitising HR processes and training key employees on the platforms implemented to date.
- Managing payroll costs.

1. ***BESS:*** *battery energy storage systems.*

Remuneration overview

Netcare's executive and senior management remuneration framework is purposefully designed to align pay with performance, supporting the successful delivery of strategic objectives across short-, medium- and long-term horizons. This ensures sustainable value creation for shareholders, patients, suppliers and society in a fair, balanced and sustainable manner. We prioritise competitive remuneration that enables us to attract, retain and inspire top-performing talent.

Competitive remuneration packages, regularly benchmarked against market and sector standards, enable Netcare to attract, retain and motivate top-performing talent. The framework is periodically reviewed in consultation with shareholders, incorporating their feedback to ensure transparency and responsiveness.

Shareholder engagement

The Remuneration Committee chair and certain members of the Executive Committee met with shareholders in November 2024 and January 2025 to discuss Netcare's remuneration policy and report. Shareholder concerns and our responses can be found in the full remuneration report online. 91.0% of shareholders voted in favour of our FY 2025 remuneration policy (FY 2024: 91.9%) and 95.8% in favour of our implementation report (FY 2024: 91.8%). The FY 2026 BSC considers the valuable feedback received from shareholders.

Shareholder report (full remuneration report).

1. ***SIP:*** *Single Incentive Plan.*
2. ***STI:*** *short-term incentive.*
3. ***LTI:*** *long-term incentive.*
4. *On the Patterson grading system.*

Single Incentive Plan

The SIP[1] requires stretching yet realistic annual performance targets across both financial and non-financial strategic objectives. It combines STIs[2] (cash paid to executives and managers based on their weighted average performance) and LTIs[3] (value provided through earned deferred shares). The SIP is calculated using the formula below. The on-target percentage is the total incentive for which the individual qualifies when meeting objectives and the performance multiplier is based on the achievement against the BSC.

Single Incentive Plan

Annual cost-to-company X **On-target %** (Based on role) X **Performance multiplier** (0% to 150% based on the applicable scorecard) = **Annual single incentive**

Cash portion (based on role)

- **Cash payment**
- **Deferred share award**

Deferred portion (based on role)

Delivered as deferred shares vesting over five years for executive directors and prescribed officers; subject to continued employment, malus and claw-back

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 varying 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% + divisional BSC 20%
Executives (F band[4]): Group BSC 60% + 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.

Remuneration overview continued

Pay fairness

We use a reputable job grading system to ensure equal pay for work of equal value. The annual income differential analysis reaffirmed that the Group has maintained a practice of no unfair pay differentials based on gender, race or other demographics. Where differentials exist, we investigate underlying reasons, which typically relate to depth of expertise, work experience, skills and length of service in the role.

Women earn between 4% and 23% more than men in roles at junior management level and below (FY 2024: 5% and 25%), and men earn between 11% and 22% more than women at middle and senior management levels (FY 2024: 8% and 12%). The higher ratio at middle and senior management is mostly due to voluntary and involuntary labour turnover at these levels, most of which were retiring women.

The FY 2025 vertical income analysis revealed that the top 5% of the Group's earners earn 9.6 times more than the bottom 5% (FY 2024: 9.2 times), impacted by higher incentives earned in FY 2025.

Other key remuneration decisions taken during the year include:

- Approved salary increases above CPI[1] for employees in non-managerial roles. Executive Committee members and senior managers received varying CPI-linked salary increases (lower than non-management employees).
- Extended the same wage increments and terms agreed with all three recognised trade unions to non-bargaining unit employees.
- Maintained a minimum wage that is almost double the legislated national minimum wage.

FY 2025 remuneration of executive directors and prescribed officers

Approved total SIP

Name	Annual CTC (R)	On-target	Perfo-mance 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[2]	3 369 849	75.00%	113.24%	2 862 012	33%	944 464	67%	1 917 548	5 years

Overall performance score for FY 2025

Netcare achieved strong financial results for the year, driven by sustained demand for private healthcare services and the continued advantages of the Group's digital, data and AI initiatives. These efforts contributed to greater operational efficiency, enhanced quality of care and sustainable margin growth. Ongoing efficiency measures, prudent cost management and reduced strategic costs, delivered excellent operating leverage, culminating in an 11.3% increase in operating profit.

The Group met and exceeded the outperform target for EBITDA margin, adjusted HEPS and cash conversion, and marginally exceeded the target for ROIC. The overall patient satisfaction composite score was above threshold but did not reach on-target level. For the remainder of the non-financial metrics nine achieved outperform targets and four were on-target. Environmental sustainability deserves highlighting, having surpassed all five of the programme's established goals (see *page 112*). This resulted in a BSC score of 135.4%, out of a possible 150.0% for outperformance across all metrics, qualifying for payment of the SIP.

Category	Achieved
Financial	**84.0%**
Consistency of care	**11.0%**
Digitisation and application of clinical data	**13.0%**
Environmental sustainability	**15.0%**
Human capital and transformation	**12.4%**
	135.4%

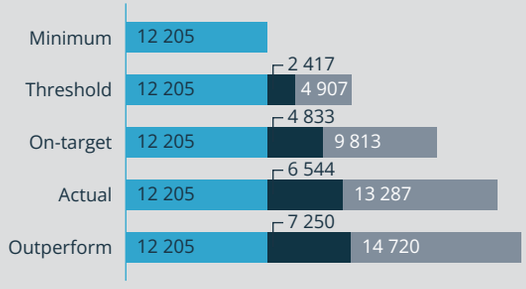
The incentive amounted to 5.7% of EBIT, well within the prescribed cap of 8% of EBIT. It will be settled in cash (33%) and deferred shares (67%) in line with the SIP. At 0.13%, the number of deferred shares awarded fell below the 1% cap of total issued shares. The deferred shares will vest over a five-year period for executives, who have minimum shareholding requirements.

1. ***CPI:*** *consumer price index.*
2. *S Nayager commenced in her role as managing director of the Primary Care Division in January 2025.*

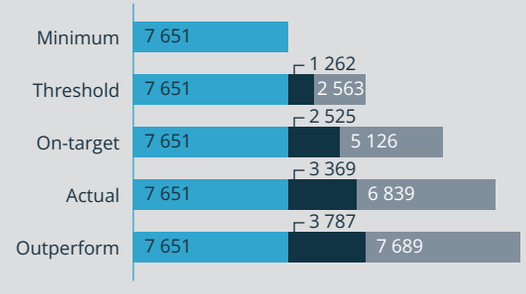
Remuneration overview continued

FY 2025 pay mix

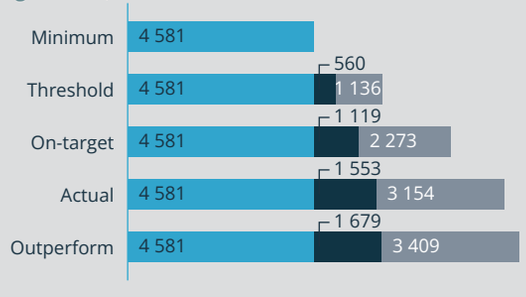
Chief executive officer (R'000)



Chief financial officer (R'000)



Other Executive Committee members (average R'000)



Guaranteed package | Single incentive cash | Single incentive deferred shares

Total single figure remuneration

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

1. S Nayager appointed on 1 January 2025.
2. W van der Merwe retired on 31 December 2024.

Single Incentive Plan

(deferred shares held at 30 September 2025)

(deferred shares held at 30 September 2025)	1 October 2024	Granted	Shares forfeited during the year	Vested (sold and retained)	30 September 2025
Executive directors					
R Friedland	2 834 603	854 895	**–**	**(630 300)**	**3 059 198**
K Gibson	1 317 266	493 753	**–**	**(290 927)**	**1 520 092**
Prescribed officers					
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**