NETCARE

Netcare Limited

INTEGRATED REPORT

For the year ended 30 September 2025

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Navigating this report

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Hyperlinks are denoted by underlined text.

The following icons refer readers to additional information.

Information in this report.

Information online.

Information that reports back on forward-looking statements in the FY 2024 report.

We welcome your feedback to enhance the quality of our reporting: *investor.relations@netcare.co.za*.

Click to download or update. *Adobe Acrobat Reader*

1. *Value outcomes for investors are covered in the CFO review.*

Our reporting suite

Materiality consideration: impact

Environmental, social and governance report

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

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

Assurance: CA ELA OA

Key regulatory and reporting frameworks applied

Quality report

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

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

Assurance: CA

Materiality consideration: impact and financial

THIS REPORT

Integrated report

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

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

Assurance: CA EA ELA OA

Key regulatory and reporting frameworks applied

Shareholder report

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

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

Assurance: CA EA

Key regulatory and reporting frameworks applied

Materiality consideration: financial

Annual financial statements

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

Audience: providers of financial capital, analysts, credit rating agencies, regulators and other stakeholders.

Assurance: CA EA

Key regulatory and reporting frameworks applied

Key regulatory and reporting frameworks

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

Assurance

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

Where to find our reports

Access our reports at *www.netcare.co.za/Netcare-Investor-Relations* or use the links on this page.

Additional information

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

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

Our value creation model

Our purpose, values, promise and strategy ensure that care for people, society and the environment is intrinsic to our decisions and actions, and that we achieve the most favourable balance between long-term value creation and short-term results. Specifically, we aim to secure a sustainable competitive advantage for the Group and enhance shareholder returns in the short to medium term, and over the longer term, achieve our commercial objectives in tandem with deepening the value we create for stakeholders and society.

What frames our value creation

Our promise

We promise to care for **you**, and about **you**, in a manner that places **you** and your family at the centre of everything we do. We recognise that **you** are an individual with unique needs and expectations. We recognise the importance of your family and loved ones in your healing process. We are here to ensure that we provide **you** with the best and safest care, when **you** need it and in a way that we would wish for our loved ones.

Our purpose

Providing **YOU** with the best and safest care

Our values

Care | Dignity | Participation
Truth | Compassion

Our strategy

Person centred health and care that is digitally enabled and data and AI driven...

... differentiates the patient and doctor experience, improves patient safety and quality of care outcomes, delivers clinical and operating efficiencies and realises growth opportunities, ultimately establishing a sustainable competitive advantage for the Group.

Our strategic enablers

- 01 EMRs[1] across all divisions
- 02 Modern and integrated systems
- 03 CEM[2] platform
- 04 Person centred engagement channels
- 05 Big Data analytics platform
- 06 Predictive analytics tools

Our strategy: page 59. CEO review: page 52.

1. ***EMR:** electronic medical record.*
2. ***CEM:** customer engagement model.*

How we create, preserve or erode value

Our business model

Our integrated thinking and planning consider how the Group manages the effects that its activities and strategy execution have on the six capitals. From this insight, and leveraging our management systems, we intentionally drive positive outcomes for current and future stakeholders over time and minimise value erosion due to factors either within or outside our control.

Capitals

- FC **Financial capital** — Financial resources
- HC **Human capital** — Employees and their collective skills
- IC **Intellectual capital** — Intangible assets
- SRC **Social and relationship capital** — Stakeholder relationships
- MC **Manufactured capital** — Physical infrastructure
- NC **Natural capital** — Natural resources

Business model: page 11. CFO review: page 83.

Governance

Good governance contributes to value creation, prioritising transparency, accountability and integrity in strategy execution and ensuring that we conduct our business ethically, responsibly and efficiently.

Board chair review: page 40.

Governance overview: page 45.

Remuneration

Our remuneration policy rewards executives for achieving stretching but motivational short-term targets that are linked to long-term value creation.

Remuneration overview: page 79.

Our management systems

- Capital management — *Page 88.*
- People management — *Page 91.*
- Consistency of care leadership — *Page 95.*
- Asset management — *Page 109.*
- Environmental sustainability — *Page 111 and 112.*

Our value creation model continued

What impacts our value creation

Our material matters

Our operating environment

The external context in which we operate and which affects our ability to create value over time.

More information: page 18.

Our stakeholders

- *Our patients*
- *Our people*
- *Doctors and allied healthcare professionals*
- *Private medical funders*
- *Suppliers*
- *Investors*
- *Regulators and government*
- *Society*

Stakeholder needs, concerns and expectations: page 13.

Our risks and opportunities

Our top business risks and opportunities impact Netcare's sustainability, the competence and commitment of our leaders and employees, the competitive strength of our brands, and the perceptions of our stakeholders, which collectively determine the health of our reputation.

More information: page 64.

Our operating context, the needs, concerns and expectations of our stakeholders and our impacts, risks and opportunities determine our material matters. These matters are the most likely to influence the conclusions stakeholders may draw about Netcare's ability to create, preserve or erode value for them over time.

Material matter 1	Material matter 2	Material matter 3	Material matter 4	Material matter 5
Grow market share and long-term profitability	Outstanding person centred health and care that is digitally enabled and data and AI driven	Attract, retain and invest in our employees and healthcare practitioners	Effective leadership and responsible business conduct	Accelerating transformation and access to quality health and care in SA

More information: page 18.

Our strategic underpins that respond to our material matters

Consistency of care	Disruptive innovation	Transformation of society	Organic growth	Integration	Investment	Environmental sustainability

Value creation impact

The Quadruple Aim

The ***Quadruple Aim*** is an international framework that aims to optimise the performance of healthcare systems through the integration of four critical objectives (shown alongside). This framework enables us to balance the value of our services with their cost to society while recognising the value of our people and partnerships.

Quality report (detailed disclosure).

UN Sustainable Development Goals

We believe that the most meaningful impact Netcare has on the shared blueprint for peace and prosperity for people and the planet, now and into the future, is through the ten UN SDGs listed below.

Good health and wellbeing	Quality education	Gender equality	Clean water and sanitation	Affordable and clean energy
Decent work and economic growth	Industry, innovation and infrastructure	Responsible consumption and production	Climate action	Peace, justice and strong Institutions

ESG report (detailed disclosure).

Our report

The 2025 Netcare Integrated Report demonstrates how our purpose and values drive Netcare's integrated thinking and planning.

The report addresses the value outcomes achieved for Netcare, our key stakeholders and society from 1 October 2024 to 30 September 2025 (FY 2025) and includes material information up to the Board's approval of this report on 18 December 2025. It also explains our expectations for the short and medium term in the context of the longer-term trends affecting our sector and SA.

Scope and boundary

Integrated report

This report covers the *material matters*, *risks and opportunities* and *impacts and outcomes* arising from:

- Our *operating environment*.
- Our *business model*, including our impact on the six capitals and the input constraints we face.
- Our *strategy*.
- Our key *stakeholder relationships*.
- Our *strategic trade-offs*.

Our strategy, business plans and Group BSC[1] incorporate key ESG priorities. ESG-related risks and opportunities that could impact enterprise value are included in this report.

Non-financial information excludes National Renal Care unless otherwise specified.

Financial reporting

Our financial reporting boundary aligns with our annual financial statements and is determined by our control and level of influence. This boundary includes our operating subsidiaries, key associates and joint arrangements.

A list of principal subsidiaries is provided in the Group's *annual financial statements*.

1. ***BSC:*** *balanced scorecard.*
2. ***ISSB:*** *International Sustainability Standards Board.*

Materiality

Our material matters capture the issues most likely to impact our ability to create and sustain value in the future. As these matters are dynamic, we update them annually to reflect the evolving context in which we operate.

Using a double materiality lens, we consider the following when determining our material matters: global trends in healthcare, our operating environment and the associated risks and opportunities, our business model and strategy and how they impact on the six capitals and the world around us, and material stakeholder interests.

We use a double materiality determination process

Financial materiality

How the economy, society and the environment impact Netcare's ability to create enterprise value.

Reporting
Integrated and shareholder reports and annual financial statements.

Focus
Short-, medium- and long-term value creation.

Impact materiality

How Netcare impacts the economy, society and the environment.

Reporting
ESG and shareholder reports.

Focus
Long-term sustainability.

Our material matters inform the Netcare strategy over the short term (FY 2026), medium term (FY 2027 to FY 2028) and longer term (FY 2029 and beyond). The material matters, together with leadership insight, provide stakeholders with useful information to assess our impacts and ability to create sustainable value over time, and inform the decisions they make about Netcare.

Following the review and feedback from key Executive Committee members, the Board debated the material matters and ranked and approved them on 18 September 2025.

ESG-related financial impacts

We have noted the transfer of the TCFD, which laid the groundwork for climate-related financial disclosures, to the ISSB[2]. While the ISSB's IFRS S1 (sustainability-related standards) and IFRS S2 (climate change-related standards) are not currently a disclosure requirement for South African listed companies, we conducted a thorough gap analysis in FY 2025 against the core requirements of IFRS S1 and S2. This will be used to improve our reporting to ensure we provide relevant and decision-useful ESG information to our stakeholders.

Our report continued

Process to compile this report

This report has been compiled from a comprehensive range of sources, including internal management, strategy and Board reports[1]; interviews with the Board chair, chair of the Social and Ethics Committee and the CEO; insights from executive management, stakeholder relationship owners and various functions such as the governance, risk and HR teams; research on the operating environment and sector trends; and forward-looking statements from the FY 2024 report.

The integrated report was prepared under the leadership of the CFO. A specially convened Review Panel of selected Executive Committee members and the CFO reviewed the report in its final stages followed by a final review by the CEO. Through our internal reporting, the Board chair and the chairs of the governance committees provide assurances on the integrity of the documents that were used to prepare this report.

Information excluded from this report is done only on the basis that it is deemed immaterial at this time, or is legally privileged or competitively sensitive.

Assurance

Our combined assurance model, overseen by the Audit Committee, coordinates our assurance activities across governance, management, specialist internal functions, internal audit and external assurance providers. This approach ensures that our internal control environment effectively addresses the Group's key risks and material financial, operating and compliance matters. It also safeguards the integrity of information used in internal decision-making and external stakeholder reporting. Through this model, assurance has been obtained on financial information and certain non-financial KPIs included in this report.

Internal audit conducted the following limited assurance activities (beyond managerial level):
- The governance framework (King IV application).
- Remuneration (FY 2025 BSC).
- Certain non-financial information, including key operational performance metrics (eg activity metrics such as patient days etc).

Independent assurance provided includes:
- **Deloitte & Touche (unmodified assurance):** Group annual financial statements.
- **The British Standards Institution:** ISO 9001:2015 certification.
- **Empowerdex (verification):** B-BBEE scorecard and rating.
- **Verify CO_2 (limited assurance):** energy, carbon footprint, waste generation and water usage.
- **The Green House (limited assurance):** Scope 3 emissions.
- **Talbot and Talbot (limited assurance):** Netcare's CDP disclosures.

The level of assurance provided for the KPIs used to measure our strategic progress is reported on *page 73*.

1. *Documents that are most likely to include the matters deemed most material in leading, governing and operating Netcare in relation to current economic, social and environmental realities.*

Outlook

Certain statements in our report are forward looking and involve risk and uncertainty as they relate to future events and circumstances that may be beyond the Group's control, and may impact our performance and expectations (see disclaimer: *page ibc*). Outlook information can be found in the sections below.

Our material matters.	*Board chair's review.*	*Chief executive officer's review.*	*Our risks and opportunities.*	*Chief financial officer's review.*

Approval

The Board acknowledges that it is responsible for ensuring the integrity and completeness of this report. It confirms that this report provides an accurate, fair and balanced account of the Group's strategy, risks, performance and prospects; that the reported KPIs align to those used internally to measure our performance; and that the report addresses all reasonably foreseeable material matters that impact or could impact the Group's capacity to create value in the short, medium and longer term. In the Board's opinion, this report has been prepared in accordance with the International <IR> Framework (2021) in all material respects.

The integrated report was approved on behalf of the Board by the Board chair, CEO and CFO on 18 December 2025.

Alex Maditse
Board Chair

Dr Richard Friedland
Chief Executive Officer

Keith Gibson
Chief Financial Officer

Lezanne Human
Consistency of Care Committee Chair

Ian Kirk
Risk Committee Chair

Busisiwe Mathe

Dr Roze Phillips
Social and Ethics Committee Chair

Louisa Stephens
Audit and Remuneration Committee Chair

Note: for security reasons, signatures are not included in our reporting suite.

01 OUR BUSINESS

Who we are

The Netcare Group is a leading provider of private healthcare services in SA. We provide acute services across our national network of hospitals and are the market leader in mental health services. We provide emergency, cancer care, diagnostic support, primary care and renal care as well as occupational health and wellness services. We improve access to affordable high-quality healthcare through NetcarePlus, and Netcare Education develops healthcare professionals in nursing and emergency medical services.

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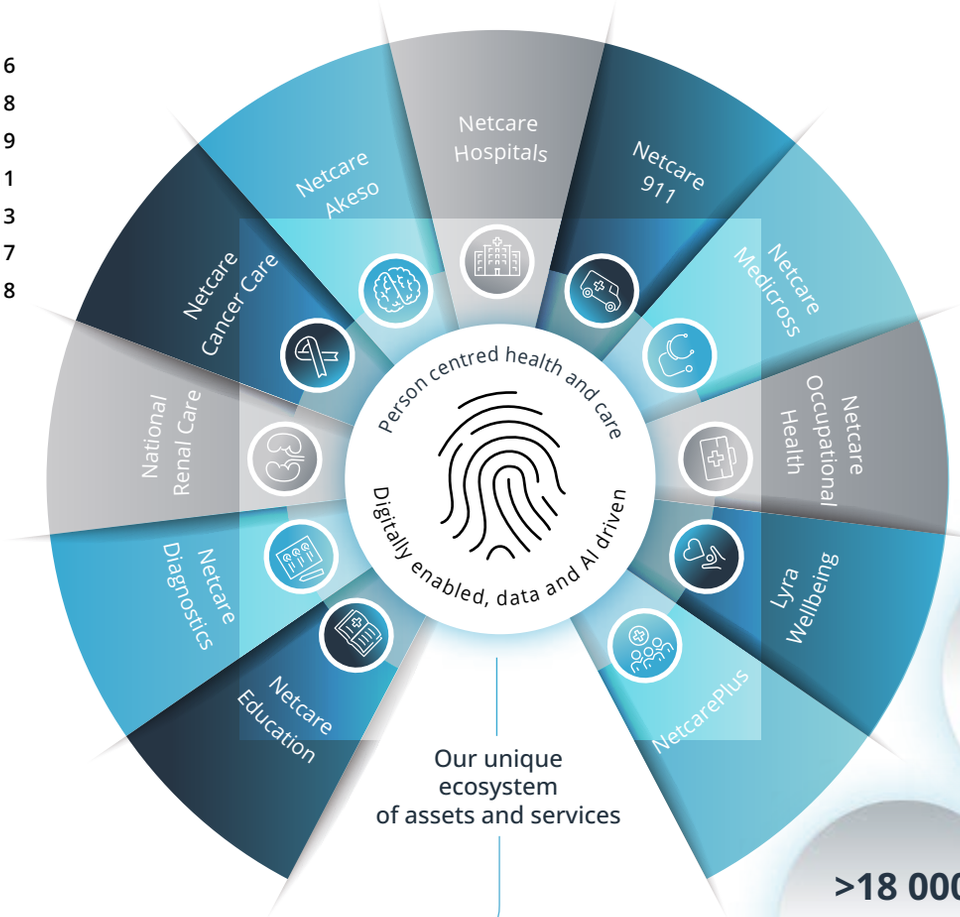


Hospital and pharmacy operations
89.8%
contribution to revenue
FY 2024: 90.5%

>18 000
employees
FY 2024: >18 000

Who we are continued

Private hospitals

Services

- Multi-disciplinary acute medical facilities with centres of excellence, cancer care, rehabilitation, day clinics and emergency and trauma departments.
- Pharmacies for the management and dispensing of medicine.
- Multi-disciplinary mental health facilities and crisis line.
- A free telephonic doctor and specialist appointment booking service.
- Nursing education and emergency and critical care colleges.

Hospital Division

49 acute hospitals
FY 2024: 49

9 831 beds
FY 2024: 9 827

10 day clinics
FY 2024: 11

Netcare Akeso

14 mental health hospitals
FY 2024: 14

1 007 beds
FY 2024: 1 007

Netcare Cancer Care

7 radiation centres
FY 2024: 9

8 haematology centres
FY 2024: 8

Emergency services

Services

- Pre-hospital road and air emergency services and patient transfer between medical facilities.
- National EOC[1] with geolocation capabilities.
- Contracted health, safety and risk management services for corporates.
- Contracted management of the emergency services of client medical schemes.

91 emergency sites
FY 2024: 93

231 ambulances and emergency response vehicles
FY 2024: 240

4 helicopter ambulances
FY 2024: 4

3 fixed wing aircraft
FY 2024: 5

Primary care

Services

- Medical and dental centres providing access to GPs, dentists, radiology, pathology and allied healthcare professionals as well as pharmacies.
- Occupational health, travel and wellness services to contracted employer groups (banking, mining, manufacturing and health sectors).
- A free telephonic doctor and dentist appointment booking service.

Netcare Medicross

63 primary healthcare facilities
FY 2024: 63

Netcare Occupational Health

50 occupational health service contracts
FY 2024: 47

Other products and services

Affordable healthcare products

Integrates funding solutions with the provision of care to offer affordable insurance and prepaid products that allow patients to access private healthcare.

~1 300 healthcare practitioners support the NetcarePlus network

Diagnostics

Digitised and integrated point-of-care pathology testing services.

163 service points
FY 2024: 154

Employee wellness[2]

A holistic offering of people-focused solutions, preventative care and counselling services for employers who prioritise the wellbeing of their workforces.

1 044 clients
FY 2024: 1 120

1.0 million lives covered[3]
FY 2024: 2.1 million

Renal care

Dialysis services for patients with compromised kidney function.

78 chronic renal dialysis facilities
FY 2024: 75

181 acute renal dialysis sites
FY 2024: 177

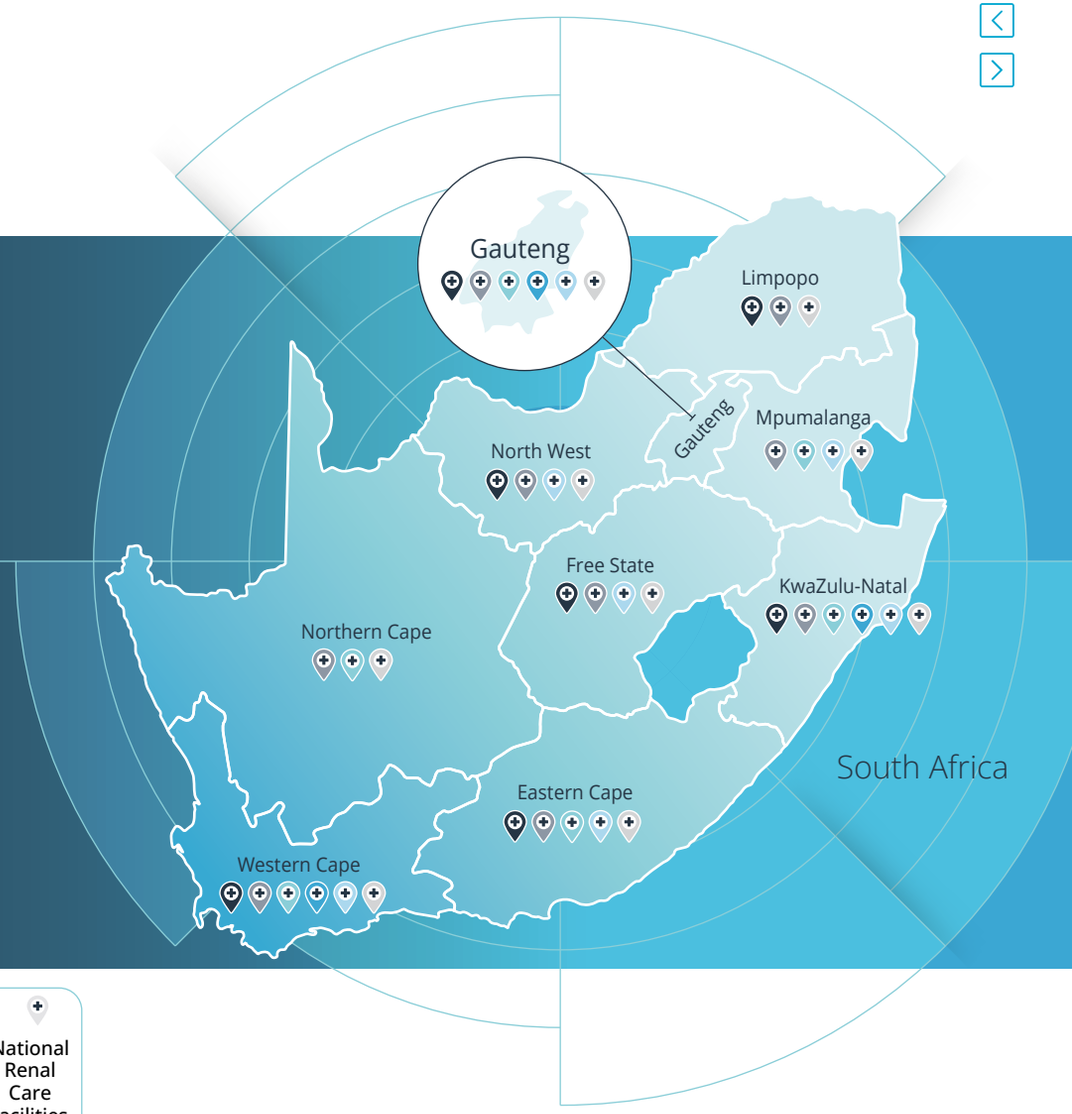
11 home therapy centres
FY 2024: 11

1 047 dialysis stations
FY 2024: 1 013

1. *EOC: Emergency Operations Centre.*
2. *Lyra Southern Africa, previously Independent Counselling and Advisory Services (ICAS) Southern Africa.*
3. *The reduction in lives is due to the non-renewal of a corporate contract.*

Where we are

- Netcare acute hospitals
- Netcare 911 bases
- Netcare Akeso hospitals
- Netcare Cancer Care centres
- Primary care facilities
- National Renal Care facilities



Facility	Netcare acute hospitals	Beds	Netcare 911 bases	Netcare Akeso hospitals	Beds	Netcare Cancer Care centres	Primary care facilities	National Renal Care facilities
Eastern Cape	2	489	3	1	72		5	10
Free State	4	408	5				1	4
Gauteng	26	5 585	24	4	415	10	20	29
KwaZulu-Natal	10	2 003	9	3	176	3	15	14
Limpopo	1	200	12					3
Mpumalanga			26	1	75		2	1
North West	1	211	7				2	2
Northern Cape			1				2	1
Western Cape	5	935	4	5	269	2	16	14

What differentiates Netcare

We attract higher acuity hospital admissions due to our specialised centres of excellence, many accredited by various standard setters.

ISO 9001:2015 certification

The only healthcare Group in SA with Group-wide ISO 9001:2015 certification from the British Standards Institution (our competitors have ISO certification in select divisions only)

Leader in trauma care in SA

38 emergency departments

31 with Trauma Society of South Africa accreditation (Levels I, II and III)[1]

Only hospital group in SA with four Level 1 accredited trauma centres[2]

Netcare Alberton

Netcare Christiaan Barnard Memorial

Netcare Milpark

Netcare St Anne's

Only dedicated private burns unit in SA

Netcare Milpark Hospital (internationally accredited)

1. *Aligned to the American Trauma Society accreditation principles.*
2. *Capable of providing leadership and total care for every aspect of injury, from prevention through to rehabilitation, and have 24-hour availability of all major specialties with a trauma surgeon as director.*
3. ***SANC:** South African Nursing Council.*

Leader in transplants

Four transplant centres for hearts, lungs, livers and kidneys

Only paediatric heart transplant centre in SA at Netcare Christiaan Barnard Memorial Hospital

Excellence in cancer care

Breast Cancer Centre of Excellence at Netcare Milpark Hospital accredited by the American College of Surgeons

The only Gamma Knife in Africa at Netcare Milpark Hospital

Netcare Pretoria East Hospital

The largest dedicated private haematology and bone marrow transplant facility in SA, which is also the only internationally accredited unit in SA

World Stroke Organization accreditation

Netcare Garden City and Netcare Blaauwberg hospitals

The first two facilities in Africa and SA to achieve accreditation

Largest private provider of primary care

Netcare Medicross has an unrivalled national footprint

Specialised care

Largest extracorporeal membrane oxygenation centre in SA at Netcare Milpark Hospital

Specialised paediatric critical care and head injury/drowning services at Netcare Garden City, Netcare Alberton and Netcare Waterfall City hospitals

The only intraoperative CT and MRI spinal and neuro surgery units at Netcare N1 City and Netcare Milpark hospitals

Dedicated cerebral palsy clinic at the Netcare Waterfall City Hospital

Robotic-assisted laparoscopic surgery units across multiple hospitals

A leading provider of emergency medical services

The only emergency service in Africa that is fully digitised with all emergency transport having telemetry capabilities

Netcare 911 received the Diamond Award at the 2025 EMS Angels Awards – the highest level of recognition for excellence in pre-hospital stroke care

A leading provider of private healthcare education and training

5 nursing education colleges

2 emergency and critical care colleges

53 192 students trained since 1999

Our nursing qualifications are accredited by SANC[3] and aligned to the National Qualifications Framework. The Faculty of Emergency and Critical Care is accredited through the University of Johannesburg and is also accredited to present American Heart Association courses by the Resuscitation Council of South Africa

National Renal Care has **five training academies** and **19 facilities** accredited to train clinical technology students

NetcarePlus

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

askafrika ORANGE INDEX 2024/2025 INDUSTRY WINNER

What differentiates Netcare continued

Best reporting practice

The 2024 Integrated Report ranked ninth in the EY Excellence in Integrated Reporting Awards

— Expanding the Netcare digital dividend —

A digital strategy that will deliver competitive advantage

The digital transformation of Netcare is based on world class technology solutions and is starting to be recognised as a competitive advantage

EMRs are available across seven Netcare divisions, with all acute hospitals and mental health facilities digitised

Shareholder returns

A well-known and respected South African brand with a strong statement of financial position, strong cash generation, disciplined capital allocation and a superior ordinary dividend payout ratio

Returned **R1.8 billion** to shareholders in dividends and share buybacks

Africa's largest healthcare environmental sustainability programme

Exceeded the ten-year targets of our **2023 environmental sustainability strategy** started in FY 2013 – **reducing energy intensity per bed by 39%**, achieving cumulative operational savings and cost avoidance benefits of over **R1.5 billion** and yielding an IRR[1] of **40%**

Netcare Christiaan Barnard Memorial holds a **five-star water rating** from the City of Cape Town

Race to ZERO EMISSIONS 2050

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

South African Energy Efficiency Confederations

Runner up for the International Corporate Company of the Year 2025

Runner up for the Innovative Project of the Year 2025

Recognition for environmental sustainability

Association of Energy Engineers

Global winner of the AEE[2] 2025 Corporate Energy Management International Award, which spans all sectors

54 local and international awards for environmental sustainability since 2013, affirming our long-standing commitment to innovation, sustainability and meaningful impact

Health Care Without Harm

Netcare achieved Gold in climate resilience and climate leadership and Silver in climate mitigation[3]

Certified as a Top Employer

top EMPLOYER South Africa 2025 FOR A BETTER WORLD OF WORK

The survey is managed and analysed by the Top Employers Institute – the international authority on HR strategies and certification

GRAD STAR STUDENTS' CHOICE AWARDS

Recognised as a top employer for 2025 in SA's healthcare sector that students most want to work for

6 000 students nationwide voted in the survey

The awards highlight companies that excel in workplace culture, career growth opportunities and employer reputation

1. *IRR: internal rate of return.*
2. *AEE: Association of Energy Engineers.*
3. *Awards are presented to members of Global Green and Healthy Hospitals, an international network that promotes healthcare without harm. The network comprises over 2 000 members in 86 countries and more than 70 000 hospitals and health centres.*

Our business model

Our inputs[1]

FC Financial capital	HC Human capital	IC Intellectual capital	SRC Social and relationship capital	MC Manufactured capital	NC Natural capital
Resources and relationships					
• Equity capital from shareholders: **R10 988 million**. • Financial resources available: – Net cash: **R1.9 billion**. – Unutilised debt facilities: **R5.2 billion**.	• An experienced leadership team. • A diverse workforce of **>18 000** employees. • Salaries paid: **R9 764 million**. • Training and development spend: **R70 million**. • A values-driven and ethical culture that promotes meaningful work, connectedness, belonging and compassion.	• Innovation capability and institutional knowledge. • Consistency of care, digital, data and AI, cybersecurity and new business innovation strategies. • Strength of the Netcare brand and reputation. • Management systems. • Governance and control frameworks.	• Personalised digital patient engagement. • Longstanding and mutually beneficial relationships with our key stakeholders who support our ability to live our purpose, deliver our strategy, maintain our regulatory and social licences to operate and create shared value. • Sharing our expertise with business associations, government and regulators on UHC[2] in SA.	• **R15 billion** in property, plant and equipment: – Facilities including training facilities. – Vehicle fleet. – IT architecture. • **72** solar PV systems, **45** boreholes with **seven** filtration plants, indirect feed reverse osmosis plants and a desalination plant. • National infrastructure on which we depend (power, water, roads and waste).	• **1 482 megalitres** of water, including borehole water and desalinated seawater. • **208 721 MWh** of energy; **16 438 MWh** being from renewable sources. • 2030 environmental sustainability strategy: capex of **R69 million** and operational costs of **R13 million**.
Constraints to securing inputs					
• Balancing profitability against the financial capital needed to achieve strategic objectives in a tough economic environment. • Financially constrained consumers. • Rising operational costs (due to inflation, employee retention strategies and exchange rate) relative to tariffs.	• Diverse talent in a competitive market. • Emigration among skilled professionals and international remote work opportunities. • Increasing levels of mental health and financial challenges among employees. • Regulated limits on nurse training numbers.	• Consistent quality of care across the Netcare ecosystem. • Specialised and scarce skill sets (nursing, emergency care, digital, data analytics). • User acceptance of digital offerings. • Increasing healthcare-related cyberattacks. • Regulatory challenges associated with new business development.	• Balancing differing stakeholder interests. • Uncertainty in the healthcare system due to the introduction of NHI[3], stifling investment. • Medical schemes under financial pressure. • Limited local manufacture of medical supplies (medicines and devices).	• Balancing asset heavy and asset light service provision. • Poor state of SA's national infrastructure.	• Availability of financial capital to transition to cleaner technologies. • Gaining municipal approval to implement wastewater treatment facilities. • Cost and availability of electricity and water.
Risks: BR1, BR2, BR3, BR4 ,BR6, BR7, BR8, BR11	**Risks:** BR2, BR6, BR7	**Risks:** BR2, BR4, BR5, BR6, BR9	**Risks:** BR1, BR2, BR5, BR6, BR7, BR8, BR9, BR10	**Risks:** BR3, BR6, BR8, BR9, BR10, BR11	**Risks:** BR3, BR6, BR11
CFO review: page 83.	*Human capital: page 91.* *Our people: page 101.*	*Intellectual capital: page 95.*	*Our stakeholders: page 13.*	*Where we are: page 8.* *Manufactured capital: page 109.*	*Natural capital: page 112.*

1. *Our inputs are year-end balances.* 2. ***UHC:** universal health coverage.* 3. ***NHI:** National Health Insurance.* *Note: our business risks can be found on **page 64**.*

Our business model continued

Our business activities

ACCESS TO CARE

- Need for primary, acute, mental health or emergency care
- Book an appointment or call an ambulance
- Choose facility
- Pre-admission
- Admission

CONSISTENCY OF CARE

- Diagnosis
- Treatment
- Recovery

GUIDED CARE

- Discharge
- Follow-ups
- Ongoing treatment

Our outputs

Products and services

Quality healthcare services and products benefiting patients, employer groups, doctors, private healthcare funders and the public health sector.

Waste

- Emissions: **767 472 tCO_2e[1]**.
- HCRW[2] to landfill: **3 205 tonnes**.
- General waste to landfill: **1 349 tonnes**.

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

How we enhance this capital / Our outcomes

	How we enhance this capital	Our outcomes
FC	• A strong statement of financial position with sufficient inflow of capital to support the Group's operations and strategy. • A disciplined capital allocation framework. • Continuous focus on operational efficiencies.	✓ Capital to expand into higher-demand disciplines. ✓ Steady financial performance. ✓ Shareholder returns. ✗ Continued arbitrage between annual funder tariff escalation versus operating expenses, some of which rise significantly above inflation, placing pressure on EBITDA margins.
HC	• Driving diversity, equity and inclusion. • Fair and equitable remuneration and reward. • Employee wellness programmes. • Establishing good relationships with employee representatives.	✓ A skilled, engaged and motivated workforce that lives the behaviours of ***the Netcare Way***. ✓ A robust succession pipeline. ✗ Nursing shortages and high patient-to-nurse ratios, leading to emotional fatigue, burnout and stress and higher turnover in this group of employees.
IC	• Managing data, systems, processes and procedures to develop, monitor and deliver quality clinical outcomes and continuous clinical improvement. • Investing in data analytics.	✓ Best and safest person centred health and care that is participatory and aligned to international standards. ✓ Inclusion in restricted provider networks. ✓ Access to world class healthcare at an affordable price, enhancing our brand, reputation and competitive advantage. ✓ Integrated systems that support coordinated care across the Netcare ecosystem, reducing duplication and improving efficiency. ✓ Data that supports research and guides clinical decisions for better outcomes.
SRC	• Effective and transparent stakeholder engagement and reporting to maintain trust. • Ethical and compliant business conduct. • Processes to manage stakeholder concerns, complaints and grievances. • Digital engagement that is easy and convenient. • Inclusive relationships and collaboration to address inequality and socioeconomic challenges in SA.	✓ Strong stakeholder relationships and patient experiences that deliver a competitive advantage and support business growth. ✓ Partnerships with highly skilled specialists that support patient volumes. ✓ Inclusion in restricted provider networks. ✓ A secure supply of clinically appropriate consumables and pharmaceuticals. ✓ Programmes that provide medical procedures to indigent patients. ✓ Collaboration with public healthcare authorities at national and provincial levels. ✗ Limited progress in advancing collaborative solutions toward UHC in SA.
MC	Investing in: • Specialised healthcare facilities and expansionary projects. • Advanced medical equipment, facility upgrades and asset maintenance.	✓ Well maintained equipment and facilities. ✓ Latest medical equipment and technologies. ✓ A secure supply of electricity and water and a contribution to environmental improvement. ✓ Enhanced national healthcare infrastructure.
NC	Investing in: • Projects that support the efficient use of natural resources. • Waste recycling initiatives.	✓ A defined pathway to becoming carbon neutral. ✓ Safeguards against health risks arising from toxic waste. ✓ Cost savings from efficient use of natural resources. ✗ Increased electricity consumption from digitisation and AI processing.

Who we are: page 6. *Overview of strategic progress: page 73.* *Our value outcomes: starting on page 82.*

Our stakeholders

Our patients

Medically insured, self-pay, government-funded and foreign patients.

Our person centred health and care approach sets the foundation from which to establish lifelong relationships with our patients, allowing us to grow the embedded value of our offering and supporting our strategic priority to grow market share.

Quality of our patient relationships

Our independently validated patient feedback surveys measure the quality of our patient relationships. The results are used to address areas of suboptimal performance and identify and learn from facilities that are performing well. Surveys align to our core values and the behaviours we seek to encourage in our people and see reflected in the patient experience.

Risks that can impact these relationships

BR1, BR2, BR3, BR4, BR5, BR6, BR9, BR10, BR11

How we engage

- Person centred care teams.
- Patient focus groups and listening forums.
- Various digital platforms (eg digital PFS[1], MyNetcare Online (patient portal), the Netcare App, the ONE Netcare website and social media).
- **appoint**med™ (appointment booking system).
- Summary of Care reports.
- CareNet (complaint management system).

Patient needs, concerns and expectations

- Excellence in quality and safety of care and patient experience.
- Post-discharge recovery support.
- Competent, compassionate and professional healthcare practitioners.
- The highest level of medical ethics.
- Our inclusion in medical scheme network options.
- Data privacy and protection.
- Affordable healthcare services.

How we create and preserve value for our patients

- Experienced specialists and doctors.
- Cutting-edge medical technology and specialised centres of excellence.
- High-quality clinical procedures and processes.
- Skilled, caring and compassionate nurses and employees.
- Enhanced patient safety (predictive and preventative) from digitised healthcare and our vast store of data.
- A secure supply of energy and water at our facilities.

Strategic underpins

Our people

Nurses, paramedics and pharmacists; support, operational, IT and administration teams; contracted employees and the labour unions that represent our employees.

Our people do crucial work; their expertise, wellbeing and resilience are key to achieving the best health and care outcomes for our patients and delivering on our strategic priorities.

Quality of our employee relationships

Engagement surveys assess the lived experience of our employees and our engagements with trade unions help us identify barriers to positive and productive employee-employer relationships. The feedback received is used to implement targeted programmes to enhance the work experience.

Risks that can impact these relationships

BR2, BR3, BR4, BR6, BR9, BR10, BR11

How we engage

- Employee engagement surveys and performance reviews.
- Care4YOU programme and wellbeing initiatives.
- Online diversity and inclusion programme.
- MyNetCareer platform.
- Many other initiatives (eg CEO strategy updates, employee recognition events etc).
- National consultation forums with trade unions.

Employee needs, concerns and expectations

- A safe, caring, compassionate and empowering work environment.
- Equal training, development and career progression opportunities.
- Fair and transparent labour practices.
- The impact of digitisation and automation.
- Financial wellbeing support in a challenging economic environment.
- Trusted and supportive leadership.
- Working for a responsible corporate citizen.
- Trade unions: remuneration, employee benefits, employment equity, open and transparent negotiations and employment terms and conditions.

How we create and preserve value for our people

- An inclusive and caring culture that meaningfully encourages, recognises and rewards outstanding performance and contribution and provides equal opportunities.
- Career advancement.
- Upskilling to digitally enabled ways of working.
- A safe clinical environment.
- Employee wellness programmes.
- Transparent and proactive relationships with employee representatives.

Strategic underpins

1. ***PFS:*** *patient feedback surveys.*

Our stakeholders continued

Doctors and allied healthcare professionals

Independent specialists and healthcare professionals across all clinical disciplines.

The Hospital Division PFS shows that 34% (FY 2024: 35%) of patients are admitted at a Netcare facility because their doctor is based there. Playing a crucial role in attracting patients to our facilities, doctors (particularly specialists) are a key driver of revenue and organic growth. They are also pivotal partners in the delivery of best and safest care, have a direct impact on patient experience, the cost of care and clinical outcomes, and specialists in particular are key enablers of our expansion into higher demand disciplines.

Quality of our doctor relationships

Our relationships with doctors are mutually beneficial. Doctor engagement surveys allow us to assess the quality of our doctor partnerships. Past surveys have shown that the highly rated reasons for doctors choosing to partner with Netcare include the convenience of our sites, our standards of clinical excellence and the career opportunities associated with practising at Netcare.

Risks that can impact these relationships

BR1, BR2, BR3, BR5, BR6, BR7, BR9, BR11

How we engage

- Doctor engagement surveys.
- Online doctor portal.
- Various structures that support the sharing of information on quality of care (eg PCI tools[1], physician and practitioner advisory boards, clinical governance engagements, practitioner forums and meetings etc).

Doctor needs, concerns and expectations

- Cutting-edge medical equipment, advanced technology, well maintained and modern medical equipment and facilities, and advanced treatment protocols.
- Qualified and experienced nurses.
- Our inclusion in restricted provider networks.
- Enterprise development support.
- Access to clinical data for analysis and research.
- Availability of medicines and consumables.
- Clinical leadership and shared accountability.
- Continuous professional development.
- Mitigation against power and water outages.

How we create and preserve value for doctors

- A world class quality management system and excellent nursing.
- Digitised hospitals that provide remote access to patients and, in time, one source of patient information to aid shared decision-making.
- Access to training and educational platforms.
- Clinically advanced and appropriate medical equipment, consumables and pharmaceuticals.
- Environmental sustainability strategy.
- Optimal facility infrastructure.

Strategic underpins

Private medical funders

National and international private medical funders, together with the Compensation Fund for Occupational Injuries and Diseases.

The Hospital Division PFS indicates that medical aid cover is the second top reason for choosing Netcare. Our relationships and engagements with private medical funders allow us to present competitive proposals to secure our participation in their hospital networks which, in turn, enables us to preserve and grow patient volumes and attract and retain doctors.

Quality of our funder relationships

The increasing maturation of our ability to leverage our analytical and measurable clinical expertise and quality of care outcomes stands us in good stead when engaging with medical schemes. These relationships are well-established and mutually beneficial; however, a natural tension exists, especially as schemes drive containment of utilisation and cost. This is further exacerbated with the ongoing deterioration in medical scheme risk pools.

Risks that can impact these relationships

BR1, BR4, BR6, BR9

How we engage

- Online funder portal.
- Day-to-day interventions on patient coding and case management.
- Dedicated relationship managers.
- Quarterly quality of care reports as per contractual agreements.
- Contract and tariff negotiations.

Funder needs, concerns and expectations

- Predictable and sustainable cost of care.
- Measurable quality of care, safety and patient experience outcomes.
- Utilisation trends.
- Participation in scheme options with restricted hospital networks.
- Value-based care and risk-sharing contracts with providers to align incentives.
- A balanced service offering to satisfy member needs.
- High levels of medical ethics, including combatting medical fraud, waste and abuse.

How we create and preserve value for funders

- Efficient quality outcomes, appropriate utilisation and cost containment achieved through the consistency of care and data application strategies.
- Focused clinical improvement projects.
- Alternative contracting models, including value-based care.
- Access to our quality of care data.
- Collaboration on common objectives to achieve world class healthcare for their members and their members' families.

Strategic underpins

1. ***PCI:*** *personalised clinical information tools that support one-on-one engagement with doctors on clinical cost efficiency.*

Our stakeholders continued

Suppliers

Suppliers of medicines, equipment, consumables, IT and digital offerings and outsourced services, including consultants and construction companies.

Our suppliers support our consistency of care, digital, data and environmental sustainability strategies. Diversifying our supply chain promotes inclusive economic growth, entrepreneurship and job creation, which are priorities of our transformation strategy. Managing and mitigating supply chain risk is a key priority for the Group given the direct impact medicines and medical devices have on the delivery of safe, high-quality healthcare.

Quality of our supplier relationships

Cultivating strong relationships with our suppliers allows us to secure the supply, quality and volume of the products we need, when we need them and on the most cost-effective basis. Regular engagement keeps us abreast of any potential supply chain risks.

Risks that can impact these relationships

BR4, BR5, BR6, BR8, BR9

How we engage

- Review meetings with key suppliers (quarterly) and strategic commodity suppliers (monthly).
- Tender processes and contract negotiations.
- Service level agreements.
- Our digital source-to-contract platform.
- Supplier assessments (prior to entering our supply chain and later against KPIs).
- Medical conferences, exhibitions and webinars.
- Online supplier surveys.

Supplier needs, concerns and expectations

- Long-term mutually beneficial relationships.
- Fair and transparent negotiations.
- Localising Netcare's supply chain.
- Preferential procurement from B-BBEE compliant and black-owned suppliers.
- ESD[1] support, including early payment arrangements.

How we create and preserve value for suppliers

- Fair, diligent and transparent tender adjudication and review processes.
- Negotiated contractual terms that support supplier businesses.
- Preferential procurement practices and ESD initiatives aimed at advancing black businesses.

Strategic underpins

Investors

Shareholders and the investment community.

Transparent engagement with investors earns their trust and gains their support for our strategy, and provides Netcare with a better understanding of their expectations for value creation. Balancing our objectives with their expectations, strengthens our access to capital.

Quality of our investor relationships

In a challenging macroeconomic environment and highly competitive sector, investors appreciate adaptability, the ability to navigate difficulties, and a strong focus on streamlining processes, disciplined capital allocation and reducing costs, which lead to better margins and overall performance. There is a growing recognition that the Group is successfully constructing a competitive moat to solidify its long-term growth and stability.

Risks that can impact these relationships

BR1, BR4, BR9

How we engage

- Investor roadshows, meetings and site visits.
- Investor days.
- Annual reporting suite and interim reporting.
- SENS announcements.
- Various investor conferences.
- ESG ratings agencies.

Investor needs, concerns and expectations

- Growth, capital allocation and shareholder returns.
- The macroeconomic environment and political instability within SA's GNU[2].
- Consumer fragility and the impact on earnings outlook.
- Impact of the NHI Act and associated regulations on private healthcare providers.
- Impact of restricted provider networks on volumes and financial performance.
- Effective leadership, succession planning and appropriate remuneration and targets.
- Ethical and effective governance.
- ESG approach and performance.

How we create and preserve value for investors

- A defined framework for optimal capital structure, disciplined capital allocation and granular measurement of returns.
- A strong statement of financial position to support business continuity and growth.
- An experienced Board and leadership team.
- Solid track record of operational excellence over time.
- A digitisation and data strategy that will deliver a sustainable competitive advantage.
- Cost savings delivered through the digital and environmental sustainability strategies.

Strategic underpins

1. ***ESD:*** *enterprise and supplier development.*
2. ***GNU:*** *Government of National Unity.*

Our stakeholders continued

Regulators and government

Authorities that regulate healthcare providers, funders and the sector.

Engagement with policymakers ensures that we comply with all relevant healthcare regulations and maintain our operating licences. Good relationships with authorities are key to effective collaboration on health policy matters that serve the best interests of South Africans, and to understand how Netcare can best contribute to addressing the structural barriers to healthcare access.

Quality of our regulator and government relationships

Policy uncertainty and failure of government and the private healthcare sector to find common ground from which to tackle the urgent need for health system reform, detract from stakeholder relationships. Legal action and uncertainty around the implementation and impact of the NHI[1] Act has dampened sentiment across the private healthcare sector and for many stakeholders.

Risks that can impact these relationships

BR2, BR3, BR4, BR5, BR6, BR7, BR8, BR11

How we engage

- Direct engagement and engagement through our sector and business association memberships.
- Bilateral engagements.
- Submissions on draft policy and regulations.
- Certification audits.
- Office of Health Standards Compliance inspections.
- Our participation in national initiatives that support SA's development and address transformation challenges.

Regulator and government needs, concerns and expectations

- Nursing skills shortage and competing demand for doctors.
- Increasing burden on the public health system.
- Cost of and access to quality healthcare.
- The private healthcare sector's role in providing sustainable UHC[2].
- Employment equity and skills development.
- Socioeconomic reconstruction and youth employment.
- New healthcare-related regulations.
- Compliance with laws and regulations.

How we create and preserve value for regulators and government

- Meeting the healthcare needs of employed citizens thereby easing the burden on the public health system.
- Sharing our expertise and experience to broaden access to quality healthcare in SA and to develop a sustainable healthcare regulatory framework.
- Our DEI[3] and belonging initiatives to transform our workforce.
- Our ESD, youth development and responsible waste management initiatives, all of which support job creation.

Strategic underpins

Society

The aggregated interests of current and future generations (media and academia being proxy for these interests), communities, sponsorship partners and NPOs.

We support government's intention to reconstruct society and the economy to be more inclusive of people who remain disadvantaged, particularly as this pertains to accessing high-quality health and care. Meaningfully addressing critical societal concerns and promoting inclusivity, human dignity, equality and fairness protects our legitimacy and social licence to operate.

Quality of our community relationships

The Netcare Foundation leverages its strong partnerships with government, corporates, suppliers, doctors, healthcare practitioners and our employees, as well as social interest groups, to extend healthcare services to indigent patients. In addition, NetcarePlus provides a new and affordable approach for employed individuals who lack adequate medical coverage or insurance to access our facilities.

Risks that can impact these relationships

BR6, BR7, BR8

How we engage

- Sector and business association memberships.
- Our participation in national initiatives.
- The Netcare Foundation.
- The HPFL[4] B-BBEE trusts.
- Academia and research institutions.
- Social media platforms.

Community needs, concerns and expectations

- Our active participation in creating better and sustainable communities, particularly marginalised communities.
- Action to address inequality, unemployment and poverty.
- Affordable and accessible quality health and care.
- Ethical and effective governance.
- Regulations affecting healthcare.
- Minimising negative environmental impacts.

How we create and preserve value for communities

- Enhanced healthcare skill at national level.
- Enhanced national healthcare infrastructure.
- Initiatives to uplift and empower black people, women, the youth and people with disabilities.
- Our preferential procurement, ESD, skills development and CSI initiatives.

Strategic underpins

1. ***NHI:*** *National Health Insurance.*
2. ***UHC:*** *universal health coverage.*
3. ***DEI:*** *diversity, equity and inclusion.*
4. ***HPFL:*** *Health Partners for Life.*

Our strategy on a page

In 2018, Netcare embarked on a transformative ten-year strategy designed to fundamentally reshape the delivery of health and care, strengthening our ability to respond to evolving patient demands and funder requirements in a dynamic healthcare sector.

Aiming to create a more connected, efficient and responsive healthcare experience, the strategy is structured around three core phases: digitally enabled (completed in FY 2024), data and AI driven and ultimately person centred.

Our foundational investment in the successful digitisation of our entire clinical ecosystem, has delivered significant financial returns, mirroring the success of our environmental sustainability strategy, which generated over R1.5 billion in cumulative savings and cost avoidance over ten years.

Phase 2, data and AI driven, is well underway and leverages our extensive data assets to drive improvements in clinical efficiency, patient safety, care outcomes and cost-effectiveness. Concurrently, Phase 3 – person centred, focuses on personalising the healthcare experience. Phases 2 and 3, scheduled for completion around FY 2028, are less capital intensive than the initial digitisation phase, and prudent capital allocation will continue to guide our decisions.

Netcare's strategy places the Group at the leading edge of healthcare innovation, supporting sustainable earnings growth, delivering meaningful returns for investors and creating enduring value for all our stakeholders and society. It has strengthened our digital leadership over our competitors and increased the advantages we gain – what we refer to as **expanding the Netcare digital dividend**.

Our strategy: page 59.

Embedding personalised engagement and retention of care over a person's lifetime

Netcare's strategy is to transform the way we deliver health and care by... ... leveraging off our unique ecosystem of assets and services... ... and utilising digitisation, data and AI to benefit all stakeholders.

Empowering people to become equal and active participants in their own healthcare and to take **co-responsibility** for their health and wellness

Person centred health and care

Digitally enabled

Data and AI driven

Creating sustainable competitive advantage for the Group

Strategic underpins

Consistency of care
Consistently excellent clinical services and the best and safest person centred care.
▲ FC HC IC SRC NC

Disruptive innovation
Medical technologies, digitisation, data and AI solutions that benefit our patients and business.
▲ FC HC IC SRC MC

Transformation of society
Investing in our people and communities.
▲ HC SRC

Integration
Synergistic partnerships between all divisions and functions within the Netcare ecosystem.
▲ FC

Investment
Creating economic value and optimising capacity utilisation.
▲ FC SRC

Environmental sustainability
Responsible and efficient management of natural resources.
▲ FC SRC MC NC

Organic growth
Strategic engagements with doctors and private medical funders, maintaining the quality of our facilities and new products and services to promote sustainable and inclusive access to healthcare.
▲ FC SRC MC

▲ Capital enhanced over time.

Our material matters

Our material matters capture the key trends and complexities shaping

Netcare's operating environment

as well as

our strategic responses

to these challenges and opportunities.

Our material matters identify the issues most likely to impact our ability to create and sustain value for Netcare and our stakeholders – now and in the future. Many of these matters and aspects are interrelated. We review and update them annually to reflect the evolving context in which we operate and to address changing stakeholder needs, concerns and expectations. When evaluating the Netcare strategy, these matters are considered to ensure that our strategy remains relevant and responsive.

The Board and Executive Committee have assessed and ranked each material matter and its related aspects based on their impact on the Group's capacity to deliver sustained value.

Materiality: page 4.

Where to find more information on our strategic responses

IR: integrated report.
ESG: ESG report.
QR: quality report.
SHR: shareholder report.
AFS: annual financial statements.

Material matter	Aspects and where to find more information on our strategic responses	IR	ESG	QR	SHR	AFS
Material matter 1						**Ranked 2 in FY 2024**
Grow market share and long-term profitability	01 Strategic funder engagement	✓		✓		
	02 Measurable and sustainable financial results	✓			✓	✓
	03 Factors impacting the healthcare sector in SA	✓				
	04 Competitive differentiation	✓				
	05 Optimal capital structure and allocation	✓			✓	✓
	06 Demonstrate the benefits of strategic implementations	✓		✓		
	07 Unpredictable global economic environment	✓				
Material matter 2						**Ranked 1 in FY 2024**
Outstanding person centred health and care that is digitally enabled and data and AI driven	01 Consistent and measurably better quality of care	✓	✓	✓	✓	
	02 Patient attraction and loyalty	✓		✓		
Material matter 3						**Ranked 3 in FY 2024**
Attract, retain and invest in our employees and healthcare practitioners	01 Attract and retain independent doctors	✓		✓		
	02 Recruit and retain highly skilled and/or specialised employees	✓	✓	✓		
	03 Digitised and optimised HR processes and initiatives	✓	✓			
	04 Effective employee relations processes	✓	✓			
Material matter 4						**Ranked 5 in FY 2024**
Effective leadership and responsible business conduct	01 Effective ethics, compliance and governance processes and practices	✓	✓	✓	✓	
	02 Leadership and executive capability	✓	✓		✓	
	03 Stakeholder engagement	✓	✓	✓	✓	
Material matter 5						**Ranked 4 in FY 2024**
Accelerating transformation and access to quality health and care in SA	01 Collaboration with government and health sector stakeholders	✓	✓			
	02 Doctor and workforce transformation and diversity	✓	✓			
	03 Employment creation	✓	✓			
	04 Inclusive and diversified supply chains	✓	✓			
	05 A challenging socioeconomic context	✓	✓			
	06 Impactful socioeconomic development initiatives	✓	✓			

Our material matters continued

Material matter 1
Grow market share and long-term profitability

Consumers continue to face significant economic strain, resulting in a stagnant medically insured population and buying down to restricted cover. In turn, financially constrained medical schemes exert tariff pressure and strictly manage utilisation of healthcare services, even as an increasing burden of disease drives up medical inflation. Intensifying competition and rapid technological advancements are also leading to an oversupply of facilities and beds, reduced hospital occupancies and shorter patient stays, further constraining profitability. Achieving historical levels of operating leverage is therefore challenging, as EBITDA[1] margins are squeezed by a rising proportion of patient days coming from discount networks, above-inflation utility price increases and adverse exchange rate movements affecting supply chain expenses. Delivering growth in revenue, EBITDA and ROIC[2] requires a focus on differentiating our services to grow market share, retaining patients within our network, driving operational efficiency to maintain margins, and optimising our capital structure. Given these dynamics, 'growing market share and long-term profitability' now ranks first among our material issues (FY 2024: second).

Stakeholders impacted

All stakeholders

Strategic underpins

Link to top business risks: *page 64*.

BR1 Funder regime.
BR4 Economic environment and demand for private healthcare.

The economic context

- **Trade tariffs on imports into the US** reached their highest levels since before World War II. This includes a 30% tariff on South African goods, which may create inflation and exacerbate unemployment. However, there is broad consensus that the business models of healthcare providers are inherently more defensive to the tariff risk than those in other sectors.
- **A fragile global outlook:** key risks to global growth include global supply chain disruptions and renewed trade tensions, among others.
- **SA's economic growth remains subdued** despite the absence of load shedding, recent interest rate cuts and declining inflation – all positive developments. Household consumption has been the main driver of growth in 2025.
- **Risks to SA's GDP growth** include global uncertainty, escalating geopolitical risks, little improvement in SA's formal sector employment, low business and consumer confidence and lower household consumption (high debt burdens and reduced purchasing power due to rising food, utility and transport costs).
- **Real change for SA** requires lower unemployment rates, resolving logistical constraints, investment in infrastructure and accelerated structural reforms.

Outlook: amid these financial pressures, individuals are delaying medical treatment or choosing to self-medicate before consulting GPs. Medical cover remains a priority for many, but significant increases in medical scheme contributions over several years have led members to 'buy down' to more affordable medical scheme options, typically with fewer benefits, more co-payments and limited choice in healthcare provider. There is also a shift to lower-cost primary care settings such as nurse-led consultations and services provided by large retail players (pharmacy groups). Without higher levels of sustained economic growth and expanded formal employment in SA, these trends are likely to persist.

1. ***EBITDA:*** *earnings before interest, tax, depreciation and amortisation.*
2. ***ROIC:*** *return on invested capital.*
3. ***International Monetary Fund:*** *World Economic Outlook, October 2025: Global Economy in Flux, Prospects Remain Dim.*
4. ***South African Reserve Bank:*** *Statement of the Monetary Policy Committee September 2025.*

Key takeaways

GDP forecasts for SA

IMF[3]

1.1% GDP growth for 2025

(up from its previous forecast of 1.0%) and 1.2% for 2026.

By comparison, the average growth in emerging markets and developing economies is forecast at 4.1% in 2025 and 4.0% in 2026.

SARB[4]

1.2% GDP growth for 2025,

increasing to 1.3% in 2026 and 2.0% in 2027, supported by structural reforms.

Headline inflation of 3.4% for 2025 and 3.6% for 2026 before reverting to 3.1% in 2027.

Global growth forecast

IMF[3]

3.2% for 2025

due to a milder-than-expected impact from recent trade tensions (up from 3.0% in July 2025).

Our material matters continued

Funder financial stability under pressure

- **Funders face greater adverse risk** as the pool of sicker and older members needing acute care grows, while younger, healthier members either opt out or choose lower-cost options. This dynamic compromises medical scheme risk pools and leads to higher utilisation rates and a sustained rise in healthcare costs, placing medical scheme reserves under pressure.
- **Deteriorating scheme solvency levels** require above wage inflation increases in medical scheme premiums, negatively impacting affordability and further crowding out young and healthy lives.
- **Medical scheme response:** lower-cost options, restricted provider network plans[1] and doctor incentives for outmigration of cases to day clinics, doctor's rooms and home services. Since 2015, funders have extracted value in hospital network negotiations; however, doctor and independently contracted healthcare worker contribution to in-hospital scheme expenditure has increased by more than double that of hospitals[2].

Outlook: these complexities in the healthcare landscape, which are likely to continue, drive medical inflation and make contracting with medical aid schemes progressively more complicated and commercially challenging.

Increasing burden of chronic disease

- **Other contributors to medical inflation** include increased life expectancy, rising non-communicable and lifestyle diseases and chronic illnesses, medical advances and a need for more specialised care. For example, managing multiple chronic conditions, such as tuberculosis with diabetes, requires complex and resource-intensive healthcare strategies[3].
- **Increases in the complexity of medical and surgical cases**, increases patient days in ICU and high care, requiring more higher acuity beds.
- **Mental health disorders** are now among the top contributors to disability in SA, fuelled by poverty, unemployment, violence, financial hardship and stress. A large insurer recently reported that there was a 79% increase in disability claims from young families largely due to mental health disorders. However, access to mental health services is limited, particularly in rural areas.

Outlook: the increasing burden of disease, population growth and an aging insured population are driving demand for high-quality private healthcare in SA, underscoring the long-term viability of our sector.

In addition, the impacts of climate change are threatening public health. Multiple peer-reviewed studies provide empirical and modelled evidence linking climate change to increased pandemic risk, putting health systems under severe pressure and increasing morbidity and mortality rates in hospitals and communities. As the climate crisis intensifies, hospitals must proactively develop care pathways to address climate-related emergencies.

Key takeaways

Medical aid affordability

Per Discovery, six out of every ten new medical scheme members in 2024 chose a low-cost network plan[4].

Since 2016, SA's population has grown by 7.6 million, yet the medical scheme population has grown by only 249 000 beneficiaries.

36.6%

of **Netcare's paid patient days** now come from patients on low-cost network plans.

FY 2024: 33.1%

FY 2017: 18.6%

Chronic disease

The rising burden of chronic diseases is reflected in **Netcare's patients**, with growth in renal dialysis, mental health activity and cancer treatments and increasing acute care case mix.

~36%

of **Netcare's hospital admissions** are patients over 60 years of age (FY 2014: ~29%). The average cost per admission for patients aged between 60 and 85 years is between 125% and 185% of the cost of an average 40-year old admission.

Human health

Research indicates that 12 of 20 climate-related health risk indicators reached unprecedented levels in 2023/24[5], including heatwave exposure, water and food security, sanitation and weather conditions conducive to the spread of deadly infectious diseases.

1. *Network options mean co-payments are required if a patient chooses a hospital outside of the network for non-emergency care.*
2. *Insight Actuaries.*
3. *Non-communicable diseases – a catastrophe for South Africa.*
4. *Discovery Health Medical Scheme Integrated Report 2024.*
5. *The 2025 report of the Lancet Countdown on health and climate change.*

Our material matters continued

Our strategic response

Growing market share and improved financial performance

Our 2030 strategic roadmap charts a clear and ambitious path to grow revenue, expand margins and improve returns. Underpinned by operational excellence and organisational agility – essential in today's increasingly challenging operating environment – we aim to position Netcare as a leader in the quality, cost and sustainability of care, enabled by our integrated, digital backbone. Our aim is to be the preferred provider for patients, doctors and funders.

Process optimisation, driven by digital tools and AI, is protecting margins. Digitising the Group's HR, billing and enterprise systems, and driving the environmental sustainability programme, are current initiatives that support operational efficiency gains. Advancing our data and analytics maturity through several initiatives, including projects to ensure all data is AI-ready, will enable further clinical cost efficiencies.

Netcare's diversified and resilient business model delivers a holistic and comprehensive ecosystem of services. We are developing proofs of concept to measure the retention of patients within our ecosystem, with models underway for the Hospital Division, emergency departments, Netcare Cancer Care and Netcare Medicross.

We are also exploring new business models and strategic partnerships that address market gaps. Notable initiatives include expanding sub-acute and rehabilitation services, nurse-led services for the Primary Care Division, opportunities for Netcare Cancer Care and increasing our Netcare Akeso footprint with over 250 additional mental health beds. In addition, the NetcarePlus GapCare offering strategically positions the Group to maintain a meaningful share of patient volumes within cost-conscious networks.

We are advancing our data and analytics maturity through several initiatives, including projects to ensure all data is AI-ready.

Growth will be driven by:

- Attracting new patients and retaining existing patients through improved patient experience.
- Doctor attraction and retention.
- Digital solutions that provide a competitive advantage in funder negotiations.
- New business development and strategic expansion in acute, mental health and renal care.
- Products that improve access to Netcare for those who are not adequately covered by insurance or medical aid.

Value outcomes for FY 2025

CFO review: page 83.
Digital transformation and data management: page 98.
Doctors and allied healthcare professionals: page 102.
NetcarePlus: page 106.
Our patients: page 99.
Estate and medical equipment: page 109.

Our focus on conservative net debt, disciplined cost management, robust revenue, EBITDA and ROIC growth and strong cash generation remains firm. We maintain an optimal capital structure that returns excess cash to shareholders. Financial models guide our decisions on asset additions, upgrades and replacements. In FY 2025, we invested R70 million (FY 2024: R126 million) and incurred operational costs of R60 million (FY 2024: R131 million) on various strategic projects, of which R47 million was attributable to NetcarePlus.

Funders

Clinical cost efficiency is a primary factor in funder negotiations and network provider selection, with several of our multi-year agreements up for renewal between 2025 and 2027. In preparation, our centrally coordinated clinical cost efficiency programme identifies inefficiencies at system, hospital and doctor levels to carefully manage costs per event. This enables us to pass data driven clinical cost efficiencies on to medical schemes in a responsible way that does not jeopardise margins, while also improving our competitiveness in hospital network tenders.

Tariff discount proposals are carefully evaluated to balance patient volumes and profitability. The Tariff Committee ensures that our proposals are competitive but still commercially viable. As further clinical cost efficiencies are gained through digital solutions and we improve our ability to demonstrate the value of care provided by Netcare, we are better positioned to manage profitability pressures from lower tariffs associated with hospital network contracts.

Successful funder proposals

In FY 2025, Netcare was appointed co-anchor on five of six restricted provider network arrangements.

Our opportunities: *page 71.*

- Capitalise on our digital platform to improve the patient experience.
- Become the most cost-effective high-quality provider of healthcare services.
- Improve access to Netcare for more South Africans.
- Develop new clinical product offerings focused on specific market needs.

Funder strategy

- Transparent engagement on cost efficiency initiatives.
- Data driven patient centric reporting on clinical outcomes.
- Use of digitisation, analytics and best practice care interventions to deliver enhanced patient safety, patient experience and quality of care outcomes.
- Collaborating with medical schemes on improvement opportunities.

Value outcomes for FY 2025

Private medical funders: page 103.
Patient safety: page 95.
Clinical cost efficiency: page 97.

Our material matters continued

Material matter 2
Outstanding person centred health and care that is digitally enabled and data and AI driven

Advancements in healthcare are driving a shift toward digital transformation. Providers that invest in digital health platforms, data analytics and AI-enabled care models are better positioned to enhance patient outcomes, reduce operational costs and differentiate themselves in a competitive market. Those who adapt swiftly and innovate effectively stand to gain the preference of patients and doctors, and therefore market share and long-term sustainability. Providers who fail to meet rising digital expectations risk losing ground to more tech-enabled competitors. The private healthcare sector is highly competitive across product development and all service areas, including hospital, cancer and mental health services, primary care, renal care and pre-hospital emergency services. In this environment, leveraging the benefits of digital enablement to deliver a consistent and measurably better quality of care and more personalised, efficient and proactive care delivery models are essential.

Reliable access to electricity and water is essential to provide uninterrupted care to patients 24 hours a day, 365 days a year. Disruptions such as breakdowns, load shedding and water cuts, not only interrupt normal operations but can also compromise the quality of care and drive up operating costs, placing pressure on the Group's margins.

Stakeholders impacted

- Our patients.
- Our people.
- Doctors and allied healthcare professionals.
- Private medical funders.
- Investors.
- Society.

Strategic underpins

Link to top business risks: *page 64*.

BR2	Availability and quality of skills.
BR3	Climate change and water scarcity.
BR6	Delivering consistently outstanding and clinically efficient person centred health and care.
BR9	Technology and data imperatives.
BR10	Fire safety.
BR11	Availability of electricity supply.

Digitising to deliver improved care outcomes

- **Real-time access to health data**, including test results and medical history, empowers patients to make decisions about their care and navigate their healthcare journey with greater ease, leading to enhanced overall health outcomes and greater satisfaction.
- **Human connection remains essential** to care delivery – compassion, empathy and meaningful engagement are as important as clinical expertise for achieving the best results.
- **Advanced analytics platforms** provide clinical teams with real-time, actionable insights, enabling improved consistency and quality of care. This capability also supports measurable financial benefits through standardised clinical pathways and reduced morbidity and mortality rates.
- **Patients increasingly seek personalised experiences** and convenience and rely more on mobile devices.
- **Patient-centric care models** lead to fewer unnecessary doctor visits, patients being significantly less likely to switch providers and increased cross-service utilisation from the same provider.

Outlook: digitisation and advanced analytics will continue to transform healthcare delivery from a transactional to a patient-centric model, enabling providers to better meet patient needs, build loyalty and improve care outcomes.

Key takeaways

Shift to patient centricity

68% of patients book appointments via mobile devices, especially for urgent care, mental health and primary care[1].

Technological transformation, spanning digital health, AI-driven decision-making, telehealth and precision medicine, is accelerating care innovation and operational efficiency across the world.

80% of patients consider online scheduling of appointments essential (yet only 25% rate their current experience as 'excellent'), and over one third of patients use AI for healthcare-related purposes, such as researching treatments and finding doctors, with 75% expecting transparency when AI is involved in patient communications[2].

1. *Key health care trends from 2024: What patients want | Medical Economics*.
2. *Patients as consumers: New research report shows a new era of expectations in healthcare | Press Ganey*.

Our material matters continued

Impact of water shortages and disruptions on health and care

- **Water shortages** heighten the risk of waterborne disease outbreaks and heat stress, leading to greater demand for healthcare services. Within the hospital setting, lack of water increases the risk of sub-optimal care outcomes and hospital-acquired infections.
- **Insufficient maintenance of SA's complex water infrastructure** has led to declining water quality, frequent outages and low water pressure; now daily realities in some areas. Water security is expected to become an escalating risk over the next decade, with the Department of Water and Sanitation estimating that over R90 billion a year is needed for repairs and upgrades over the next ten years[1].

Outlook: water costs are expected to continue rising – with potentially increased reliance on more expensive non-municipal suppliers – further impacting the Group's profit margins and operational resilience.

Frequent electricity outages

- **Power plant performance has improved** and load shedding has decreased; however, overall electricity supply remains below pre-pandemic levels and unreliable system performance persists.
- **Electricity disruptions are likely** to occur for several more years due to planned maintenance and infrastructure constraints. Planned grid capacity increases are only expected to have a meaningful impact from 2027 onward.

Outlook: the new Wholesale Electricity Market Code aims to guide the buying and selling of electricity through wheeling[2] in SA, with initial operations anticipated from 2026 and full implementation targeted for May 2031. The impact of the code on electricity supply and Netcare's operations is yet to be determined.

Key takeaways

Water

Around 64% of wastewater treatment plants in SA are at high or critical risk of discharging inadequately treated water into the environment[3].

As of 2023, 29% of 958 water supply systems are in critical condition and 46% of systems demonstrate poor water quality compliance[3].

R12 million

incurred by **Netcare on emergency water purchases** during municipal outages in FY 2025 (FY 2024: R7 million).

Electricity

Electricity tariffs have risen sharply by 971% between 2007 and 2025, far outpacing inflation[4].

Electricity costs are projected to rise by around 24% between 2025 and 2027.

1. *SAICE highlights repercussions of inaction on South Africa's water infrastructure crisis – SAICE.*
2. *Electricity generated in one location to be transmitted to consumers in another via existing transmission and distribution networks.*
3. *Blue, Green and No Drop reports assess national water services – Trialogue Knowledge Hub | Resources for CSI & sustainability in Africa.*
4. *Brace for more massive electricity price hikes in South Africa.*

Our material matters continued

Our strategic response

Consistency of care

The revolutionising of our care offering aligns with global healthcare mega trends, securing our competitiveness into the future. With a strong foundation in place, we are positioned to continually enhance the value of our services for patients, doctors and private medical funders. This approach fosters market share growth through lasting stakeholder loyalty to the Netcare ecosystem.

Netcare's consistency of care strategy is central to fulfilling our promise to every patient who entrusts us with their health and care. Guided by the ***Quadruple Aim***[1] philosophy, the Cleveland Clinical Model[2] and the Modified Value of Care[3] equation, we aim to deliver consistently excellent, cost efficient and person centred healthcare for both body and mind. This strategy is enabled by our skilled workforce, advanced digital and data systems, and initiatives to safeguard care quality against challenges like poor municipal infrastructure in SA.

Netcare consistency of care strategy

Compassion is fundamental to our approach, shaping interactions with patients, colleagues and care for ourselves. The Care4YOU Programme delivers compassion-based training to all employees, not just those in patient-facing roles.

We are leveraging our advanced digital platform and rich data to enhance clinical and strategic decision-making, patient safety, clinical outcomes, clinical cost efficiency and patient experience to continually improve the value of care.

AI and machine learning are increasingly important in clinical decision-making. Predictive models and real-time monitoring help anticipate risks, guide interventions and optimise resource utilisation. For example, real-time data from CareOn[5] now enables early identification of patients at risk of sepsis, supporting timely intervention and improved outcomes. Our digital backbone has enabled the use of these advancements, strengthening our operational resilience and adaptability in a rapidly evolving healthcare landscape.

Care4YOU Programme

>71 000 Care4YOU	8.36
sessions have been conducted since the programme's inception in September 2021.	average nurse compassion score against a FY 2022 baseline score of 7.92. FY 2024: 8.26 | FY 2023: 8.16

Providing patients with seamless and easy digital access to our facilities and their own health records was a crucial step toward person centred care. With this digital foundation in place, our goal is to deliver a personalised, intuitive and user-centric healthcare experience, empowering patients with convenient, omnichannel access to services from admission to discharge and beyond, whenever and wherever they need them.

Our opportunities: *page 71*.

- Capitalise on our digital platform to improve the patient experience.
- Become the most cost-effective high-quality provider of healthcare services.
- Improve access to Netcare for more South Africans.
- Develop new clinical product offerings focused on specific market needs.
- Develop research-based high impact clinical pharmacy interventions.

Consistency of care strategy

- Improve our patient satisfaction and perception of care delivered.
- Demonstrate our ability to provide accurate and meaningful quality and safety of care measures and results, and use them to inform focused improvement initiatives.
- Manage the cost of delivering care and commercialise clinical quality.
- Improve and strengthen the regulatory framework governing clinical practice.
- Inform the integrated quality, OHS and waste management frameworks.
- Look after the health and wellness of our workforce.

Value outcomes for FY 2025

Our strategy: page 59.
Patient safety: page 95.
Digital transformation and data management: page 98.
Our patients: page 99.

1. *Bodenheimer, T., & Sinsky, C. (2014). From Triple to Quadruple Aim: Care of the Patient Requires Care of the Provider. The Annals of Family Medicine, 12(6), 573–576.*
2. *Cosgrove, T. (2014). The Cleveland clinic way – Lessons in excellence. Cleveland Clinic Quality Performance Report.*
3. *Porter, M. E. (2010). What is value in health care? New England Journal of Medicine, 363(1), 2477–2481.*
4. ***SHEQ**: safety, health, environment and quality.*
5. *CareOn is the Hospital Division's electronic medical record platform.*

Our material matters continued

Our strategic response continued

Patient safety

Netcare maintains a comprehensive patient safety framework, with established clinical governance committees across the Hospital Division, Netcare Akeso, Netcare Medicross and Netcare Cancer Care that uphold professional and ethical standards.

Healthcare practitioner credentialling and conduct

Our annual digital credentialling process ensures that only qualified, HPCSA[1]-registered ICHWs[2] provide clinical services to our patients, with all contracts reviewed for compliance with Group clinical governance standards. Advanced electronic signatures in the Hospital Division verify doctor authenticity when accessing CareOn. These measures uphold high standards of care and ensure compliance with legal and regulatory requirements. The digital credentialling process was extended to healthcare professionals at Netcare Akeso and Netcare Occupational Health and in our day theatres in FY 2025.

The Netcare Clinical Practice Committee independently reviews cases of unsafe clinical practice and practitioner conduct not in keeping with Netcare's values and standards. It manages suspension or revocation of privileges when necessary. In FY 2025, 77 cases (FY 2024: 62) were referred to the committee, with most resolved at year end. Privileges were revoked for two (FY 2024: three) practitioners. Of the cases referred to the HPCSA, four (2024: seven) guilty verdicts were returned.

Quality reviews

Netcare's quality management combines internal and independent assurance processes. Regular self-assessments[3], peer reviews[4] and audit evaluations drive continuous improvement and ensure compliance with industry regulations, norms and standards and Netcare's policies and standard operating procedures. In FY 2025, a new digital process was introduced to address non-conformances quickly.

Our quality review tools are used to manage clinical risks, clinical cost efficiency and consistent patient care across the Group. The Group medical director and clinical audit team annually select a set of quality tools for evaluation to ensure they are effective. In FY 2025, 59 quality review tools were assessed across five divisions. The safety of medical equipment and devices, the credentialling process and nursing at Netcare Akeso and Netcare Medicross were also reviewed. In addition, quarterly CareOn patient journey reviews were conducted to determine whether the system is being used optimally.

Internal reviews

Internal quality reviews were conducted in 260 facilities (FY 2024: 274) across all divisions with a compliance target of 90%. The internal and peer reviews showed that the Hospital Division achieved 100% compliance across all the OHSC[5] non-negotiable criteria.

Overall quality reviews (%)	2025	2024	2023
Hospital Division	**92**	92	96
Netcare 911	**95**	95	95
Netcare Cancer Care	**99**	98	97
Netcare Akeso	**92**	95	94
Netcare Medicross	**91**	91	89
National Renal Care	**99**	95	94
Group average	**95**	94	94

Independent assurance

British Standards Institution

Maintained the prestigious international ISO 9001:2015 quality management certification.

FY 2024: maintained

FY 2023: maintained

Office of Health Standards Compliance

To date, **44** hospitals have been evaluated by the OHSC and achieved compliance certification against the NDoH's[6] standards. An OHSC compliance certificate is needed to participate in NHI[7], and is valid for four years.

There was one OHSC inspection for the Hospital Division in FY 2025, achieving compliance certification with an overall excellent grading. Inspections for Netcare Medicross are expected in FY 2026, following the publication of two inspection tools for GP practices.

Quality of care measures

Our quality of care measures demonstrate the quality of care patients can expect to receive at Netcare. These measures provide insight on where we are succeeding and where we need to improve to achieve the best outcomes for patients The process to develop and implement our quality measures for reporting is well governed to maintain their integrity.

Value outcomes for FY 2025

Patient safety: page 95.

1. ***HPCSA:*** *Health Professions Council of South Africa.*
2. ***ICHW:*** *independently contracted healthcare worker.*
3. *Self-assessments ensure compliance to Netcare's quality standards, regulatory requirements and best practices.*
4. *Peer reviews are conducted by a team of Netcare regional and senior managers.*
5. ***OHSC:*** *Office of Health Standards Compliance.*
6. ***NDoH:*** *National Department of Health.*
7. ***NHI:*** *National Health Insurance.*

Our material matters continued

Our strategic response continued

Securing water and electricity supply

In addition to reducing our environmental impacts and gaining operational efficiencies, our environmental sustainability strategy (see *page 36*) plays a vital role in de-risking the Group from the impacts of climate change and resource scarcity. It also reduces our exposure to an unstable national electricity grid and municipal water supply. To ensure uninterrupted patient care, we have invested in robust emergency generation and backup capacity, including uninterrupted power supplies, 199 diesel generators and comprehensive blackout planning. Currently, 27 hospitals benefit from full or partial exemption from load shedding, and 72[1] solar PV systems have been installed across the Group to further secure energy supply. These installations achieved a R48 million cost saving for the year (FY 2024: R38 million).

Netcare's renewable energy strategy is designed to reduce our dependency on the national grid, while targeting zero Scope 2 emissions by 2030 and bringing greater stability to our energy costs. The strategy incorporates grid wheeling, solar PV systems and BESS[2] rollouts, with power purchase agreements already in place for six Eskom-supplied sites and under negotiation for 12 municipal-supplied sites (phases 1 and 2). Phase 3, currently in its early stages, will focus on our facilities in municipalities where virtual wheeling is enabled, while phase 4 (medium to long term) will address alternative solutions for our facilities in municipalities where wheeling is not enabled.

Electricity

Electricity costs increased 11.0% year on year to R565 million (FY 2024: R509 million), primarily due to the variable impacts of Eskom, Eskom tariff restructuring and municipality tariff increases, up an average of 11.9%.

Projections indicate that without our environmental sustainability interventions electricity costs would have been around R573 million.

Diesel

Diesel costs for the year were R13 million (FY 2024: R47 million); the decrease attributable to the continued reduction in load shedding but savings were offset by increased electricity costs.

Our opportunity: *page 71*.
- Accelerate renewable energy adoption.

We have robust strategies to manage the short-term impact of water supply disruptions across our facilities. These include backup water supplies (most acute hospitals maintain at least 24 hours of backup water supply, with some extending to 48 hours), boreholes, the Netcare Christiaan Barnard Memorial Hospital's desalination plant (which can supply up to 100% of the hospital's water needs and is also able to support other Western Cape hospitals during emergencies) and the Netcare Milpark and Netcare Garden City hospital reservoirs, which together can supply around one million litres of water to be shared with other hospitals in Gauteng in an emergency. Our water conservation mode allows us to double the duration of our backup water supply during disruptions.

Our water security and risk mitigation strategy for the Hospital Division and Netcare Akeso secures our ability to operate in the event of a water-related disaster, focusing primarily on boreholes and groundwater treatment works. Recognising that boreholes are not a sustainable long-term solution for climate change, we are exploring wastewater treatment plants to reduce our demand and reliance on the national water supply. These solutions reclaim and repurpose non-potable water, treating it to potable (drinking) standards.

Over the medium term, we will consider seeking certification[3] of our integrated environmental management system and we will explore AI and IoT[4] solutions for real-time energy management to achieve improved operational and financial efficiencies.

Water

Total water costs decreased 10.6% year on year, primarily attributable to reduced water consumption and costs avoided on municipal accounts. Actual water costs for the year were R118 million.

Projections indicate that without our environmental sustainability interventions water costs would have been around R154 million.

Value outcomes for FY 2025

Alternative sources of energy and water: page 111.

1. *Number decreased year on year due to the disposal and closure of various Netcare facilities with solar PV systems.*
2. ***BESS:** battery energy storage system.*
3. *Certification will be sought for either ISO 14001 (environmental management systems) or ISO 7101 (healthcare quality management systems).*
4. ***IoT:** internet of things.*

Our material matters continued

Material matter 3
Attract, retain and invest in our employees and healthcare practitioners

A critical shortage of skilled health professionals is straining SA's healthcare system. For the public healthcare sector this is causing longer waiting times, overcrowded facilities and compromised quality of care. This challenge is also the biggest impediment to UHC[1] rollout and undermines the health system's resilience to future health crises such as a pandemic. In addition, current healthcare practitioners face overwhelming workloads, contributing to burnout and increased attrition. This is particularly true for registered nurses who face higher burdens due to nursing shortages, particularly during peak patient periods. Despite the urgent need, budget constraints prevent the employ of newly qualified doctors in the public health system, leading to a loss of public investment as these professionals take their skills overseas. Competitor activity in the private healthcare sector further complicates the attraction and retention of professionals.

Stakeholders impacted

- Our patients.
- Our people.
- Doctors and allied healthcare professionals.
- Regulators and government.
- Society.

Strategic underpins

Link to top business risks: *page 64*.

BR2 Availability and quality of skills.

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

BR9 Technology and data imperatives.

Skills shortages across multiple critical disciplines

- **SA's doctor-to-population ratio** is just 0.79 per 1 000 people[2], with most doctors concentrated in the private healthcare sector. The public health system faces severe shortages with just one doctor for every 3 000 people, falling below the WHO's recommended ratio of 1.00 per 1 000 people.
- **Contributing factors to SA's doctor shortage** include limited training capacity, an aging specialist workforce, high professional liability insurance costs for specialists, challenging public sector working conditions and uncertainty around NHI implementation and draft regulations, particularly those that aim to control tariffs and where doctors may practice. These pressures are driving emigration, worsening the current shortage.
- **A study conducted for the Public Private Growth Initiative** in 2022 found shortages across all nursing categories, especially among nursing specialists[3]. This is due to regulated training numbers during the transition to new nursing qualifications, increased attrition following COVID-19 and the retirement of experienced nurses. Over 20 000 nurses will retire by 2030, this outpaces the number of nurses qualifying at training facilities. SA must double the current nursing student intake and prioritise advanced qualifications to meet future needs.
- **Competition for advanced IT, digital, data analytics and AI skills** is rife across most industries, both locally and internationally. Of over 3 900 South African developers surveyed, one in five are actively exploring opportunities to relocate internationally[4].

Outlook: there are signs on the horizon that student nursing numbers will grow, marking a positive step towards resolving the South African nursing skills crisis.

1. *UHC: universal healthcare coverage.*
2. *Doctors per capita by country 2025.*
3. *Referenced in NDoH's 2024 Report On Nursing Workforce Shortage: The Nursing Cluster Perspective.*
4. *OfferZen 2024 Developer Hiring & Retention Report.*

Key takeaways

Doctors

~20%

of the 41 specialists who left **Netcare's acute facilities** in FY 2025, either emigrated or relocated (FY 2024: 18%).

Nurses

52%

of **Netcare's employees** are nurses.

FY 2024: 49%

FY 2023: not reported

Note: permanent employees only. Excludes National Renal Care.

Our material matters continued

Our strategic response

Doctors

We strive to offer doctors an attractive value proposition and build even stronger collaborative relationships with them that benefit our patients. Our integrated, digitised ecosystem, cutting-edge technology, clinical Centres of Excellence, including two accredited stroke centres and four Level 1 accredited trauma facilities, attract leading medical professionals. The digital platform provides numerous benefits for doctors from reduced medicolegal risk and 24/7 remote access to accurate, real-time clinical data to requests for nursing interventions and diagnostic tests, improved quality of care outcomes and a single source of patient information to aid shared decision-making within multi-disciplinary teams. The ability to treat patients remotely supports better work-life balance and helps, to some extent, to mitigate the impact of doctor shortages.

Looking ahead, doctors practising at Netcare will have access to anonymised data on outcomes, treatment pathways and clinical practices as well as analytical tools to interrogate the data. This will support the development of better treatment interventions and facilitate research. Generative AI and natural language processing tools will further streamline large-scale clinical research for publication, supporting their medical and surgical leadership. Several doctors with strong academic backgrounds have been identified as potential research partners for Netcare on quality and safety improvement.

Doctor recruitment[1]

164 doctors were granted practising privileges at our acute and mental health facilities – a net gain of **117** doctors. FY 2024: 164; 113 net gain FY 2023: 160; 124 net gain	**61%** of the 153 doctors recruited for the Hospital Division practise in surgical disciplines. FY 2024: 66% FY 2023: 63%	The average age of the doctors recruited for the Hospital Division is **41**. FY 2024: 40 FY 2023: 41

Doctor profile

57%[2] of doctors with admission privileges in the Hospital Division are black. FY 2024: 55% FY 2023: 54%	49% of the doctors practising at Netcare are women.	15% of the doctors practising at Netcare are over 61 years of age.

A significant portion of Netcare's capex is allocated to maintaining and enhancing our facilities, infrastructure and medical equipment – key aspects of our value proposition for doctors as well as our patients and funders. Sustained investment ensures our portfolio remains modern, functional and appealing.

The Professor Bongani Mayosi Netcare Clinical Scholarship supports black medical scholars across diverse clinical specialisations and medical research fields. Since 2007, it has funded 27 scholars (at a cost of R98 million) to pursue PhDs at local and international medical schools, with 17 scholars having graduated to date and a further three to complete their studies in 2025. In addition, five doctors are receiving postgraduate training support through the Netcare Foundation.

Our opportunities: *page 71*.

- Develop new clinical product offerings focused on specific market needs.
- Play a key role in South African medical research.
- Improve access to quality mental health services.

Doctor strategy

- Provide quality nursing services.
- Invest in the quality of our facilities and provide access to advanced medical equipment.
- Support new doctors recruited into the hospital network to grow their practices.
- Increase our participation in hospital networks.
- Drive commitment to Netcare's facilities among doctors who split their practices.
- Strategic doctor engagement driven by data-based evidence to enhance clinical cost efficiency as well as information sharing and professional development initiatives.
- Develop doctor partner networks to build continuous referral streams.

Value outcomes for FY 2025

Doctors and allied healthcare professionals: page 102.
Capital expenditure: page 109.

1. *Additional doctors have been recruited but are yet to start practising and/or do not meet the revenue threshold to be included in the number of net new doctors*
2. *Data for doctors with a billed revenue above R300 000.*

Our material matters continued

Our strategic response continued

Nurses

SANC's[1] new qualifications are welcomed and, positively, enrolments are increasing. Through our engagements with SANC, the NDoH, HASA[2] and other stakeholders, the number of nurses Netcare is able to train has increased from around 300 in SDP[3] 2023 to around 600. Currently, there are approximately 1 500[4] nursing students studying at the five accredited Netcare Education campuses.

Five Netcare Education undergraduate and postgraduate qualifications are fully or conditionally accredited by SANC. Netcare Education is expanding its postgraduate specialist nursing programmes and is the first private institution fully SANC-accredited to offer the Postgraduate Diploma in Adult Critical Care Nursing. Accreditation for the Advanced Diploma in Midwifery and Postgraduate Diploma in Emergency Nursing is pending. Our planned intake on postgraduate nursing courses for January 2026 exceeds 750 students.

Based on these recent developments, the Group anticipates producing and absorbing sufficient qualified nurses to meet our needs over the next five years; around 2 000 enrolments by 2029.

We reviewed our nursing strategy in FY 2025, and explored flexible models of nursing care and formulated initiatives to improve nurse retention. Our partnerships with universities are being strengthened to attract nursing graduates. Netcare's nurse value proposition is regularly benchmarked to ensure we are competitive, with a key benefit being our modern, digital platform that automates recordkeeping and removes repetitive and administration heavy tasks, freeing up time for patient care.

Nurse training

747	223	4 244
average number of nurses that were enrolled on accredited nursing programmes – 525 are new intakes[5].	nurses were enrolled on six-month in-service programmes that ensure our nurses are fully equipped to care for our patients and deliver the best and safest person centred care.	nurses attended National Renal Care's nephrology in-service training.
SDP 2024: 655	SDP 2024: 297	FY 2024: 2 251
SDP 2023: 479	SDP 2023: 421	FY 2023: not reported

SANC's CPD[6] requirement will soon be mandatory for annual nursing licence renewals. SANC recognises our digital nursing CPD system, launched in October 2024, as a leader in programme delivery in SA. Our nursing strategy prioritises CPD to strengthen nursing standards and allows nurses to tailor learning to their specialisations. The initiative integrates CPD into daily practice, improving quality of care, clinical confidence and job satisfaction. Eight Netcare hospitals were selected by SANC for phased-in implementation and all participants from these facilities successfully attained the required CPD points. At year end, 10 993 nurses from across the Group had been onboarded.

In FY2025, our Physician Partnership Trust established a nursing bursary fund that provides funding to the children of Netcare employees who want to pursue post-schooling education and training at Netcare Education. Two students were awarded the scholarship this year. In addition, the Netcare Foundation assisted 71 student nurses with their training costs, amounting to R3 million.

In the absence of a local postgraduate nephrology nursing programme, National Renal Care partnered with Helm Kidney Care UK to provide high-quality online nephrology education, with 36 employees having completed the programme.

Nursing strategy

- Work closely with key stakeholders to deliver our five-year plan to increase nurse training numbers to meet Netcare's future operational and clinical needs.
- Continue to deliver six-month in-service training to keep nursing skills current.
- Adopt new nursing models that positively impact nurse work-life balance in a resource-constrained environment, with studies on global practices already conducted.
- Collaborating with the NDoH on key projects, including the nursing differentiation project.
- Accredited nursing agencies to fill vacancies for specialised registered nurses, while monitoring the impact on patient care.

Value outcomes for FY 2025

Person centred employee proposition: page 91.

1. ***SANC:*** *South African Nursing Council.*
2. ***HASA:*** *Hospital Association of South Africa.*
3. ***SDP:*** *skills development period (1 April to 31 March).*
4. *Includes new students and continuing students.*
5. *Includes 207 permanent Netcare employees as well as fixed-term contract workers and students.*
6. ***CPD:*** *continuous professional development.*

Our material matters continued

Our strategic response continued

Our people

Netcare's achievements reflect the resilience, dedication and professionalism of our people. Employee growth, development and wellbeing are at the centre of our human capital initiatives, with fair and competitive rewards for outstanding contribution to strategic, operational and financial performance.

We nurture a fair, ethical, inclusive and compassion-centred organisational culture that supports and welcomes all our people, enables them to do meaningful and impactful work and encourages their personal and professional development while actively opposing all forms of discrimination. Our DEI[1] initiatives and manager training promote inclusion, cohesion and a sense of belonging.

Our targeted retention initiatives for specialised and critical talent, include the SIP[2], flexible remuneration arrangements, payment of annual practising certificate fees for certain permanent employees and salary adjustments where required.

Employee engagement is central to Netcare's employee value proposition. It connects our workforce to our purpose, attracts the high-calibre people we seek and is the key driver in delivering our strategic priorities. We engage with employees to understand their needs and actively respond to their feedback. We measure the effectiveness of our employee engagement through performance reviews, turnover rates and absenteeism. Quarterly performance reviews are conducted for employees at non-managerial level. Junior management and above are evaluated against BSCs[3].

Our opportunity: *page 71*.

- Digitise the HR function to provide a world class people experience.

Person centred HR strategy

- Support employee health, safety, resilience and wellness.
- Curate a meaningful and engaging employee experience.
- Cultivate a diverse and inclusive workplace.
- Drive blended learning and development initiatives.
- Enhance talent management and deployment.
- Fair, reasonable, responsible and competitive remuneration.
- Fair and effective management of issues impacting the employer-employee relationship.
- Digitisation to enable optimised HR processes and initiatives.

Employee turnover[4]

11.5% overall turnover.	**7.8%** voluntary turnover.	**12.7%** nurse turnover.
FY 2024: 16.0%	FY 2025 BSC target: 11.8%	FY 2024: 16.8%
FY 2023: 14.5%	FY 2024: 12.9%	FY 2023: not reported
	FY 2023: 11.5%	

We encourage innovation, critical thinking and continuous learning. Training and change management support the adoption of new technologies to ensure they do not negatively impact the employee experience.

We recognise the risks of anxiety, fatigue and burnout, particularly among nurses due to sub-optimal staffing ratios. Our integrated employee health and wellness strategy delivers both preventative and curative interventions for physical and mental health, emotional balance and social connection. The strategy, to be fully implemented in FY 2026, will drive leadership engagement to foster a culture of wellness, enhance the existing medical surveillance programme and host targeted wellness campaigns that address top health risks. We also provide a wellness programme for employees and their immediate family members focused on psychosocial wellbeing.

Our learning and development initiatives advance the talent pipeline for our core business, enhance digital and data skills and bring unemployed youth into the workforce. Our leadership development programmes prepare talent for progression to higher levels of management. The Netcare Leadership Development Programme, run in partnership with the University of Pretoria and now in its third cohort, builds a pipeline of future hospital managers and regional and divisional leaders; 16 of 32 delegates have advanced their careers to date.

Finally, digitising HR processes will unlock critical workforce data, improve planning and human capital decision-making, and provide a seamless employee experience. MyNetCareer will place employee needs at the centre of our HR processes and empower employees to manage their career journeys.

Value outcomes for FY 2025

Person centred employee proposition: page 91.

1. ***DEI:*** *diversity, equity and inclusion.*
2. ***SIP:*** *Single Incentive Plan.*
3. ***BSC:*** *balanced scorecard.*
4. *Permanent employees only. Excludes National Renal Care.*

Our material matters continued

Material matter 4
Effective leadership and responsible business conduct

Businesses today must demonstrate resilience in the face of rapid environmental, social and technological change. Stakeholders increasingly expect organisations to demonstrate transparency, ethical conduct and accountability as well as genuine commitment to ESG by aligning their strategies with global sustainability goals. This is driven by growing awareness of climate change, social justice and ethical governance. As a result, ESG reporting is evolving, with stricter disclosure requirements and standardised frameworks that require consistent, comparable and forward-looking ESG data. While digitisation offers significant advantages, it also introduces risks such as fierce competition for scarce digital and data analytics skills, reliance on third parties, user adoption challenges and cybersecurity threats.

Navigating this landscape requires strong leadership and robust governance to balance innovation with ethical responsibility, manage workforce transitions, ensure compliance, manage supply chain vulnerabilities and transition to sustainable practices.

Stakeholders impacted

- Our patients.
- Our people.
- Doctors and allied healthcare professionals.
- Private medical funders.
- Regulators and government.
- Society.

Strategic underpins

Link to top business risks: *page 64*.

BR2	Availability and quality of skills.
BR3	Climate change and water scarcity.
BR5	Cybercrime and cybersecurity.
BR6	Delivering consistently outstanding and clinically efficient person centred health and care.
BR9	Technology and data imperatives.
BR11	Availability of electricity supply.

Data privacy has become a critical concern

- **The growing complexity of the cyber landscape** (highlighted in the World Economic Forum's Global Cybersecurity Outlook 2025) is attributed to geopolitical tensions, complex supply chains, rapid technology adoption and a proliferation of regulatory requirements. These factors increase compliance burdens and make cyber risk management increasingly challenging.
- **The rise of AI-driven cyberattacks and advanced ransomware deployment mechanisms** have made ransomware the leading global cyber risk. A stark example occurred in June 2024, when an extortion-focused ransomware group attacked SA's National Health Laboratory Service, disrupting millions of medical tests, which led to the cancellation of critical surgeries and compromised over one terabyte of sensitive data, directly endangering human health and safety[1].
- **While the power of AI cannot be disputed**, organisations must balance the competitive advantage of big data with their ethical and moral responsibility to protect stakeholder privacy.

Outlook: rapidly evolving cyberthreats are expected to continue globally. Unfortunately, these threats target essential systems that support societal progress (such as financial systems and public services) and the public's trust in a secure digital future. In SA, businesses can expect to face intensified audits, investigations and potential penalties for non-compliance as the Information Regulator increases its enforcement activities.

Key takeaways

Cost of a data breach

In 2024, the global average cost of a data breach fell 9% due to faster detection and containment. 13% of breaches involved AI. Organisations using AI-enabled cybersecurity saved an average of US$2 million[1].

Ransomware

In 2024, SA ranked as the second most targeted country in Africa for ransomware, with over 12 000 detections. Healthcare organisations in the country face an average of 1 626 attacks per week[2].

1. *Cost of a data breach 2025 | IBM*.
2. *25COM009248 – Cybercrime_Africa Cyberthreat Assessment Report_Design_2025-05 v7.indd* and *CPR – Check Point Research*.

Our material matters continued

Corruption persists as a major challenge in SA

- **Corruption remains a scourge in SA but some headway has been made** in anti-corruption reforms, such as establishing the Investigating Directorate Against Corruption within the National Prosecuting Authority and developing a digital forensics lab. SA also exited the Financial Action Task Force grey list in October 2025 after significant reforms to its anti-money laundering and counter-terrorism frameworks.

Global progress against climate-related targets remains slow

- **Global average temperatures surpassed the 1.5°C threshold** for the first time in 2024 with GHG emissions at record highs[1, 2], indicating that the climate crisis is intensifying and that climate action is lagging.
- **Healthcare is a major emitter of pollutants**, stemming from various sources including energy use in hospitals, pharmaceutical production, transportation, medical waste and the use of anaesthetic gases.
- **Demand for electricity is set to grow globally**, including in SA, as companies digitise, data centres expand and AI becomes integral to business operations.
- **Significant volumes of municipal solid waste** are generated globally and continue to grow, with much of it disposed of in sub-optimal ways, resulting in environmental, social and economic harm.
- **Extreme weather poses physical risks** for Netcare, particularly for paramedics operating both on the ground and in the air, and increases operating challenges. These conditions raise the likelihood of damage to our facilities, leading to unexpected repair costs and higher insurance premiums. Notably, adverse weather is already affecting the volume of Netcare 911's helicopter emergency services.

Outlook: for SA to meet its net zero commitments will require increasing electricity demand to be met mainly with renewable energy sources. Accelerated investment in distributed generation, grid infrastructure, corporate power purchase agreements and energy storage will be critical for decarbonisation and resilience. However, SA's regulatory progress on environmental sustainability lags behind that of developed countries, suggesting that science-based targets may be delayed.

1. *State of the Global Climate 2024 | World Health Organization (https://library.wmo.int/records/item/69455-state-of-the-global-climate-2024). This is a one-year spike and not the multi-decadal average defined by climate agreements.*
2. *The 2025 report of the Lancet Countdown on health and climate change.*
3. *South Africa – Transparency.org.*
4. *Human Development Index (HDI), a composite statistic developed by the United Nations Development Programme to measure and compare levels of human development across countries.*
5. *Global Waste Management Outlook 2024 | UNEP – UN Environment Programme.*

Key takeaways

Corruption perception index

Published by Transparency International[3] in February 2025, the Corruption Perception Index scores SA at 41 on a scale of zero to 100, where zero indicates high corruption. Below the global average of 43, this score reflects persistent concerns about public sector corruption.

Carbon emissions[2]

Healthcare is highly carbon-intensive, yet is becoming increasingly responsive to the challenge. Healthcare-related GHGs fell 12% between 2021 and 2022 to 4.2% of global emissions – the first decrease since 2016. This is however still 20% higher than in 2016.

Scopes 1 and 2 emissions each contributed 8.5% of emissions, with 83% from Scope 3 emissions.

In 2022, China and the US together contributed 63% of global healthcare emissions. Low and medium HDI[4] countries, where expansion of health services is a priority, contributed just 4% of total healthcare emissions.

66% of public health institutions and 72% of medical institutions provide climate change education to health professionals.

Waste

The UN Environment Programme estimates that general waste volumes will reach 3.8 billion tonnes by 2050 if urgent action is not taken. In 2020, the global direct cost of waste management was an estimated US$252 billion[5].

Our material matters continued

Our strategic response

Ethical and compliant business conduct

The Netcare Board upholds King IV principles and recommended practices to promote transparency, ethical leadership, value creation, effective risk management, accountability and legitimacy through socially responsible operations. At the highest governance level, the Board sets the tone for ethical leadership and ensures these principles are integrated into strategy, risk and opportunity management and operations. Compliance with the Netcare Code of Conduct and laws against bribery, corruption, fraud and money laundering is strictly overseen, with management held accountable for acting in the Group's best interests.

Code of Conduct principles are reinforced through training, fraud awareness campaigns and an annual employee compliance and ethics survey, fostering a values-based culture beyond mere compliance.

Whistle blowing

Netcare enforces zero tolerance for theft, fraud, corruption, bullying, discrimination and racism. Employees and the public can report irregularities and unethical behaviour through the anonymous Fraud and Ethics Hotline, dedicated email or direct communication. Whistle-blower victimisation is not tolerated. The anonymous toll-free SHOUT line is an additional channel for employees to report alleged or perceived incidents of racism, sexism, discrimination, harassment or human rights violations, with confidential support provided through the employee wellness programme.

All reported incidents are investigated, with confirmed cases of theft, fraud and corruption reported to authorities and, where appropriate, relevant professional bodies.

Dispute and conflict management

We balance our supportive and collaborative employee approach with disciplinary measures to maintain a culture of good conduct, honesty and integrity. Mechanisms are in place for employees to report grievances, disputes and complaints. Our line managers are trained in dispute and conflict resolution to ensure grievances are addressed promptly and fairly.

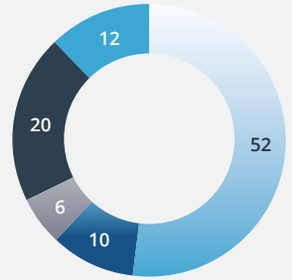
Code of Conduct.
Anti-corruption policy *(includes whistle blowing).*

Reported incidents of misconduct

15	Fraud and Ethics Hotline
96	Fraud email reporting service
153	Direct communication with forensic services
68	Incident management system
19	Other channels eg customer services
351	**Total reports**

FY 2024: 297
FY 2023: 206

Nature of the incidents
(% of total financial losses)



- Damage of property and loss of consignment stock
- Fraudulent proof of payment
- Medical aid fraud
- Theft of equipment
- Other

FY 2024: theft of stock (21%), fraudulent proof of payment (5%), medical aid fraud (42%), loss of consignment stock (11%) and other (21%)

Several fraud awareness initiatives conducted during the year resulted in the increased reporting of misconduct. At year end, 337 (FY 2024: 286) incidents had been investigated and closed, with the remainder still under investigation. Most incidents reported related to theft and various types of fraud. The total financial loss incurred was 188% higher than for FY 2024 and 24% of losses had been recovered by year end. Eleven incidents accounted for over 97% of the financial loss. No medical ethics incidents were reported (FY2024: one).

Ethics training

4 742 employees received ethics and anti-corruption and anti-bribery training.

FY 2024: 4 544
FY 2023: 3 696

5 654 hours spent training **4 811** employees on human rights.

FY 2024: 4 872 hours; 4 569 employees
FY 2023: 7 330 hours; 5 095 employees

Our material matters continued

Our strategic response continued

Cybersecurity and data protection

Netcare processes large volumes of sensitive patient and employee data to deliver safe, high-quality care. Our cybersecurity strategy emphasises continuous improvement, resilience and proactive monitoring, supported by a bespoke control framework and best-of-breed technologies. Agility is essential, enabling rapid adoption of new methodologies to address emerging threats. AI is increasingly used in our Security Operations Centre to speed up incident detection and response, ensuring that critical vulnerabilities are rapidly addressed. Our controls are regularly verified both internally and by external specialists, and strategic partnerships with cybersecurity experts further strengthen our security profile.

Key risk mitigation measures include persistent vulnerability management, endpoint detection, benchmarking against sector and global peers, detailed incident response playbooks and phishing simulations to test employee awareness. Employees receive monthly cybersecurity training (videos and questions) with an average compliance rate of 92% (FY 2024: 85%). Access to network services is revoked for employees who fail to complete their training.

Our privacy strategy, framework and controls strictly regulate access to our data and systems. Employee awareness on data protection is reinforced through training and awareness programmes. In FY 2025, 640 employees received targeted privacy breach training.

Third-party service providers receive access to our systems only when it is required to fulfil their contractual obligations, and are subject to strict oversight, including authenticity checks, monitoring[1] and contractual agreements with stringent privacy clauses to ensure responsible handling of our information. Targeted privacy training was provided to 307 third parties in FY 2025.

Privacy

370	18 483 (98%)	71
third-party privacy impact assessments were conducted.	employees completed POPIA[2] training.	privacy incidents were reported to the Information Regulator. 32 have been closed and none pose a material threat to Netcare.
FY 2024: 379	FY 2024: 18 093 (97%)	FY 2024: 60
FY 2023: 79	FY 2023: 18 243 (96%)	FY 2023: 34

Privacy policy.

Artificial intelligence

To fully leverage AI, we are strengthening our capabilities and ensuring all AI-related initiatives are implemented efficiently, responsibly and in line with our values to guarantee ethical use. Effective AI deployment requires careful planning, robust oversight and transparency with patients, employees and stakeholders. To support this, we established two additional governance structures in FY 2025 – the AI Committee and AI Design Committee. We are also developing a risk assessment framework and a consolidated view of AI solutions deployed throughout the Group.

The HPCSA has issued guidelines on the ethical, legal and professional challenges associated with AI in healthcare. We have submitted comments emphasising that healthcare practitioners should not be dissuaded from using AI solutions due to concerns about undue liability. The Social and Ethics Committee has noted the council's proposed requirements and their impact on Netcare.

A policy on the use of open AI was circulated to employees in FY 2025.

AI governance

Strategic and ethical oversight

The AI Committee is the Group's strategic authority for AI, overseeing investments, ethical use, risk management and alignment with business and IT strategy. It draws on the expertise of the AI Design, IT Enterprise Architecture and AI Governance committees for technical and compliance reviews, and has final decision-making power on AI direction, investments and ethical clearance.

Ethics, compliance and risk oversight

The AI Governance Committee is responsible for assessing and monitoring AI solutions, providing assurance that robust controls and processes are in place. Guided by seven principles aligned with Netcare's values, the committee approved five AI solutions in FY 2025.

Technical design and enterprise IT standards

The AI Design Committee defines the design and roadmap for AI solutions and the Group's long-term AI platform. The IT Enterprise Architecture Committee establishes the principles and policies for AI architecture.

Our opportunities: *page 71.*

- Become the most cost-effective high-quality provider of healthcare services.
- Develop new clinical product offerings focused on specific market needs.
- Play a key role in South African medical research.
- Develop research-based high impact clinical pharmacy interventions.

1. *Including non-disclosure agreements, annual privacy impact assessment questionnaires, user access agreements, annual security and privacy assurance confirmation, notification of security breaches, and monitoring by the Netcare threat intelligence tool, among others.*
2. ***POPIA:** Protection of Personal Information Act.*

Our material matters continued

Our strategic response continued

Corporate citizenship and sustainability

Stakeholder engagement

We prioritise stakeholders who have the greatest impact on our strategy, striving to build strong, transparent and mutually beneficial relationships with them to deliver best and safest care today and sustainable value for Netcare and its stakeholders in the long term. Our engagement is supported by clear processes for managing feedback and complaints to ensure that risks that could affect the quality of our key relationships are proactively addressed. This approach allows us to align our interactions with stakeholder needs, concerns and expectations as well as with our top business risks and priorities.

Relationship owners are responsible for ensuring that engagement is inclusive, occurs with appropriate frequency and aligns with our strategic priorities. Key issues raised by stakeholders are escalated to leadership and the Board as needed.

Our digital platform further enhances engagement with patients, healthcare professionals and private medical funders, and will continue to do so as we mature our data analytics capabilities. Partnerships with sector and business associations, trade unions and NGOs strengthen our connections with employees, government, regulators and communities, supporting a holistic approach to stakeholder engagement.

We align with the following major international standards.

- UN Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Labour Organization principles
- UN Global Compact

No contributions are made to political parties, government affiliates or candidates.

Our stakeholders: page 13.

Shareholder report (full governance report).

ESG performance

ESG principles are fully integrated into the Netcare strategy and approach to market leadership, underpinning our social licence to operate. The maturity and measurability of our ESG contributions are reflected in long-term strategies that safeguard our ability to meet stakeholder commitments and generate significant, cumulative benefits to society. Our ESG performance is independently assessed and benchmarked annually by global sustainability institutions.

In FY 2023, we set an aspiration to achieve an 'A' rating for the CDP climate change and water disclosures. Since then, we have improved our Scope 3 emissions reporting and had our emissions reduction targets (Scopes 1, 2 and 3) approved by the SBTi[1]. However, the CDP has since updated its requirements, introducing new criteria, which has caused a delay in achieving this objective.

Remuneration
ESG-related remuneration targets, focused on human capital, transformation and environmental sustainability, account for 20% of the Group BSC for FY 2025 and FY 2026.

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

Monitoring
Our interim BSC environmental targets are designed to address existing gaps and progress towards achieving our 2030 targets. A committee meets monthly to conduct an in-depth review of Group and site-level performance against targets.

We regularly assess the ethics, labour standards and business continuity plans of our strategic suppliers, particularly those providing medication, water, diesel, cleaning, catering and security services. Our waste service providers are audited on their compliance with waste management regulations. When supply chain risks arise, we collaborate with suppliers to find solutions. We also engage with suppliers who are not B-BBEE compliant, holding them accountable for their commitments to improve, and where appropriate, providing guidance. Our engagement extends to good industry practices in regulatory compliance (including data privacy), ESG considerations and particularly environmental performance as we work to reduce our Scope 3 emissions.

Value outcomes for FY 2025

ESG ratings: page 107.

1. ***SBTi:** Science-based Targets initiative.*

Our material matters continued

Our strategic response continued

Environmental sustainability

Our long-term goals:	Establish Netcare as a global leader in healthcare sustainability solutions	Align with 2030 global best practices	Drive sustainable resource management

Our 2030 environmental sustainability strategy prioritises operational efficiency to minimise our environmental impact while lowering operational costs. Its targets are designed to lay a solid foundation for achieving net zero emissions by 2050. The strategy aligns with and is enabled by SA's Just Energy Transition Investment Plan[1] and supports the 1.5-degree pathway specified by the COP21[2] Paris Agreement.

Reaching net zero by 2050 will require agility, adaptability, experimentation and innovation as we evaluate, pilot and implement emerging technologies and solutions. Our most ambitious target – achieving 100% renewable energy – will drive Scope 2 emissions to zero, an area where we have the greatest control.

The Hospital Division, which accounts for the bulk of our environmental impact, is the initial focus for our environmental sustainability initiatives. Each hospital has specific efficiency targets and outliers are investigated monthly. As our digital and AI capabilities mature, we will need to prepare our facilities for increased digital and electrical loads linked to AI and healthcare data processing.

Enterprise sustainability platform

More than 98% of the Group's energy and water consumption is monitored by our fully digital enterprise sustainability platform, tracking more than 15 000 data points. The platform has been critical in the early identification of operating inefficiencies.

We recognise that inadequate HCRW[3] management has far reaching consequences, contributing to environmental degradation, climate change and biodiversity loss. We are transitioning from a linear to circular economy model of waste management, prioritising waste prevention, re-use, recycling and resource efficiency to minimise wastage of scarce natural resources. Advanced waste repurposing strategies will be implemented to achieve zero waste to landfill by 2030, with a target of zero general waste certification for the Group by FY 2027[4], subject to logistical and legal considerations.

Value outcomes for FY 2025

Environmental sustainability: page 112.

Reviews[5] of environmental sustainability projects, with a cumulative capex of R499 million, indicate a net present value of R189 million, exceeding initial projections of R144 million and delivering greater savings than originally anticipated. As utility costs rise, payback periods are shortening and cumulative benefits from the environmental sustainability programme now equate to 275% of total capex invested. During FY 2025, an additional 168 environmental-related efficiency initiatives were implemented across the Group.

Environmental sustainability programme costs and savings (Rm)

	2026 budget	2025 budget	2025 actual	2024 actual	To 2023 actual
Capital expenditure	74	86	**69**	87	624
Operational expenditure	14	14	**13**	13	123
Operational savings and cost avoidance	8		**42**	31[6]	377

Our opportunity: *page 71.*
- Accelerate renewable energy adoption.

2030 environmental sustainability strategy

- Achieve zero Scope 2 emissions and reduce Scopes 1 and 2 emissions by a combined 84%.
- Significantly reduce Scope 3 emissions against the FY 2023 baseline.
- Reduce energy intensity by an additional 1% against FY 2023 baseline.
- Zero waste to landfill.
- Set a new water intensity target. The target to reduce water intensity by an additional 5% against the FY 2023 baseline was met in FY 2025.
- Embed lifecycle carbon and resilience assessments into project planning and procurement processes.
- Explore reforestation and carbon sequestration to offset unavoidable emissions (long term).

1. *The proposed legislative changes and policies of the Just Energy Transition Investment Plan, which is now in full effect, will further enable our transition to renewable energy sources, while also ensuring that the transition does not further amplify inequalities in access to energy for SA's citizens.*
2. *UN Climate Change Conference (COP21), Paris, 2015.*
3. ***HCRW:** healthcare risk waste.*
4. *Beginning with rollout to the Hospital Division.*
5. *All environmental sustainability capex projects are reviewed 12 months after completion applying SANS 50010 measurement and verification standards to assess actual performance against initial forecasts.*
6. *Operational savings are now reported for patient days to more clearly reflect operational performance, hence FY 2024 has been restated from R26 million. Previously, savings were reported for registered beds. The change has been made as our efficiencies have increased in line with patient days meanwhile registered beds have decreased since FY 2023.*

Our material matters continued

Material matter 5
Accelerating transformation and access to quality health and care in SA

SA faces persistent challenges in aligning its economic structure to the needs of the population. High unemployment and deep-rooted inequality continue to impede inclusive growth and job creation. Although earlier instability within the GNU[1] has eased, challenges such as ineffective governance and municipal and basic service delivery failures persist, fuelling public discontent. Building trust and effective consultation remain significant hurdles. Employment prospects are heavily influenced by disparities in race, age, gender, location and education. Until these underlying issues are addressed, SA's ability to finance and implement comprehensive reforms like the NHI will remain constrained.

Stakeholders impacted

- Private medical funders.
- Suppliers.
- Regulators and government.
- Society.

Strategic underpins

Link to top business risks: *page 64*.

BR4 Economic environment and demand for private healthcare.

BR7 Sector regulations.

BR8 Socioeconomic challenges and civil unrest.

The socioeconomic context

- **Socioeconomic inequality echoes in healthcare:** SA has two parallel, unequal health systems, with significant disparities in accessibility and quality of healthcare between public and private providers as well as between urban and rural areas[2].
- **The public health system serves over 80% of the population** and struggles to meet demand given the growing population and a quadruple burden of disease, including high rates of GBV[3], sexual violence and femicide. This has led to resource shortages, patient backlogs and diminished quality of care. These challenges undermine economic productivity and have far-reaching social consequences for families and communities.
- **Hard times for small businesses:** heavy administrative hurdles and limited access to financing, restrict the growth and job creation potential of small businesses. Many enterprises fail within the first two years, often due to non-viable business ideas, insufficient start-up capital and limited market access and cash flow.
- **Recent policy developments** aim to support local and small businesses. For example, SAHPRA's[4] policy to prioritise registration and reduce registration fees for locally manufactured medicines and the dtic's[5] proposed R100 billion aggregated transformation fund to support small black-owned and black women-owned enterprises.

1. ***GNU:*** *Government of National Unity.*
2. *Department of Health: National Health Insurance for South Africa: Towards Universal Health Coverage.*
3. ***GBV:*** *gender-based violence.*
4. ***SAHPRA:*** *South African Health Products Regulatory Authority.*
5. ***dtic:*** *Department of Trade, Industry and Competition.*
6. *Committee on Labour Briefed on Youth Unemployment Statistics and Intervention Programmes – Parliament of South Africa.*
7. *Small Business Growth Index – Sacci.*

Key takeaways

Unemployment[6]

SA's official unemployment rate fell to 31.9% in quarter three of 2025 (quarter two: 33.2%), with job growth in construction, community and social services and trade. However, employment declined in manufacturing, finance and utilities.

Youth unemployment remained critically high – 58.5% for ages 15 to 24 and 38.4% for ages 25 to 34.

Small, micro and medium enterprises

Approximately one-third of SA's estimated 2.67 million SMMEs, operate formally. Collectively, SMMEs support an estimated 11.4 million jobs, contributing around 60% of employment[7].

Our material matters continued

National health insurance

The NHI Act aims to ensure equitable access to quality healthcare by centralising healthcare funding under a state-run NHI Fund and reducing reliance on private medical schemes. According to the Act, NHI-covered services will be free at the point of care for registered users and delivered by accredited public and private healthcare providers, with fees set by the NHI Fund. The Act is explicit on contracting primary healthcare and emergency services from private and public healthcare providers, and hospital services from only public healthcare providers with an option to contract from other providers. Over time, private medical schemes will be limited to offering complementary cover for services not included under NHI.

Since the signing of the Act into law in May 2024, no sections of the Act have been proclaimed. Draft regulations were published in March 2025, outlining the appointment process for the NHI Fund's leadership and advisory committees, and are yet to be gazetted.

Eight legal challenges against the NHI Act are underway, including from Solidarity, the Board of Healthcare Funders, the South African Private Practitioners Forum, HASA and the South African Medical Association. Given the complexity of legal proceedings, the Minister of Health filed an application to 'stay' and 'consolidate' cases in July 2025. The application is expected to be heard at the end of February 2026. The Minister of Health has also appealed the ruling that the Certificate of Need[1] is unconstitutional, arguing it is necessary for NHI implementation and equitable resource distribution. The Constitutional Court heard this matter in September 2025, with judgement reserved.

Outlook: the implications of these regulatory developments include:

- New governance structures in the longer term.
- Uncertainty for private healthcare providers.
- Potential changes to pricing dynamics, which could affect the cost and access to quality healthcare.
- Replacement of existing primary healthcare benefits with a Basic Benefit Package, negating low-cost options from medical funders.

1. *The regulations require licensing for establishing, constructing, modifying, acquiring, or increasing the number of beds in a healthcare facility. They also require licences for providing specific prescribed health services and limit where doctors and healthcare workers can practice.*

Our strategic response

Universal health coverage

Netcare has long recognised the urgent need to address deficiencies and inequities in SA's health system. Alongside other private healthcare providers, we are well positioned to help government expand access to quality healthcare for all South Africans by leveraging private sector competencies and capacity. We remain committed to constructive engagement, even amid ongoing legal proceedings, but remain concerned about the systemic risks of a single NHI Fund.

Netcare has played a key role in developing and advocating for HASA's alternative model, which is research-based, proven in other parts of the world and can be rapidly phased in.

A viable alternative to the NHI

Implementing **mandatory medical coverage** for formally employed individuals and their families...

...frees up public health funds to serve the informally employed, **unemployed and most vulnerable** in our society...

...and the inclusion of young, healthy employed individuals in medical schemes would strengthen risk pools and **improve the affordability of scheme contributions**.

Recognising that UHC will take decades to fully achieve, we believe expanding access to quality care through private sector collaboration is essential in the interim.

NetcarePlus' range of products provide increased access to private healthcare beyond traditional medical schemes and use the Netcare ecosystem to deliver this healthcare (see *page 106*).

Transformation

Netcare actively supports government efforts to build an inclusive society, economy and labour market. Our transformation strategy, rooted in a social justice framework, addresses systemic inequalities arising from SA's history of exclusion and marginalisation.

We are a Level 3 B-BBEE accredited company. In FY 2025, we improved our B-BBEE score from 91.42 points in FY 2024 to 91.98 points out of 120. This is slightly below our target of 92.57 due to a decrease in our ownership score. Progress was made in management control, skills development and preferential procurement, with full points scored in enterprise and supplier development and socioeconomic development. The gender imbalances in healthcare and restrictions on nurse training currently prevent the Group from reaching a Level 1.

Our material matters continued

Our strategic response continued

Transformation continued

The HPFL B-BBEE trusts[1] allocate shares or funding to employees and for B-BBEE purposes, creating value opportunities for beneficiaries via exposure to the Netcare share price. This approach ensures that our employees and communities benefit when we perform well.

HPFL B-BBEE trusts

The Patient Care and Passionate People Trust
benefits 20 370 employees, excluding executives.

The Physician Partnership Trust
supports clinical academic excellence through scholarships.

The Mother and Child Trust
funds impactful community initiatives that uplift women and children.

The Healthy Lifestyle Trust
focuses on initiatives that support the physical and mental health and wellness of communities.

Our opportunities: *page 71*.
- Improve access to Netcare for more South Africans.
- Develop new clinical product offerings focused on specific market needs.

Transformation strategy

- Generate value for the beneficiaries of the HPFL B-BBEE trusts.
- Ensure racial and gender diversity in our workforce and leadership structures.
- Promote social cohesion by tackling discrimination in the workplace.
- Increase our skills spend on black people.
- Continue offering vocational learning opportunities for unemployed youth, including people with disabilities.
- Support SMMEs, particularly black, young and women entrepreneurs.
- Increase access to quality health and care for indigent South Africans.

Value outcomes for FY 2025

*Regulators and government: **page 105**.*
*Society: **page 106**.*

Job creation

The Netcare Youth Development Initiative creates opportunities for young, unemployed South Africans. By aligning learnerships with our workforce needs in areas such as HR, IT, finance, pharmacy and nursing, we increase the likelihood of permanent employment for participants upon completion. The programme also contributes to building talent pipelines for the future.

Our preferential procurement is focused on empowering EMEs and QSEs[2], through supplier development initiatives and by intentionally shifting spend away from non-compliant generic[3] entities toward these smaller businesses wherever possible. Through the structured ESD[4] Programme, we target high-potential SMMEs in health and care, providing both financial and non-financial support to foster sustainable growth. These businesses align with our strategic and operational requirements to enhance their chances of integrating into our supply chain.

Supporting small businesses

53% of our supplier base comprises small businesses[5].	**102** small businesses are enrolled in our early payment terms programme to support their cash flow.	**59%** of our procurement spend on medicine, medical devices and medical equipment is sourced from suppliers registered with SAHPRA.
FY 2024: 53%	FY 2024: 104	FY 2024: 61%
FY 2023: 52%	FY 2023: 105	FY 2023: not reported

Community medical programmes

The Netcare Foundation carefully selects and manages its investment to ensure maximum sustainable impact, inclusivity and alignment with our values and ethical standards. Funded primarily by the Hospital Division, private donors, the Mother and Child Trust and the Healthy Lifestyle Trust, the Foundation provides access to quality healthcare for eligible patients. Key initiatives include 38 Sexual Assault Crisis Centres, medical services programmes (such as cochlear implants and cleft, lip and palate surgery) and the six Netcare Ncelisa human milk banks and 36 collection points.

1. ***HPFL:** Health Partners for Life; the trusts were established in 2005 through the transfer of 160 million Netcare shares valued at R1 billion.*
2. ***EMEs and QSEs:** exempted micro enterprises and qualifying small enterprises.*
3. *Generic suppliers are those that have an annual turnover of >R50 million.*
4. ***ESD:** enterprise and supplier development.*
5. *16% are classified as QSEs and 37% as EMEs.*

02

HOW OUR BOARD SUPPORTS VALUE CREATION

Board chair's review	40
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Board chair's review

As we look towards 2030, Netcare's strategy is to lead in the quality, efficiency and sustainability of care. In a time of profound change and unprecedented opportunity, two constants remain: our people's unwavering dedication to providing the best and safest care, and the Board's assurance that the Group's strategic ambition is grounded in ethical leadership, integrated oversight and responsible innovation.

Alex Maditse

Leading with care

The Board's duty of care is to ensure that Netcare's transformative strategy is executed with foresight, integrity and accountability; in the best interests of all stakeholders, both now and into the future. Stakeholders can be assured that the Group's transformation – particularly in relation to digital, data and emerging technologies – is pursued in a manner that is ethically sound, socially responsible and aligned with our purpose. All material decisions are subject to comprehensive evaluation, to ensure an appropriate balance between short-term operational priorities and the sustainable creation of long-term value. Rigorous oversight, judicious risk management and disciplined capital allocation serve as the guardrails for the bold ambition and innovation that characterise Netcare's strategy.

These principles were evident in the Board's work during the year, as we carefully balanced current performance with future positioning. The Board considered long-term investments in talent development and succession planning, digital and data enablement, and environmental sustainability, alongside the immediate need to preserve financial strength in a constrained operating environment, retain critical skills and deliver appropriate returns to shareholders.

Board chair's review continued

Consistent with our commitment to responsible innovation, the Board's focus on digital, data and AI was matched by robust oversight of cybersecurity, data privacy and AI governance. This reflects our recognition that trust, resilience and accountability are essential enablers of sustainable digital transformation in healthcare.

In evaluating the Group's strategic choices, the Board applied the Netcare Litmus Test, assessing opportunities against their potential to deliver growth above the market, differentiate our services, enhance margins and returns, and increase embedded value through patient retention within the Netcare network. Further, the Board assessed operational resilience, strategic progress and performance against the Group's risk appetite and the performance expectations embedded in the BSC[1], which informs management remuneration.

Netcare delivered a strong FY 2025 performance, expanding margins and returns despite a constrained market. Operational efficiencies, digitisation and environmental sustainability initiatives enhanced both financial performance and continuity of care. We achieved measurable improvements in clinical outcomes, patient experience and employee engagement, while attracting and retaining leading specialists. Looking ahead, AI driven processes and the evolving Netcare App will further improve clinical cost efficiency and patient experience, reinforcing Netcare's market position.

Overview of strategic progress for detail on performance against the BSC: page 73.

Leading with foresight

We are positioning Netcare for a challenging and somewhat unpredictable future. Global economic volatility, geopolitical realignment and escalating ecological pressures compound SA's socioeconomic challenges. In our sector, the future of private healthcare remains uncertain as the country navigates a contentious path towards NHI[2]. The rapid acceleration of AI is reshaping the way we live and work, unlocking unprecedented productivity and insight, with significant implications for healthcare delivery and system sustainability.

The Board welcomes recent improvements in SA's economic outlook. Inflation and interest rates are trending lower, while Operation Vulindlela – government's structural reform programme – has delivered tangible progress in electricity supply and logistics performance. SA's removal from the FATF[3] grey list is noteworthy, demonstrating what effective collaboration between government and the private sector can achieve. While declining national debt levels and sovereign ratings upgrades point to improving medium-term prospects, real GDP growth forecasts remain modest and well below the levels required to drive inclusive growth, meaningful job creation and a reduction in inequality.

Within our sector, our medium-term outlook anticipates continued resilience in the pool of insured lives and sustained demand for quality private healthcare, due to a growing disease burden and an aging insured population. However, constrained household incomes are likely to accelerate the shift towards more affordable, restricted-network medical schemes. As a result, increases in operating costs are expected to continue outpacing annual tariff escalations from funders. It will take time for the benefits of SA's structural reforms to translate into tangible economic growth and, ultimately, expansion in the number of medically insured lives.

Against this backdrop, the Group undertook detailed scenario planning during the year, modelling the implications of these dynamics for Netcare across a range of plausible futures. We stress-tested the Group's operational resilience and growth potential, recalibrating our strategic ambition and priorities accordingly. With a 2030 planning horizon, the Board reaffirmed quality, cost and sustainability leadership as critical imperatives for enduring competitive advantage and long-term value creation. We also prioritised several growth initiatives, including demand-led expansion of existing offerings, and growing new, capital-light revenue streams in adjacent healthcare markets and formats.

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

CEO's review for a full discussion of the Group's 2030 strategy: page 52.

Leading with commitment

The Board remains steadfast in its support for universal health coverage as a means to progressively realise the constitutional right of access to healthcare. While litigation concerning the NHI Act aims to clarify its constitutionality and long-term viability, the pace of judicial processes necessitates a pragmatic approach. The imperative to advance health equity remains a priority. The Board is confident that protecting stakeholder interests through appropriate legal processes and cooperating to accelerate health equity are not mutually exclusive. Netcare remains committed to constructive engagement and pragmatic partnerships with the public sector.

Netcare has a long-standing track record of contributing to health equity through sustained collaboration with public healthcare authorities at both national and provincial levels. Our social investment strategy, guided by our commitment to be a force for social good and delivered through the Netcare Foundation, continues to extend access to care for vulnerable communities. This includes programmes for indigent patients, mobile health initiatives and community-based health education. In parallel, through our engagement with HASA[4], Netcare has contributed to developing practical alternatives to the current NHI model. We have also proposed tangible support for public sector capability, including knowledge transfer, hospital digitisation and mobile healthcare solutions. The growth of NetcarePlus further demonstrates our commitment to widening access to affordable, quality healthcare for individuals without medical insurance.

The Board is particularly encouraged by the progress made during the year in strengthening healthcare skills development. Regulatory approval to expand intake across accredited nursing training programmes represents a meaningful contribution to addressing national skills shortages, while enhancing our skills development performance. Netcare has maintained a Level 3 B-BBEE rating for the fourth consecutive year, reflecting sustained progress across transformation priorities. Enterprise and supplier development remain integral to our transformation agenda, with increased procurement from black-owned suppliers strengthening resilience across the healthcare value chain.

1. ***BSC:*** *balanced scorecard.*
2. ***NHI:*** *National Health Insurance.*
3. ***FATF:*** *Financial Action Task Force.*
4. ***HASA:*** *Hospital Association of South Africa.*

Board chair's review continued

As the Group continues to invest in digital, data and AI capabilities to enhance efficiency and quality of care, the Board recognises that our people remain Netcare's most valuable asset. The dedication, professionalism and compassion of our employees underpin the Group's performance and reputation. Ongoing investment in employee wellbeing, development and inclusion, supported by the digitisation of HR processes, continues to yield positive outcomes. Improvement in employee retention, together with a record nurse compassion score and increased patient satisfaction scores, affirm the effectiveness of these initiatives.

The Board remains focused on ensuring that Netcare continues to operate responsibly, sustainably and in the best interests of all stakeholders, while meaningfully contributing to the transformation and strengthening of SA's healthcare system.

Our material matters for our approaches to human capital management, ethical leadership, health equity and transformation in SA: page 18.

Leading with continuity

Succession planning for both non-executive and executive leadership remains a top priority for the Board and one of the most important responsibilities of my role as chair. The year's achievements highlight the value of proactive succession planning and focused talent development in ensuring stability and strategic continuity during leadership transitions. The executives who assumed leadership positions last year executed seamless transitions and made meaningful contributions to the Group's strong strategic and financial performance.

The process of chief executive officer succession is well advanced, guided by external benchmarking and clear objectives to secure a leader with the right credentials, values and strategic capability. We expect to update stakeholders on progress in this regard at the upcoming AGM.

Governance extends beyond structures and incudes quality dialogue, diversity of thought and the constructive challenging of positions and assumptions. To this end, I am satisfied the Board has the expertise, independence and foresight to provide effective oversight amid Netcare's operational complexity. During the year, we welcomed Busisiwe Mathe as a non-executive director, bringing deep expertise in digital innovation, financial services, strategy and governance.

Governance overview for Board structures, activities and focus areas for FY 2026: page 45.

The Social and Ethics Committee is well positioned to fulfil its mandate under the Companies Act, and in line with King V principles. Ensuring legitimacy, trust and an ethical culture, alongside integrated ESG oversight, has long been embedded in the committee's mandate and processes. More recently, our commitment to responsible innovation aligns with regulatory emphasis on the ethical application of AI. Targeted Board development programmes will ensure directors remain informed of digital risk, cybersecurity and AI oversight. Additionally, we have identified data analytics, cybersecurity and customer centricity as areas of expertise to strengthen through succession planning.

Our ESG report for the governance of ESG and the work of the Social and Ethics Committee: page 93.

Closing and appreciation

I sincerely thank my Board colleagues and the executive team for another year of unwavering commitment and disciplined execution. I also extend my gratitude to our partners – doctors, suppliers and funders – for supporting the delivery of safe, high-quality healthcare.

Special thanks to Dr Richard Friedland for his visionary leadership, integrity and passion. Dr. Friedland's guidance has driven Netcare's transformation, strengthened our operations and helped to ensure that humanity remains at the heart of our care.

Moving forward we will continue to focus on integrated oversight and responsible innovation, as we aim to set the standard for quality, efficiency and sustainability in African healthcare, while contributing to a viable and equitable national healthcare system.

My deepest thanks to Netcare's people, without whom none of this would be possible.

Alex Maditse
Board Chair

Board of directors

The Board sets the tone at the top for fulfilling Netcare's purpose – to deliver the best and safest care. At the highest level of governance, the Board upholds and expects ethical leadership; good corporate citizenship; financial, social and environmental sustainability; and the highest professional and operational standards.

Non-executive directors

A (Alex) Maditse | 63

Independent

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

Nationality: South African

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

Appointed: 7 June 2023

Board attendance: 4/4

Chairs: Board and Nomination Committee

Appointed Board chair on 27 January 2025.

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

B (Bukelwa) Bulo | 48

Independent

Qualifications: BBusSci Hons, PGDA, CA(SA)

Nationality: South African

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

Appointed: 23 November 2015

Board attendance: 4/4

Chaired: Audit Committee

Resigned effective 30 September 2025.

L (Lezanne) Human | 56

Independent

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

Nationality: South African

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

Appointed: 13 May 2019

Board attendance: 4/4

Chairs: Consistency of Care Committee

I (Ian) Kirk | 67

Independent

Qualifications: CA(SA)

Nationality: Irish

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

Appointed: 1 January 2023

Board attendance: 4/4

Chairs: Risk Committee

B (Busisiwe) Mathe | 45

Independent

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

Nationality: South African

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

Appointed: 1 October 2025

Board attendance: 1/1

Appointed to the Audit and Social and Ethics committees, effective 1 October 2025.

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

Board committees

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

Operating committee

- Finance and Investment Committee

Board of directors continued

Non-executive directors

Dr R (Roze) Phillips | 55

Independent

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

Nationality: South African

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

Appointed: 1 January 2022

Board attendance: 4/4

Chairs: Social and Ethics Committee

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

L (Louisa) Stephens | 49

Independent

Qualifications: CA(SA) and chartered director

Nationality: South African

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

Appointed: 1 January 2023

Board attendance: 4/4

Chairs: Audit and Remuneration committees

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

Executive directors

Dr R (Richard) Friedland | 63

Chief executive officer

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

Nationality: South African

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

Appointed: 15 May 1997

Board attendance: 4/4

K (Keith) Gibson | 55

Chief financial officer

Qualifications: BAcc, CA(SA)

Nationality: South African

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

Appointed: 10 November 2011

Board attendance: 4/4

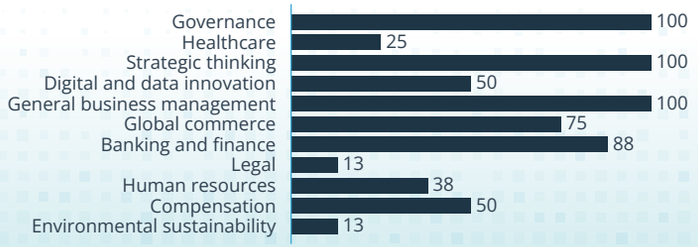
Board committees

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

Operating committees

- Finance and Investment Committee

Skill (% of directors with specified skill)



Tenure of non-executive directors (number)

Average years of tenure: **3**

Board composition

at publication

Age	
45 to 55 years	4
56 to 65 years	3
Older than 65 years	1
Average age	**57**

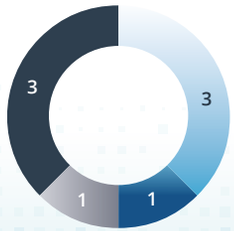
Independence
75%
independent non-executive directors

Black South African directors
50%
dtic target: 50%
FY 2024: 50% | FY 2023: 44%

Women directors
50%
FY 2024: 50% | FY 2023: 44%

Black women directors
38%
dtic target: 25%
FY 2024: 38% | FY 2023: 33%

Diversity (number)



Governance overview

The Netcare Board is committed to transparent governance, which inspires stakeholder confidence that the Group is managed in an ethical manner, within acceptable risk parameters and in compliance with all applicable laws and best practices.

Responsibilities of the Board

The Board plays a key role in Netcare's ability to create, protect, and share value. It approves the Group's strategy and provides ongoing guidance and oversight to ensure effective execution. This means ensuring that when strategic decisions are made, the trade-offs are responsible, ethical and balance stakeholder interests with the Group's objectives. To support strategic delivery, the Board regularly assesses the operating environment and identifies key risks and opportunities associated with the Group's strategy.

A key aspect of the Board's role is to ensure the sustainability of Netcare's business model and the availability of capital resources. This involves setting policy, ensuring capital prudence and maintaining robust governance frameworks and internal controls to safeguard Netcare's assets. Each governance committee oversees specific aspects of governance, embedding good governance practices throughout the business model.

The Board oversees risk governance, ensuring that risks are adequately mitigated and that there is clear accountability for key risks. The Audit and Risk committees assist the Board in discharging its risk management responsibilities.

The Board is committed to ethical leadership and responsible corporate citizenship. Through the Social and Ethics and Consistency of Care committees, it ensures that Netcare upholds ethical and compliant business practices, fair labour standards and prioritises positive quality of care, socioeconomic and environmental outcomes.

Succession planning is another core responsibility, with the Nomination Committee playing a key role in ensuring business continuity and smooth leadership transitions.

The Remuneration Committee ensures that Netcare's executive and senior management remuneration is closely aligned with the Group's strategic objectives, maintaining a strong link between pay and performance to deliver fair, balanced and sustainable value for stakeholders.

The Board met four times during FY 2025 with additional ad-hoc meetings to support and provide counsel to the executive team.

1. *BSC: balanced scorecard.*

Focus areas for FY 2025

In FY 2025, the Board guided Netcare through a challenging macroeconomic environment. To ensure prudent capital allocation and adaptability, the Board conducted quarterly budget reviews and made necessary adjustments in response to shifts in the operating environment. Progress against the Group's BSC[1] of financial and non-financial measures was closely monitored – monthly by the Executive Committee and quarterly by the Board.

In July 2025, the Board participated in a two-day strategic planning workshop, where it reviewed Netcare's growth strategy and the five-year forecast to 2030. The forecast included evaluating assumptions and projected financial performance across various scenarios as well as assessing the Group's investments to ensure they deliver value and meet stakeholder expectations over time.

Innovation was a key focus, with the Board overseeing initiatives to position Netcare at the forefront of healthcare advancement. This included capturing market share in the maternity segment, advancing the Big Data platform for predictive analytics, rolling out the second phase of the Netcare App, integrating **Appoint**med™ with doctor partner networks, and supporting projects such as the Summary of Care large language model to enhance patient experience. The Board also monitored the approval of the algorithm for early sepsis detection in ICU patients, and requested clarity on the intellectual property aspects relating to AI.

To grow market share, the Board supported revenue growth through overseeing strategic expansions, new business streams, doctor recruitment and projects aimed at improving competitiveness in funder negotiations. Approvals included a 28-bed high care expansion for Netcare St Augustine's Hospital and a 32-bed sub-acute facility to open in FY 2026.

ESG-related aspects continued to be a priority. The Board reviewed plans to achieve the Group's 2030 environmental objectives, and sought more information on the environmental impact of AI and data centres. It also tracked HR initiatives to improve employee turnover.

Shareholder report (full governance report).

Board chair review: page 40.

Governance overview continued

Board opinion

The Board is confident that the Group's business model and strategy are well positioned to meet evolving healthcare demands and will continue to unlock stakeholder value while delivering sustainable growth and returns for shareholders.

The Board affirms the effectiveness of the Group's robust risk management framework in supporting the business model and strategy, noting that risk appetite is appropriate, risks are well managed and that it remains well informed about the Group's top business risks (see *page 64*). No key governance or control failures occurred in FY 2025.

The Board agrees that the delegation of authority framework effectively supports strategy execution, ensures compliance with legislation and best practice governance and balances stakeholder interests. The Board remains well informed about all material matters facing the Group.

The Board is satisfied that it complies with the South African Companies Act and operates in conformity with Netcare's memorandum of incorporation. It confirms that there are no current or pending legal actions that could materially impact operations, and that the Group remains compliant with all applicable legislation.

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

The Board is confident in the Group's leadership, which demonstrates integrity, ethical and professional business conduct, and a commitment to strong financial performance, transformation and societal contribution, with environmental and social priorities integrated into the Group's strategy. It is also satisfied that stakeholder engagement is appropriate and effective, supporting Netcare's strategy and ESG imperatives.

Finally, the Board is satisfied that the Group's remuneration policy strikes an appropriate balance, motivating executives to achieve ambitious short-term objectives that drive long-term strategy, while supporting talent retention and delivering shareholder value.

Composition and performance

The Board is structured to ensure a diversity of viewpoints, independent judgment, integrity and honesty, collectively bringing together the skills and experience necessary to deliver Netcare's strategy. The composition of Board and governance committees and the distribution of authority between the chair and other directors are carefully balanced to prevent dominance in decision-making or undue dependency. Each governance committee is chaired by an independent non-executive director, ensuring robust oversight of specific governance areas.

The Board continuity programme addresses succession planning. This ensures that skill sets are retained when Board members retire and that the Board remains relevant to Netcare's growth opportunities and responsive to shifts in the operating environment. The programme covers director selection and appointment, director induction and training, and the evaluation of director performance. Our diversity targets for race and gender are considered during Board succession planning and when appointing new members.

The Board receives training, such as the FY 2025 session on competition law. Where gaps in knowledge or skills are identified, directors are provided with development training or new appointments are made. The Board also has access to subject matter experts for specialised guidance.

Recognising the importance of evolving expertise, the Board has identified skills in data analytics, cybersecurity and customer centricity as important to supporting Netcare's strategy through to 2030.

The Board's performance and effectiveness as well as that of the governance committees and individual directors, are self-assessed annually, overseen by the Board chair and the Nomination Committee. Independent external evaluation of the Board and its committees is conducted every second year; the FY 2025 evaluation was deferred due to the recent appointment of a new Board chair.

Board opinion

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

The Board is also satisfied that adequate succession plans and leadership development programmes are in place to secure future leadership continuity.

Governance overview continued

Governance committees[1]

Audit Committee

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

3 scheduled meetings

100% independent non-executive directors

Members
L Stephens (chair), I Kirk, B Mathe

Governance and oversight of:
Ethics, values and culture / strategy and performance / reporting and assurance / risk and opportunity management / digitisation and data management / compliance.

Capitals
FC IC SRC

Nomination Committee

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

2 scheduled meetings

100% independent non-executive directors

Members
A Maditse (chair), L Human, R Phillips

Governance and oversight of:
Board and executive composition / talent attraction and retention.

Capitals
HC IC SRC

Risk Committee

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

2 scheduled meetings

60% independent non-executive directors

Members
I Kirk (chair), L Human, A Maditse, R Friedland, K Gibson

Governance and oversight of:
Ethics, values and culture / strategy and performance / risk and opportunity management / digitisation and data management / compliance / stakeholder inclusion.

Capitals
FC HC IC SRC MC NC

Remuneration Committee

- Oversees the development and implementation of the Group's remuneration policy, ensuring that our remuneration practices are responsible, fair and equitable, and externally competitive.
- Sets the financial and non-financial strategic targets of the Group's BSC.
- Determines the remuneration of NEDs[2] and executive directors, prescribed officers and senior management as well as the average increases for the workforce.
- Recommends for the Board's approval, any material changes to employee remuneration and benefits.
- Oversees the integrity of the remuneration report.

2 scheduled meetings

100% independent non-executive directors

Members
L Stephens (chair), L Human, I Kirk

Governance and oversight of:
Ethics, values and culture / strategy and performance / reporting and assurance/ talent attraction and retention / remuneration / stakeholder inclusion.

Capitals
FC HC IC SRC NC

1. *Committee membership is at publication.*
2. ***NED:** non-executive director.*

Governance overview continued

Governance committees continued

Social and Ethics Committee

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

3 scheduled meetings

75% independent non-executive directors

Members
R Phillips (chair), A Maditse, B Mathe, R Friedland

Governance and oversight of:
Ethics, values and culture / corporate citizenship / strategy and performance / reporting and assurance / talent attraction and retention / risk and opportunity management / compliance / stakeholder inclusion.

Capitals
HC IC SRC MC NC

Consistency of Care Committee

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

2 scheduled meetings

60% independent non-executive directors

Members
L Human (chair), A Maditse, R Phillips, R Friedland, A Laubscher

Governance and oversight of:
Ethics, values and culture / corporate citizenship / strategy and performance / reporting and assurance / risk and opportunity management / digitisation and data management / compliance / stakeholder inclusion.

Capitals
FC HC IC SRC MC NC

Key activities of the board

Beyond routine matters, below are some of the key activities of the Board and its committees during FY 2025.

Material matter 1

Grow market share and long-term profitability

Strategy and performance

- Monitored performance against the FY 2025 BSC and the progress of strategic projects.
- Oversaw operational and capital expenditure as well as cash flow management.
- Tracked investments in the Group's facilities to improve patient experience.
- Evaluated NetcarePlus product sales generated through the Netcare App.
- Approved dividend payouts and the continuation of the share buyback programme, ensuring that solvency and liquidity criteria were met.
- Approved the FY 2026 BSC.
- Approved the working capital forecast for FY 2026.

Reporting and assurance

- Reviewed loans, receivables, investments, asset valuations and the quality of earnings.

Risk and opportunity management

- Approved the Group's top business risks and their rankings and reviewed the related mitigation strategies.
- Ensured strategic decisions aligned with the Group's risk appetite and tolerance levels.
- Monitored the migration of healthcare services to more cost-effective settings.
- Assessed initiatives to address risks related to the challenging market conditions for private medical funders.
- Assessed initiatives to address risks related to utility cost variability.

Digitisation and data management

- Monitored digitisation projects to ensure cost and schedule overruns were avoided.

Compliance

- Kept abreast of regulatory developments that may create risk exposure for the Group.
- Oversaw various strategic partnerships and initiatives to ensure compliance with applicable legislation.

Stakeholder inclusion

- Monitored engagements with private medical funders on the Group's clinical cost efficiency initiatives.
- Kept abreast of developments in future contracting with medical aid schemes.

1. ***DEI:*** *diversity, equity and inclusion.*

Governance overview continued

Material matter 2

Outstanding person centred health and care that is digitally enabled and data and AI driven

Strategy and performance

- Monitored progress on the consistency of care strategy.
- Approved the risk-based internal clinical audit plan.
- Monitored initiatives to improve the quality and adoption of Summary of Care reports and enhancements to the Netcare App.
- Reviewed initiatives to improve patient experience in the Hospital Division.

Reporting and assurance

- Reviewed the quality of care outcomes for public reporting.
- Reviewed material matters arising from internal and external quality of care assessments and audits.

Risk and opportunity management

- Monitored the implementation of the major emergency preparedness and readiness project following the Netcare Pretoria East Hospital fire.
- Assessed initiatives to address risks related to water availability.

Digitisation and data management

- Tracked the operation and further development of the Group's EMR[1] platforms.
- Monitored data projects, including AI and machine learning models enabled by the Big Data analytics platform.

Stakeholder inclusion

- Reviewed the results of patient feedback surveys.
- Monitored the outcomes of evidence-based engagement with doctors on costs per event.
- Reviewed the results of healthcare practitioner engagement surveys (Netcare Akeso and Netcare Medicross).

Material matter 3

Attract, retain and invest in our employees and healthcare practitioners

Corporate citizenship

- Tracked the continued progress on areas of improvement identified in the FY 2022 employee engagement survey.
- Monitored employee wellness initiatives, workplace DEI and belonging plans and the rollout of the Care4YOU Programme to embed a culture of compassion.

Talent attraction and retention

- Reviewed the doctor recruitment strategy.
- Reviewed the 2030 HR strategy.
- Monitored attraction and retention of talent and scarce skills, investments in learning and development to build a diverse talent pipeline and strategies to address the nursing shortage.
- Reviewed the projected nursing student enrolments to 2030.
- Noted the increase in nursing student numbers.

Risk and opportunity management

- Assessed initiatives to address risks related to skills availability and quality.

Digitisation and data management

- Monitored progress on the HR digitisation project.

Compliance

- Approved annual salary increase criteria and incentive payments in line with the rules of the SIP[2].

Remuneration

- Awarded higher salary increases for non-managerial employees compared to executives and senior managers. Nurses also received higher adjustments.
- Approved payment of annual professional registration fees for certain employee categories.
- Approved the outcome of wage negotiations for FY 2025/26.

Stakeholder inclusion

- Reviewed the results of the Top Employer survey.
- Engaged with shareholders on remuneration policy and implementation.

1. ***EMR:*** *electronic medical record.*
2. ***SIP:*** *Single Incentive Plan.*

Governance overview continued

Material matter 4

Effective leadership and responsible business conduct

Ethics, values and culture

- Reviewed incidents of alleged misconduct and actions taken to address valid cases and recover financial losses.
- Monitored employee training on managing conflicts of interest and competition law.
- Assessed responsible use of data and AI.
- Noted the HPCSA's[1] guidance on AI in healthcare.
- Approved the establishment of two new AI-focused management committees.

Strategy and performance

- Monitored progress on the Group's 2030 environmental strategy, with a focus on renewable energy and waste-to-energy projects.

Reporting and assurance

- Reviewed and approved the Group's material matters for FY 2025.
- Reviewed the effectiveness of internal controls that ensure the integrity of the Group's reporting.
- Approved the 2025 annual financial statements and remuneration report.
- Reviewed the outcomes of the environmental assurance process.

Board and executive composition

- Appointed a new Board chair and a new Board member with data analytics and cybersecurity expertise.
- Evaluated the performance and independence of NEDs standing for re-election.
- Reviewed the qualifications and capacity of NEDs.
- Reviewed succession plans for the Executive Committee and strategic leadership.
- Considered benchmarking and proposed adjustments for NED and CFO remuneration for FY 2026.

Digitisation and data management

- Reviewed cybersecurity strategies, disaster recovery plans and data security interventions.
- Assessed internal and external verification of cybersecurity controls.
- Approved cybersecurity benchmarking against the NIST[2] framework.
- Monitored the automation of POPIA[3] incident reporting and initiatives to improve data privacy.
- Monitored employee training on cybersecurity and POPIA.

Compliance

- Ensured compliance with the amended Companies Act, including a review of the composition of the Social and Ethics Committee and updating Board and committee charters.
- Reviewed incidents of privacy breaches.

Stakeholder inclusion

- Reviewed the stakeholder engagement policy.
- Oversaw engagements with regulators to ensure compliance.
- Reviewed engagements with various ESG rating agencies.

Material matter 5

Accelerating transformation and access to quality health and care in SA

Ethics, values and culture

- Reviewed analyses of gender-based income disparity and vertical income differentials.

Corporate citizenship

- Monitored initiatives to improve the B-BBEE score, including employment equity, skills development, preferential procurement and socioeconomic development projects.
- Reviewed community upliftment initiatives, such as ESD[4] opportunities, youth development, clinical scholarships and medical procedures for indigent patients.

Compliance

- Monitored the impact of the NHI[5] Act and other sector regulations on the Group.
- Noted the Group's preparations for amendments to the Companies Act relating to earnings gap reporting.
- Noted amendments to the Employment Equity Act and its sector-specific targets.
- Reviewed material litigation matters affecting the healthcare sector.

Stakeholder inclusion

- Monitored engagements with regulators and sector and business associations on employment equity, UHC[6], the NHI Act and the nursing shortage.

1. ***HPCSA:*** *Health Professions Council of South Africa.*
2. ***NIST:*** *National Institute of Standards and Technology.*
3. ***POPIA:*** *Protection of Personal Information Act.*
4. ***ESD:*** *enterprise and supplier development.*
5. ***NHI:*** *National Health Insurance.*
6. ***UHC:*** *universal health coverage.*

Governance overview continued

Looking ahead

Key focus areas for the Board in FY 2026

1 Priorities:
- Finalise the appointment of a new Group CEO.
- Implement the King V Code of Corporate Governance (effective January 2026).
- Conduct a Board self-assessment.
- Fully align the Group's remuneration reporting with the requirements of the amended Companies Act, once it is promulgated.

2 Monitor efforts to:
- Grow market share – development of new products and pricing models that align with funders' expectations and support affordable access to the Netcare ecosystem.
- Attract and retain doctors.
- Capitalise on the digital platform.
- Continue to foster compassionate nursing care.
- Improve black female representation at senior management level.
- Improve doctor demographics in specialist fields.
- Develop partnerships to promote research and training.

3 Review:
- The effectiveness of the Group's clinical cost efficiency programme.
- The ethical and legal use of AI in innovation projects.
- The stakeholder engagement plan.
- The outcomes of the NIST benchmarking.
- The outcomes of the gap analysis between the Group's reporting and the ISSB's IFRS S1 and IFRS S2.

4 Oversee:
- The AI governance framework and data governance foundations.
- The rollout of the annual Group legal, ethics and compliance survey (November 2025).
- Improvements to the disaster recovery and business continuity programme.
- Initiatives to strengthen enterprise-wide third-party risk governance and assurance frameworks.
- Progress against the Group's new five-year employment equity plan.

5 Keep abreast of any developments:
- In the funder landscape.
- Relating to the amended Companies Act and the HPCSA's AI Guidelines.
- Relating to legal challenges against new healthcare regulations.

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 97.

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.

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

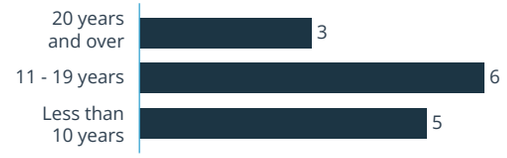
Executive Committee composition

Age

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

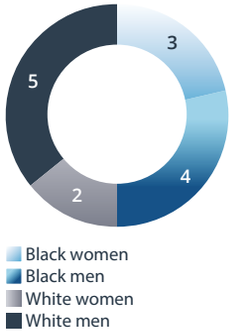
Black South African	Women	Black women
50%	**36%**	**21%**
FY 2024: 43%	FY 2024: 36%	FY 2024: 14%
FY 2023: 38%	FY 2023: 31%	FY 2023: 8%

Tenure (number)



195 years of combined service

Diversity (number)



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.

A digitally, AI-powered people centric HR delivery model

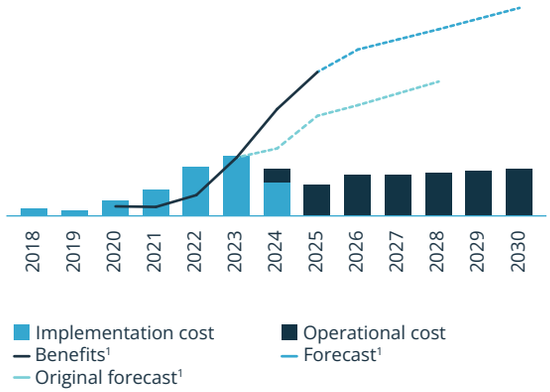
Person centred employee proposition: page 91.

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.

Corsano

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

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

Expanding the Netcare digital dividend

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		Target range: 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		Target range: 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	FC ▲
	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	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).

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 portion (based on role): **Deferred share award**

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.

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

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%

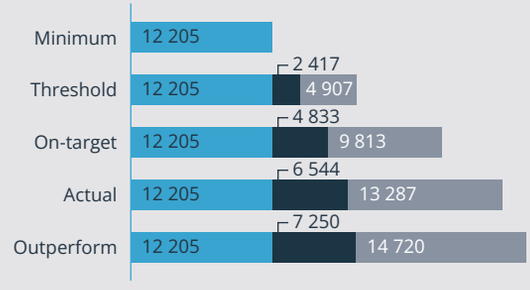
The incentive amounted to 5.7% of EBIT, well within the prescribed cap of 8% of EBIT. It will be settled in cash (33%) and deferred shares (67%) in line with the SIP. At 0.13%, the number of deferred shares awarded fell below the 1% cap of total issued shares. The deferred shares will vest over a five-year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

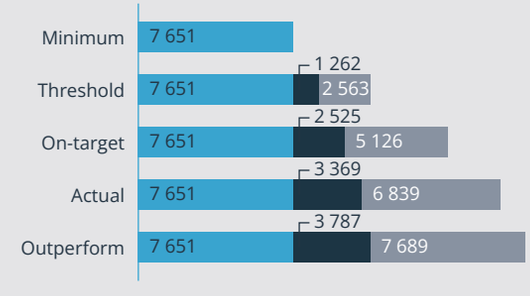
Remuneration overview continued

FY 2025 pay mix

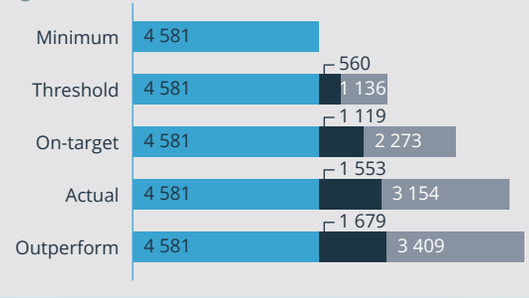
Chief executive officer (R'000)



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**

04

OUR VALUE OUTCOMES FOR THE YEAR

Financial capital	82
Human capital	91
Intellectual capital	95
Social and relationship capital	99
Manufactured capital	109
Natural capital	112

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

Financial capital

The financial resources available to the Group, which we use to achieve our strategic objectives and reward shareholders for their vote of confidence in our strategy.

Key activity metrics

Acute hospitals

▲ **65.0%**[1] full week occupancy.

FY 2024: 64.3%
FY 2023: 63.5%

▲ **2 140 240**[1] patient days.

FY 2024: 2 198 673
FY 2023: 2 193 598

NetcarePlus

▲ **93%** of EmergencyCare claims benefitted Netcare.

FY 2024: 90%
FY 2023: 91%

▲ **55%** of GapCare co-payments benefitted Netcare.

FY 2024: 61%
FY 2023: 65%

Netcare 911

▼ **967** critical missions flown[2].

FY 2024: 1 074
FY 2023: 1 271

▲ **98** ECG[3] devices online.

FY 2024: 67
FY 2023: not reported

▲ **>414 000** calls managed by the EOC[4].

FY 2024: >412 000
FY 2023: >410 000

▲ **2 651** virtual telemedicine consultations.

FY 2024: 1 666
FY 2023: not reported

Mental health hospitals

■ **70.3%** full week occupancy.

FY 2024: 70.3%
FY 2023: 72.7%

▲ **258 464** patient days.

FY 2024: 257 167
FY 2023: 253 896

Primary care

▼ **1 486 113** million primary care patient visits.

FY 2024: 1 564 046
FY 2023: 1 614 167

1. *FY 2025 excludes Netcare Pretoria East Hospital where a fire affected activity in multiple wards and seven theatres, resulting in the temporary disruption of certain disciplines. Acute paid patient days increased 0.8%.*
2. *Rotary and fixed-wing aircraft.*
3. ***ECG:** electrocardiogram.*
4. ***EOC:** Emergency Operations Centre.*

Chief financial officer's review

The Group delivered an excellent trading result for the year ended 30 September 2025, maintaining a strong financial position and expanding its EBITDA[1, 2] margin, while demonstrating pleasing operational leverage through disciplined cost control aided by digitisation benefits and lower strategic costs. All key operational and strategic objectives were successfully achieved.

Keith Gibson

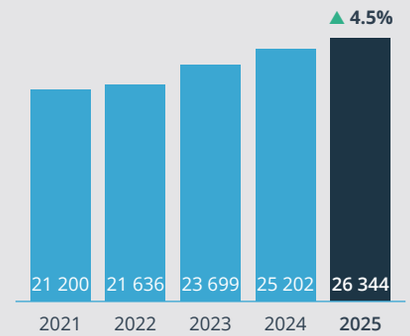
Notwithstanding a challenging macroeconomic environment and competitive landscape, **revenue grew by 4.5%**, which translated into **EBITDA[2] growth of 8.4%** and an **11.3% increase in operating profit[2]** to R3 559 million, achieving **2.5 times operating leverage**. The **EBITDA margin expanded 60 basis points** to 18.6%.

The Group's performance was underpinned by resilient demand for private healthcare services – total PPD[3] increased by 0.7%[4] compared to prior year – and continued benefits from its digitisation strategy, which enhanced operational efficiency and sustained margin expansion.

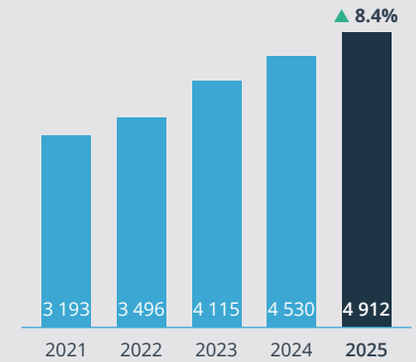
Adjusted HEPS[5] rose by 20.7%, driven by strong operational performance and a lower weighted average number of shares in issue.

Profit for the year increased by 17.0% to R1 810 million (FY 2024: R1 547 million).

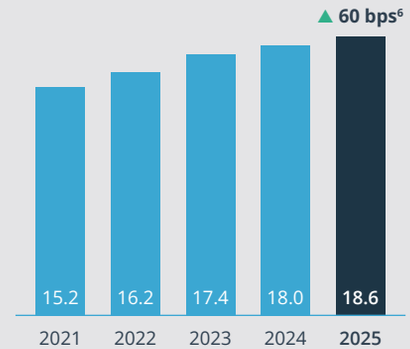
Revenue (Rm)



EBITDA[2] (Rm)

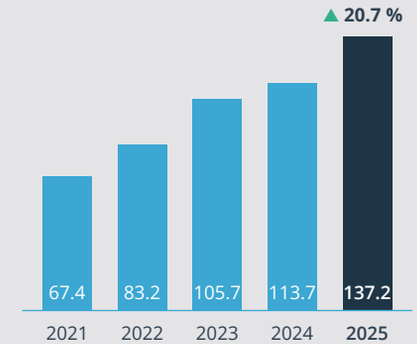


EBITDA margin[2] (%)



FY 2025 BSC target: 18.2%

Adjusted HEPS (cents)



FY 2025 BSC target: 122.4 cents

1. ***EBITDA:*** *earnings before interest, tax, depreciation and amortisation.*
2. *Normalised to exclude exceptional items.*
3. ***PPD:*** *paid patient days.*
4. *Excluding Netcare Pretoria East Hospital where a fire affected activity in multiple wards and seven theatres, resulting in the temporary disruption to certain disciplines.*
5. ***HEPS:*** *headline earnings per share.*
6. ***bps:*** *basis points.*

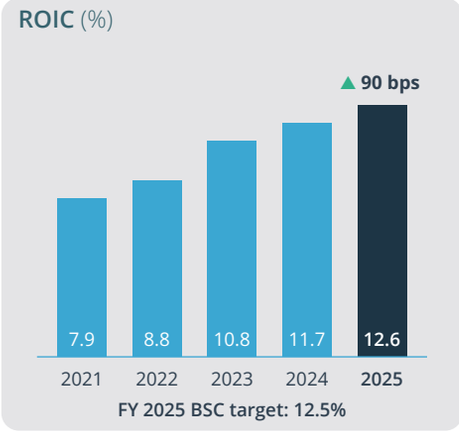
Chief financial officer's review continued

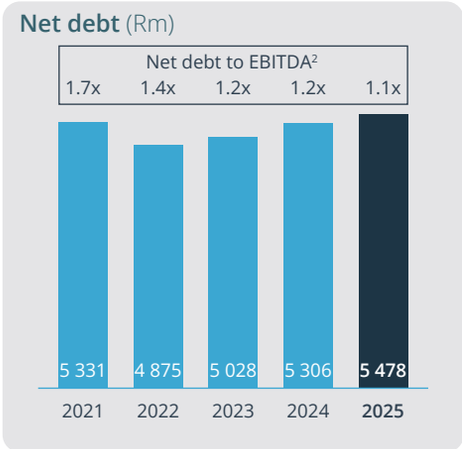
A final dividend of 49.0 cents per share was declared, which together with the interim dividend of 36.0 cents per share equates to a total dividend for the year of 85.0 cents per share, representing 62.0% of adjusted HEPS and an increase of 21.4% over FY 2024.

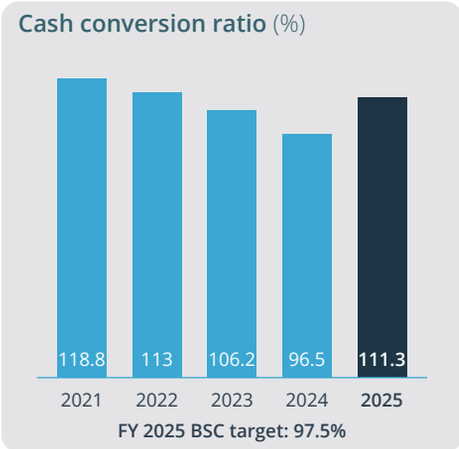
Netcare's statement of financial position remains sound, with ROIC[1] demonstrating a 90 basis point improvement to 12.6%, along with an exceptional cash conversion of 111.3% for the year.

Despite distributing R957 million to shareholders in ordinary dividends, R855 million in share buybacks and R1 630 million in replacement and expansionary capex, net debt increased by only R172 million to R5 478 million, while the net debt to EBITDA gearing ratio improved to 1.1 times.

1. ***ROIC:*** *return on invested capital.*
2. *Normalised to exclude exceptional items.*







Annual financial statements (for detailed disclosure).

Chief financial officer's review continued

Summarised Group statement of profit or loss

Rm	2025	2024	%
Revenue	**26 344**	25 202	4.5
EBITDA[1]	**4 912**	4 530	8.4
Operating profit[1]	**3 559**	3 198	11.3
Other net financial expenses	**(555)**	(561)	
Interest on lease liabilities	**(541)**	(511)	
Earnings of associates and JVs	**70**	51	
Impairment of investment in associates[1]	**(9)**		
Profit before taxation[1]	**2 524**	2 177	15.9
Taxation[1]	**(695)**	(602)	
Profit after taxation[1]	**1 829**	1 575	16.1
Exceptional items			
Impairment of investment in associate	**(61)**		
Impairment of properties	**(2)**	(39)	
Net insurance gain on asset claim	**62**		
Taxation on exceptional items	**(18)**	11	
Profit for the year	**1 810**	1 547	17.0

1. Normalised to exclude exceptional items.

EBITDA margin ▲ 60 basis points to 18.6%.

Operating leverage of 2.5 times: converting revenue growth of 4.5% into operating profit growth of 11.3%.

Operational costs related to strategic projects totalled R60 million, reducing notably from R131 million in FY 2024. Generator diesel costs declined to R13 million (FY 2024: R47 million) due to reduced load shedding; however, this benefit was largely offset by increases in electricity tariffs. In addition, R12 million (FY 2024: R7 million) was spent on emergency water purchases due to municipal water outages.

Net interest paid, excluding interest on lease liabilities, decreased by 1% year on year to R555 million, reflecting the combination of a lower cost of debt on higher average debt balances over the course of the year.

The contribution to earnings from associates and joint ventures increased 37% year on year to R70 million, primarily due to strong growth in renal dialysis services at National Renal Care.

The tax charge reflects a lower effective tax rate of 27.5% (FY 2024: 27.7%).

Exceptional items amounted to R19 million net of tax, comprising provisions for impairment of property assets and an investment in an associate, offset by a gain on an insurance claim from the fire at the Netcare Pretoria East Hospital.

FY 2026 guidance

Revenue
▲ between **4.0%** and **5.0%**

Acute PPD
▲ between **0.8%** and **1.5%**

Total PPD
▲ between **1.8%** and **2.4%**

Normalised EBITDA margin
To benefit from operational efficiencies, off a high FY 2025 base

Total capital expenditure
~R1.9 billion,
including R566 million expansionary capex

Chief financial officer's review continued

Hospital and emergency services segment

Rm	2025	2024	%
Revenue	**25 695**	24 506	4.9
EBITDA[1]	**4 750**	4 366	8.8
Operating profit[1]	**3 480**	3 121	11.5
EBITDA margin[1] (%)	**18.5**	17.8	
Operating profit margin[1] (%)	**13.5**	12.7	

The Hospital and emergency services segment delivered a steady performance for FY 2025. Total PPD increased by 0.7%[2] and revenue grew by 4.9% to R25 695 million.

The operating environment continued to reflect sector-wide trends, including the outmigration of lower-margin surgical cases, a decline in maternity cases, down-trading of medical scheme members to more affordable plan options and a milder flu season. Despite these factors, acute PPD increased by 0.8%[2], while mental health PPD grew by 0.5%, in line with expectations.

Higher volume growth from lower cost DSP[3] network options, combined with data driven clinical cost efficiencies passed on to medical schemes, resulted in a 4.0% increase in revenue per PPD compared to FY 2024.

Higher activity levels led to an improvement in acute occupancy to 65.0%[2] (FY 2024: 64.3%).

Although demand for mental healthcare remains strong, same-store capacity was temporarily constrained by the unavailability of beds at certain high-occupancy facilities undergoing essential refurbishment. As these projects neared completion towards the end of the financial year, occupancy levels improved from 68.2% in the first half of FY 2025 to 70.3% for the full year (FY 2024: 70.3%).

Normalised EBITDA for the segment increased by 8.8% to R4 750 million (FY 2024: R4 366 million). The EBITDA margin rose to 18.5% (FY 2024: 17.8%), and the underlying EBITDA margin increased to 18.8% (FY 2024: 18.5%) when adjusted for strategic costs of R60 million (FY 2024: R131 million) and generator diesel costs of R12 million (FY 2024: R45 million), partially offset by R12 million (FY 2024: R7 million) of emergency water purchases.

The FY 2025 EBITDA margin within the Hospital and pharmacy operations sub-segment increased to 18.8% (FY 2024: 18.6%).

In FY 2026, in line with our asset-light strategy, the Group will convert 34 existing beds into higher-demand disciplines and add a further 55 new beds to existing acute facilities where demand remains strong.

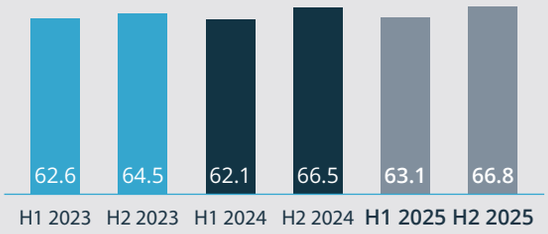
Within the Netcare Akeso operations, demand for quality mental health services continues to grow. Netcare remains committed to expanding access and pursuing new opportunities in this vital space. Construction of the Netcare Akeso Polokwane facility (87 beds) is progressing well and remains on track for commissioning in March 2026. In response to the demand for mental health support in the broader Tshwane region, the new Netcare Akeso Montana facility (88 beds) will be commissioned in October 2026. Furthermore, the Netcare Akeso Alberlito facility (80 beds) is scheduled to open in March 2027, strengthening our national footprint and reinforcing our dedication to meeting the mental healthcare needs of communities across SA.

Hospital and emergency services activity

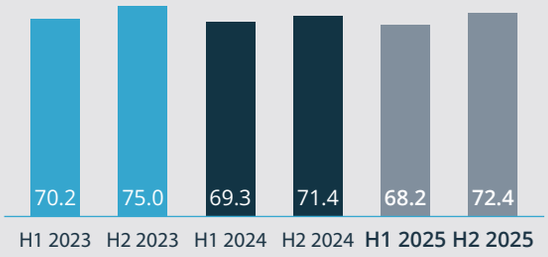
Total occupancy (%)
▲ **65.5%[2]**
FY 2024: 64.9%
FY 2023: 64.4%

Total patient days
▲ **2 398 704[2]**
FY 2024: 2 455 840
FY 2023: 2 447 494

Average acute hospital occupancy (%)



Average mental health hospital occupancy (%)



1. *Normalised to exclude exceptional items.*
2. *PPD and occupancy metrics for FY 2025 have been reported excluding Netcare Pretoria East Hospital. Total acute PPD increased 0.7%.*
3. ***DSP:** designated service provider.*

Chief financial officer's review continued

Primary Care segment

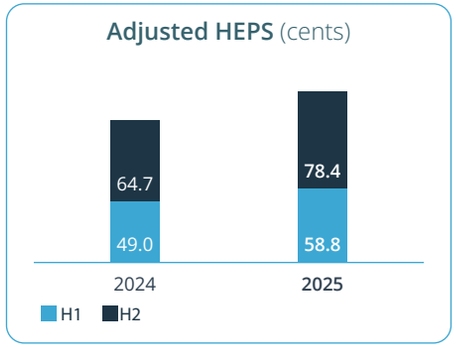
Rm	2025	2024	%
Revenue	**662**	712	(7.0)
EBITDA[1]	**162**	164	(1.2)
Operating profit[1]	**79**	77	2.6
EBITDA margin[1] (%)	**24.5**	23.0	
Operating profit margin[1] (%)	**11.9**	10.8	

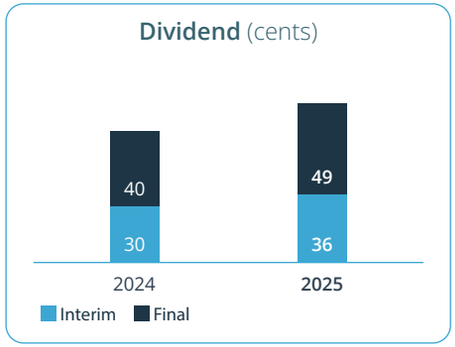
1. Normalised to exclude exceptional items.

The Primary Care segment successfully diversified its occupational health client base by securing several new contracts during the year. However, these gains did not fully offset the effects of lower activity levels and the non-renewal of a major occupational health contract that ended in May 2025. This led to a 7.0% decrease in revenue to R662 million for FY 2025. Excluding the impact of the non-renewed contract, the segment achieved underlying revenue growth of 2.8%. Normalised EBITDA declined by 1.2% to R162 million. Despite these challenges, ongoing operational efficiencies drove an improvement of 150 basis point in the EBITDA margin, reaching 24.5%.

Earnings per share

Cents per share	2025	2024	%
HEPS	**133.7**	113.0	18.3
Adjusted HEPS	**137.2**	113.7	20.7
Total dividends	**85.0**	70.0	21.4
Dividend as % of adjusted HEPS	**62.0**	61.6	





HEPS amounted to 133.7 cents for the year, reflecting growth of 18.3%. Adjusted HEPS, which is the primary measure used by management to assess performance, and excludes exceptional and unsustainable items, amounted to 137.2 cents for FY 2025, increasing by 20.7%.

Chief financial officer's review continued

Value created | Value created/preserved but below target | Value preserved | Value eroded

Shareholder returns

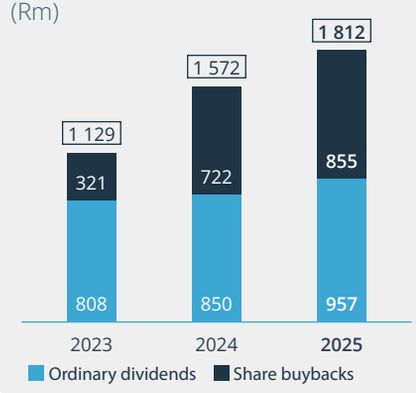
Our strong operating leverage, ongoing share buyback programme and meaningful cost savings from the digitisation strategy are key highlights for investors. The Group's digital transformation is increasingly recognised as a differentiator and source of resilience in a challenging environment. For FY 2026, investors are focused on management's ability to drive sustained top-line growth while preserving operating leverage.

The Group's policy on capital structure is to maintain a strong statement of financial position and an investment grade credit rating, while maintaining safe debt levels to reduce the cost of capital. When investment opportunities are limited, excess capital is distributed to shareholders through share buybacks or special dividends (with a preference for buybacks). Since the start of the share buyback programme in September 2023, Netcare has bought back 149 million shares, representing 10.4% of total ordinary shares in issue at 30 September 2023.

Share buybacks	To 2024	2025	Total
Number of shares (millions)	84.8	**64.2**	**149**
Average market price (cents)	1 227	**1 324**	**1 269**
Total cost (Rm)	1 043	**855**	**1 898**

Returns to ordinary shareholders

(Rm)



Principles of financial capital allocation

1 Investment strategy

Identify new opportunities linked to the Netcare strategy

Application

- Expanding the Netcare digital dividend.
- New business lines.

All opportunities identified must meet one or more criteria of the Netcare Litmus Test (see *page 73*).

2 Deployment of capital

Using decision models to select investments with the highest NPV[1]

Application

- Invest in business enablers.
- Maintain and upgrade operations.

Robust decision models evaluate and select capital investments with the highest expected NPV.

Financial discipline requires:

- ROIC must safely exceed the cost of capital.
- Maintenance capex at **~4.5%** of revenue.

3 Cash generation

Measuring performance through ROIC and economic profit

Application

- Strong cash generation target of **97.5%** cash conversion.

Sound investment decisions drive good cash generation. We use economic profit and ROIC as key metrics to monitor and drive Netcare's intrinsic value. These measures have been implemented at hospital level to drive behaviours that will ultimately increase long-term cash generation.

4 Capital distribution

Maintaining optimal capital structure and returning surplus capital to shareholders

Application

- A dividend policy that aims to return **50% to 70%** of adjusted HEPS to shareholders.
- Share buybacks.

Capital distribution employs decision analysis to determine the optimal capital structure for the Group and payout policies. In the absence of sufficient NPV-positive investment opportunities, excess capital is returned to our shareholders.

1. ***NPV:*** *net present value.*

Chief financial officer's review continued

Summarised Group statement of financial position

Rm	30 Sep 2025	30 Sep 2024
Assets		
PPE[1], goodwill and intangible assets	**17 141**	16 333
Right of use assets	**4 308**	4 418
Other non-current assets	**1 270**	1 258
Current assets	**4 617**	4 580
Cash and cash equivalents	**1 889**	1 802
Total assets	**29 225**	28 391
Equity and liabilities		
Total shareholders' equity	**10 988**	10 972
Borrowings	**7 367**	7 108
Lease liabilities	**5 598**	5 541
Other liabilities	**5 272**	4 770
Total equity and liabilities	**29 225**	28 391

Total capex, including strategic projects, amounted to R1 630 million (FY 2024: R1 519 million) of which expansionary projects totalled R288 million (FY 2024: R100 million) and replacement capex amounted to R1 342 million (FY 2024: R1 419 million).

R1 019 million was paid in ordinary and preference dividends (FY 2024: R913 million), which together with R855 million (FY 2024: R722 million) of share buybacks left shareholders' equity flat at R10 988 million.

The Group's ROIC improved to 12.6% (FY 2024: 11.7%).

1. *Property, plant and equipment.*
2. *Excluding IFRS 16 lease liabilities.*
3. *Normalised to exclude exceptional items.*
4. *Measured on pre IFRS 16 basis.*
5. *Promissory notes, commercial paper and bank loans.*

Debt position

Rm	30 Sep 2025	30 Sep 2024
Gross debt[2]	**7 367**	7 108
Cash	**(1 889)**	(1 802)
Net debt	**5 478**	5 306
Net debt to EBITDA[3] (times)		
Bank debt only	**1.1**	1.2
Bank debt and IFRS 16 lease liabilities	**2.3**	2.4
Cost of debt (%)	**8.4**	9.1
EBITDA[3]/net interest (times)	**4.5**	4.3
Interest cover[3] (times)	**3.3**	3.0

At 30 September 2025, the Group's cash resources and available undrawn committed facilities amounted to R2.9 billion.

The increase in net debt during FY 2025 is due to ongoing capex, the payment of ordinary and preference dividends and share buybacks, partially offset by higher operating profit.

Interest environment

- South African interest rates remain elevated.
- 29.9% of gross debt is at fixed rates.
- Average cost of debt of 9.2% (FY 2024: 9.3%).

GCR credit rating retained

- Long term AA-
- Short term A1+

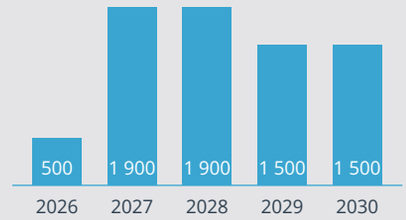
Compliant with banking covenants[4]

- Net debt to EBITDA < 2.75x ✓
- EBITDA / net interest > 4.0x ✓

Debt facilities

Cash and debt facilities (Rm)

Debt maturity profile[5] (Rm)



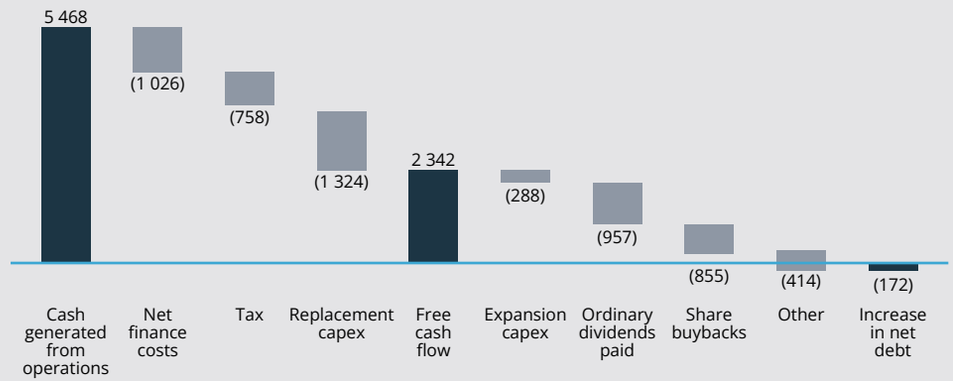
Chief financial officer's review continued

Summarised statement of cash flows

Rm	2025	2024
Cash generated from operations	**5 468**	4 374
Interest paid on debt	**(635)**	(679)
Interest paid on lease liabilities	**(541)**	(511)
Taxation paid	**(758)**	(345)
Ordinary dividends paid by subsidiaries	**(57)**	(50)
Ordinary dividends paid to owners of the parent	**(957)**	(850)
Preference dividends paid	**(62)**	(63)
Distribution paid to beneficiaries of the HPFL B-BBEE[1] trusts	**(11)**	(7)
Net cash from operating activities	**2 447**	1 869
Net cash from investing activities	**(1 468)**	(1 154)
Net cash from financing activities	**(892)**	(1 191)
Net increase/(decrease) in cash and cash equivalents	**87**	(476)
Cash and cash equivalents at the beginning of the year	**1 802**	2 278
Cash and cash equivalents at the end of the year	**1 889**	1 802

1. *Broad-based black economic empowerment.*

Analysis of cash flows (Rm)



The Group's cash-generating ability remains robust, achieving a cash conversion ratio of 111.3% for FY 2025 and generating free cash flows of R2 199 million. Of this, R288 million was allocated to expansionary capex projects, with the majority of the remaining balance returned to shareholders through ordinary and preference dividends and share buybacks. Net debt increased by R172 million from R5 306 million in FY 2024 to R5 478 million at 30 September 2025. Net debt to EBITDA coverage improved marginally to 1.1 times from 1.2 times in the prior year.

Outlook

While we are encouraged by the improvement in certain SA macroeconomic indicators, the broader operating environment remains challenging, with formal sector employment levels yet to show meaningful improvement. Consumers continue to face sustained financial pressure, reinforcing the ongoing shift toward lower-cost, restricted network medical scheme options. Despite this, our extensive geographic footprint, complemented by the NetcarePlus GapCare offering, ensures that the Group is well positioned to maintain a meaningful share of patient volumes within these increasingly cost-sensitive networks.

Demand for quality private healthcare remains resilient, underpinned by an aging insured population and a growing burden of disease. Our strategy, focused on person-centred care, advanced digital capabilities and intelligent data use, continues to strengthen our competitive position in a challenging market. This approach ensures we remain relevant across the evolving healthcare landscape, while driving sustainable earnings growth and long-term shareholder value.

Looking to FY 2026 and beyond, we anticipate continued improvements in operational and financial performance with a focus on:

- Strategic innovation and process streamlining to reduce costs and investment in technology to further enhance patient care and service delivery.
- Disciplined management of financial performance, balancing price and volume to support margin protection and sustainable growth. Increased activity levels, ongoing operational efficiencies and stringent control of operating costs, without stifling projects of strategic priority, are expected to drive further EBITDA margin expansion, higher earnings and improved ROIC.
- Driving greater contributions from the Group's new business lines, Netcare Diagnostics and NetcarePlus, as they mature.

Appreciation

I would like to extend my gratitude to our finance teams across the Group for their skill and dedication in producing quality reporting for our stakeholders.

Keith Gibson
Chief Financial Officer

FY 2026 guidance: page 85.

Human capital

Our employees and their collective skills, knowledge and experiences as well as our organisational culture that allow us to successfully deliver person centred health and care.

ESG report (for detailed disclosure).

Person centred employee proposition

Value created | Value created/preserved but below target | Value preserved | Value eroded

Talent management and succession

Headcount

Over FY 2025, workforce turnover recovered following a deterioration in FY 2024 that was mostly attributable to the introduction of new legislation on retirement funding. Voluntary labour turnover closed the year at 7.8% from 12.9% in FY 2024.

New appointments and succession

The strength of our executive bench and succession pipeline is evident in the successful integration of new Executive Committee members, many promoted from within the Group during FY 2024 and FY 2025. A number of leadership changes have taken place, including the appointment of new managing directors for the Hospital and Primary Care divisions, Netcare Cancer Care, Netcare Akeso and Netcare Diagnostics, a new Group director of nursing, a new head of procurement and a new chief data and AI officer.

Through our talent mapping engagements, we have identified internal candidates who could transition into 83% of strategic management and leadership roles across divisions within two years, should a vacancy arise. Development pathways, including mentoring and coaching, are being mapped for these individuals.

Movement in headcount[1]

Headcount increased by 0.8% to **18 495** permanent employees.

FY 2024: 18 350 | FY 2023: 18 568

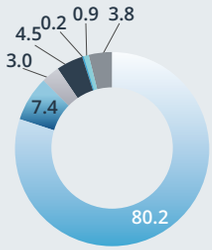
2 376 new employees joined the Group, 15 roles became redundant due to automation and the consolidation of processes and 2 135 employees left the Group, primarily due to new employment opportunities and retirements.

National Renal Care headcount

1 037 permanent employees are employed by National Renal Care, with 96% (FY 2024: 95%) being black people, 70% (FY 2024: 71%[2]) women and 5% (FY 2024: 5%) people with disabilities.

FY 2024: 1 002 | FY 2023: 972

Headcount by division[1] (%)



Note: Hospital Division includes Netcare Cancer Care, Pharmacy and PPPs.

1. *Permanent employees only. Excludes National Renal Care.*
2. *Restated from 72% reported in FY 2024.*

Person centred employee proposition continued

#WeCare

Wellbeing and employee safety

Since FY 2022, our risk-based medical surveillance programme has enabled meaningful analysis of workforce health risks and the early detection of disease. To date, 97% of patient-facing employees across key divisions have received medical assessments, against a target to reach 90% by FY 2025[1]. The five main health risks for our employees, collected from over 15 500 digital medical records, are hypertension, increased body mass index, mental health challenges, diabetes and musculoskeletal discomfort and injuries. This data has informed the development of a comprehensive integrated health and wellness strategy and rollout plan for FY 2026. Targeted interventions designed to mitigate these key risks and influence behaviour change will be communicated to employees at wellness days.

We manage two key financial wellness initiatives. One allows employees to access a portion of their overtime earnings before payday and the other is the PayMeNow app (now in the second pilot phase). The app allows real-time access to a percentage of already earned wages before the end of the payroll cycle. Payouts can be received as cash or value-added services (retail vouchers, airtime and data, electricity and transport services). Financial education modules are built into the offering, and unlock benefits such as reduced transaction fees as employees complete the training. In addition, 2 109 employees attended awareness sessions on retirement planning (FY 2024: 4 130 – attendance driven by the Two-Pot Retirement System).

Initiatives were launched in FY 2025 to reduce employee OHS incident rates through quality improvement initiatives targeting the top two risks, specifically slips, trips and falls and incidents of needlestick injuries and bodily fluid contact. Pleasingly, the Group's OHS risk severity continues to follow a decreasing trend. Ergonomic risk assessments were also conducted to inform the development of a comprehensive ergonomics programme for the Group. Going forward, we will benchmark OHS incident rates for comparative analysis and use predictive analytics on our wealth of data to develop more precisely targeted interventions that support employee health, wellness and safety.

Employee wellbeing

The overall Lyra engagement rate was **37.2%.**

Lyra SA sector average: 56.4%

FY 2024: 25.4%
FY 2023: 16.3%

70.1% of employees who used Lyra accessed professional counselling. Mental health challenges remain the largest reported problem category.

FY 2024: 71.2%
FY 2023: 70.6%

8 907 employees and contractors attended wellness days.

FY 2024: 12 342

FY 2023: ~8 700

Average absenteeism rate

The absenteeism rate for the year was **2.6%**, marginally missing our target.

SA average for healthcare and social work sector: between 4% and 6%

FY 2025 target: 2.4%

FY 2024: not recorded

SHEQ[2] training

4 365 SHEQ training attendances, with some employees attending more than one session.

FY 2024: 3 665

FY 2023: 5 235

Employee incidents[3]

Employee incidents totalled **1 049** with **82%** reported for the Hospital Division. 90% of incidents were rated as insignificant or minor.

FY 2024: 1 054; 83%

FY 2023: 1 004; 81%

Our employee incident rate was 3.85 per 200 000 hours worked (FY 2024: 4.47). For the Hospital Division, the lost time injury frequency rate per 200 000 hours worked was 1.02 (FY 2024: 0.51). These metrics are undergoing refinement.

Care4YOU Programme

The Care4YOU Programme, which promotes compassionate care to improve the patient experience and enhance employee wellbeing, has been an incredible success. Over 71 000 Care4YOU sessions have been conducted since the programme's inception in September 2021, covering our employees, fixed-term contract workers, agency staff and allied healthcare professionals. The rollout of all six modules across all divisions will be completed in FY 2026. Going forward, we will reinforce existing content, provide further opportunities to practice module-related skills and re-energise the gratitude programme, which the pause and reflect survey shows has a very positive impact on employee motivation.

Care4YOU: completed and/or in progress	Module 1	Module 2	Module 3	Module 4	Module 5	Module 6
Hospital Division						Completed
Netcare Akeso					Completed	
Netcare 911				In progress		
Shared Services				Completed		
Netcare Education			Completed			
Primary Care Division	Completed					
Head office	In progress					

1. *Amended from 100% reported in FY 2024 to cater for labour turnover – an outperform target of 96% and a target of 90% were considered more realistic.*
2. ***SHEQ:** safety, health, environment and quality.*
3. *We promote a 'safe to report' culture that encourages employees to report incidents so that we can use robust data to inform safety interventions. Our incident reporting includes Netcare and non-Netcare employees. Of the incidents reported in FY 2025, 1% were categorised as high to major risk (FY 2024: 1%).*

Person centred employee proposition continued

Diversity, equity, inclusion and belonging

We met and exceeded all racial and gender diversity targets at Board level for FY 2025 and all Executive Committee level targets, barring the target for black women representation, which was impacted by a resignation. After experiencing a decline in the employment of people with disabilities in the first half of FY 2025, an action plan was developed to address the issue, covering recruitment, internships and internal awareness sessions. By year end, 830 persons with disabilities were employed at Netcare (FY 2024: 816); our representation of this employee group being well above sector and legislative thresholds.

In FY 2025, 93% (FY 2024: 89%) of recruitments and promotions went to black people and 78% (FY 2024: 75%) to women. Of the 158 senior, middle and junior manager appointments throughout the year, 83% are black managers and 61% are women.

We have developed a new five-year employment equity plan for 2026 to 2030 to align with the amended Employment Equity Act. The plan includes the prescribed sector-specific targets for designated groups. Internal engagements are progressing to ensure alignment on these legislative changes. Racial diversity at junior management and skilled level aligns to the sector averages, enabling the Group to build a representative talent pool for future middle managers. At these levels, we continue our efforts to attract more male candidates.

Our 2026 employment equity plan targets are ahead of our peers and the average for private sector performance, but challenges remain due to limited nurse training numbers and a healthcare gender profile skewed towards women. The DoEL[1] accepts the gender complexity as justifiable grounds for not meeting prescribed sectoral gender targets.

Some of the initiatives undertaken during the year to create spaces of acceptance and belonging for all employees at Netcare include DEI and belonging campaigns, gender-based violence webinars and South African Sign Language courses for frontline workers. A total of 4 766 employees received awareness training on our zero-tolerance approach to discrimination, harassment and bullying (FY 2024: 4 544).

1. ***DoEL:*** *Department of Employment and Labour.*
2. ***EAP:*** *economically active population.*
3. ***HRS:*** *human health and social work sector representation according to the 25th Commission for Employment Equity Annual Report (2024/25).*

Overall workforce composition

84.4%

of the workforce comprises black people against a national EAP[2] of 92.5%. Foreign nationals comprise 1.9% (FY 2024: 1.9%) of the workforce.

FY 2024: 83.7%

FY 2023: 82.7%

79.5%

of the workforce comprises women against a national EAP of 46.1%. 66.8% of the workforce are black women (FY 2024: 66.5%; EAP: 42.7%).

FY 2024: 79.8%

FY 2023: 80.6%

People with disabilities

4.5%

of the workforce comprises people with disabilities. Of these employees, 70% (FY 2024: 68%) are black employees and 74% (FY 2024: 73%) are women.

FY 2025 target: 4.8%

DoEL target: 3.0%

HSR[3]: 1.2%

FY 2024: 4.5%

FY 2023: 4.6%

Senior management

50.0%

of senior managers are black.

FY 2025 BSC target: 50.0%

HSR: 57.1%

FY 2024: 47.1%

FY 2023: 45.7%

46.9%

of senior managers are women.

FY 2025 target: 54.8%

HSR: 61.5%

FY 2024: 52.9%

FY 2023: 51.4%

Middle management

62.4%

of middle managers are black.

FY 2025 target: 61.0%

HSR (professionally qualified): 84.8%

FY 2024: 59.6%

FY 2023: 57.5%

60.8%

of middle managers are women.

FY 2025 target: 58.5%

HSR (professionally qualified): 71.9%

FY 2024: 60.6%

FY 2023: 61.4%

Junior management

79.8%

of junior managers are black.

FY 2025 target: 78.1%

HSR (skilled technical): 89.9%

FY 2024: 78.3%

FY 2023: 77.4%

83.5%

of junior managers are women.

FY 2025 target: 83.3%

HSR (skilled technical): 77.6%

FY 2024: 84.0%

FY 2023: 84.7%

Note: 2025 targets reflect 2025 employment equity plan targets.

Person centred employee proposition continued

Learning and development

Our training spend continues to compare favourably with the demographic representation of our workforce and reflects our priority to develop healthcare practitioners, particularly registered nurses, paramedics and pharmacist practitioners. The majority of training spend (50%) was allocated to building core clinical competencies in nursing and emergency services through formal, structured NQF[1]-aligned qualifications and courses that lead to a clear career path.

Training for non-nursing employees increased compared to FY 2024, in line with our objective to advance the skills of our IT, data, finance, administration and support services employees.

6 864 clinical professionals attended CPD[2] courses to keep their skills and training current (SDP[3] 2024: 7 850). In partnership with the HWSETA[4], a total of R21 million was invested in bursaries, learnerships, internships and workplace experience programmes for employees and unemployed black youth (SDP 2024: R18 million).

332 managers were enrolled on a development programme over SDP 2025 (SDP 2024: 313), of whom 86% are black, 75% are women and 66% are black women. 86% of direct training spend invested in management and leadership development benefitted black employees (SDP 2024: 85%).

1. ***NQF:*** *National Qualifications Framework.*
2. ***CPD:*** *continuous professional development.*
3. *Calculated for skills development period (SDP) 1 April 2024 to 31 March 2025 per the HWSETA measurement year. Direct training spend totalled R58 million (spend reported to HWSETA). The balance comprises clinical scholarships, bursaries and study loan reimbursements.*
4. ***HWSETA:*** *Health and Welfare Sector Education and Training Authority.*

Overall learning and development

R70 million

invested in training and development, equating to 1% of payroll, meeting the 1% prescribed by the Skills Development Levy Act.

SDP 2024: R69 million

SDP 2023: R65 million

104 951

training interventions delivered, with 18 617 (SDP 2024: 16 554) employees receiving training, including 1 495 (SDP 2024: 1 675) current and future leaders.

SDP 2024: 85 158

SDP 2023: 56 428

Direct training spend that supports our transformation objectives

R1 million (2%)

of direct training spend invested in developing employees with disabilities. There were no new enrolments on the Sinako development programme, instead focus was placed on supporting current learners.

SDP 2024: 9%

SDP 2023: 4%

R52 million (90%)

of direct training spend invested in developing black employees.

SDP 2024: 86%

SDP 2023: 88%

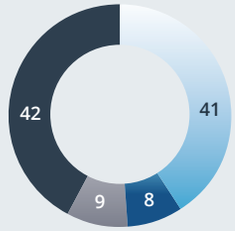
R46 million (79%)

of direct training spend invested in developing women with R41 million (**71%**) invested in black women.

SDP 2024: 84%; 73% black women

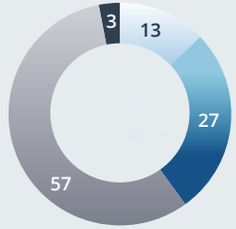
SDP 2023: 82%; 81% black women

Direct training spend by category (%)



- Formal nursing training (SDP 2024: 55%)
- Formal emergency and critical care training (SDP 2024: 7%)
- Management and leadership development (SDP 2024: 8%)
- CPD and other training (SDP 2024: 30%)

Direct training spend by employment level (%)



- Unskilled workers (SDP 2024: 26%)
- Semi-skilled workers (SDP 2024: 26%)
- Skilled technical and qualified workers, junior managers, supervisors, foremen and superintendents (SDP 2024: 43%)
- Professionally qualified and experienced specialists and middle managers (SDP 2024: 5%)

Intellectual capital

Our intangible assets, including our brand and reputation, organisational systems and procedures, research and innovation capabilities, data, and intellectual property that provide us with a competitive advantage.

Quality report (for detailed disclosure).

Consistency of care

Expanding the Netcare digital dividend

Value created | Value created/preserved but below target | Value preserved | Value eroded

Patient safety

Our digital and data initiatives have enabled earlier identification and treatment of sepsis, improved antibiotic management and reduced hospital-acquired infection outbreaks through the infection management tool's sophisticated algorithms and our enhanced hygiene protocols.

In FY 2025, patient safety and quality of care advanced significantly, driven by our investment in the Big Data analytics platform and innovative AI models for prediction and continuous monitoring. Four new models were developed and clinically tested during the year; all aiming to inform clinical decision-making at the bedside. Looking ahead to FY 2026, our focus will be on navigating regulatory requirements for these solutions and maximising their benefits for patients, doctors and funders.

Innovation in patient safety

The sepsis[1] prediction algorithm is a first in Africa. It is now integrated into CareOn across all Netcare ICUs as a medical device. It uses real-time vital signs to identify patients at risk of physiological deterioration eight to ten hours prior to onset. Early results show positive feedback from doctors, and the potential to lower morbidity and mortality rates and shorten hospital stays. SAHPRA[2] has approved the tool for a two-year observational study on sepsis outcomes.

Other AI and machine learning tools being made available to doctors are able to predict:

- The likelihood of a patient being admitted into hospital from the emergency department (aiding patient triage); successfully tested with application for SAHPRA approval to occur in FY 2026.
- 30-day acute hospital readmission risk; successfully tested with application for SAHPRA approval to occur in FY 2026.
- In-hospital renal failure risk within a six-hour window; to be further developed in FY 2026.

Readmission prediction models help identify opportunities to provide additional support after discharge (eg home care programmes and earlier follow-up). At Netcare Akeso, anonymised data and machine learning are being used to improve mental health treatment pathways, including predicting readmission[3] risk. The data will be used to inform fit-for-purpose out-of-hospital interventions that aim to reduce preventable readmissions. Anonymised readmission rates are shared with medical schemes.

Improving consistency and quality of patient care outcomes

The benefits provided by our digital transformation and data and AI enablement strategy

- Track patient data in real time and ensure that each patient's care is aligned with best practices.
- Predict risks such as sepsis, readmission and cost overruns before they happen.
- Recommend or implement evidence-based interventions.
- Significantly reduce adverse drug interactions and prescribing errors.
- Assist doctors in their choice of medications based on outcomes and price.
- Improve the auditing and accuracy of our internal and external quality reporting.

1. *Blood stream infections that are life-threatening.*
2. ***SAHPRA:** South African Health Products Regulatory Authority.*
3. *Risk-adjusted readmission: statistical method to adjust for demographics, co-morbidities, diagnosis, severity, presence of dual diagnosis, impact of benefit constraints and previous admissions.*

Consistency of care continued

Incident reporting

New technology for patient incident reporting was implemented in FY 2025, enabling real-time alerts and faster responses to safety concerns. In addition, nursing teams have started a project using CareOn to assess patient risks[1] at admission to identify those needing extra safety measures. By law, sentinel events[2] – serious safety incidents not primarily related to the patient's illness or underlying condition – must be reported to the OHSC[3] to support regulatory oversight and strengthen institutional safety protocols. Integration of the new patient incident reporting platform with our sentinel reporting and the OHSC's early warning system will further enhance patient safety.

Hospital-acquired infections

The platforms we use to manage hospital-acquired and healthcare-associated infections include the infection management tool (for surveillance), the early outbreak detection algorithm (for reducing hospital-acquired infections), CareOn (for case management) and the Big Data analytics platform (for research and analytics). We have achieved a sustained reduction in hospital-acquired infections, from 3.14 infections per 100 admissions in FY 2023 to 2.28 in FY 2024 and 1.96 this year. This progress is notable given that 25% of our beds are ICU or high care beds, which carry a higher inherent infection risk. Our proportion of ICU and high care beds is significantly higher than European and US averages of between 2.5% and 5%. Despite this, our infection rates meet or exceed benchmarks for general acute hospitals, thanks to targeted enhancements in environmental cleaning protocols.

Our healthcare-associated infection[4] counts, a subset of hospital-acquired infections, are within expected ranges for high-acuity hospitals. These infections require focused prevention strategies. Improved data reliability has enabled better benchmarking and more targeted interventions, resulting in a steady reduction in healthcare-associated infections since April 2025.

Non-conformance management

For FY 2026, our priority is to strengthen procedures for managing and reviewing non-conformances identified during quality reviews. This initiative will encompass root cause analysis and corrective action planning, with the aim of reinforcing our quality management framework, ensuring adherence to good governance principles, maintaining regulatory compliance, and most importantly, safeguarding employee and patient safety. To drive this effort, a cross-divisional committee will be established to design and oversee the quality improvement programme.

Quality of care measures

Our quality of care measures cover patient reported experience and outcomes, clinical processes and outcomes, and patient and employee safety. This year, patient feedback scores have been reported across five divisions: Netcare Hospitals, Netcare Cancer Care, Netcare Akeso, Netcare Medicross and National Renal Care.

Of the overall measures reported in FY 2025:

- 58 are unchanged.
- 23 are new: three patient feedback measures for the emergency department, 11 new measures for Netcare Cancer Care, six patient feedback measures for Netcare Medicross and three antibiotic stewardship measures.
- Ten were retired and replaced as their data source had changed: nine patient feedback measures for Netcare Akeso and one antibiotic stewardship measure.
- One Netcare 911 measure was redefined and eight neonatal ICU measures retired.

92

measures reported across six divisions.

FY 2024: 75
FY 2023: 83

The Quality of Care Index is an automated governance tool that supports our externally published quality of care measures to the public and private medical funders. In FY 2025, the index had 79 active measures, comprising dashboards, technical measures and data items.

32

items added to the Quality of Care Index: 23 measures, three dashboards, four technical measures and two data items.

FY 2025 target: 26

Quality report (all reported quality of care measures).

1. *Early identification and mitigation of globally recognised clinical risks such as falls, pressure lesions and infections.*
2. *Human error even in the most organised and safety-focused systems remains an unavoidable risk factor; however, sustained efforts in system improvement, training and safety culture can dramatically reduce sentinel incidents. We address these events promptly, transparently and in a non-punitive way to maintain trust and foster a culture of continuous improvement.*
3. ***OHSC:** Office of Health Standards Compliance.*
4. *A more specific subset of hospital-acquired infections, focusing on infections that are directly linked to medical devices, procedures or hospital environments.*

Consistency of care continued

Clinical cost efficiency

Clinical cost efficiency is the ability of healthcare providers and systems to deliver high-quality care using minimal resources, while maintaining patient safety and optimal outcomes. Notably, 35% to 45% of the total cost per event remains outside our direct control – this being the cost of doctors, pathology and radiology and independently contracted healthcare workers.

Within the Hospital Division's clinical cost efficiency programme, data analysis (comparing actual care costs to expected costs) has enabled us to identify and quantify the primary drivers of cost inefficiency. For each driver, we developed targeted methodologies to lower the cost per event. Focus areas included coding accuracy, high-cost medications and surgical items, formulary compliance, pathology test orders and clinical product management, specifically robotic surgery. As a result, the programme at the very least achieved a 5% reduction in baseline inefficiency across five of these specific categories.

Enhanced data, analytics and the appointment of four regional clinical digital managers have improved our capacity to engage with and intervene in clinical cost efficiency initiatives. Hospital roadshows, one-on-one doctor engagements and awareness campaigns in FY 2025 highlighted the importance of clinical cost efficiency in sustaining private healthcare and maintaining Netcare's competitiveness in hospital network selection. Roadshow participants were updated on health policy changes and the solvency pressures facing private medical funders, and received information on technical aspects of measuring cost per event and key areas for collaboration. The roadshows were well-received, reaching 572 doctors and generating numerous collaborative ideas.

We developed supplementary tools for CareOn, including a tool to improve coding accuracy, and digital pathology and robotic PCI[1] reports to support one-on-one doctor engagement. Engagement with individual doctors regarding high-cost medical and surgical items was intensified. Detailed analyses were conducted on length of stay, high care utilisation, theatre time and equipment use associated with robotic assisted laparoscopic prostatectomies – the largest cohort of robotic surgeries and a significant cost driver – across four hospitals. Insights from the most efficient hospital were shared and hospital managers worked with surgeons to develop intervention plans.

Outcomes

These efforts led to several key improvements:

- Achieved a **10% reduction** in selected pathology test orders (H2 FY 2024 vs H2 FY 2025) by engaging with 97% of outlier doctors.
- Realised a **13% reduction** in median cost per event for robotic assisted laparoscopic prostatectomy.
- Embedded the tool that quantifies nursing acuity and the modified early warning score that quantifies physiological instability in high care and ICU workflows. While further development is needed, this solution is expected to support engagement with the doctors on safely transferring patients from ICU and high care units to general wards.
- Achieved formulary[2] compliance of 91.9% for medication (outperform target: 90.0%), 92.8% for general surgical items (outperform target of 92.5%) and 76.7% for specialised surgical items (target: 76.5%). Total savings amounted to **R113 million** through engaging 82% of outlier doctors.

Improving clinical cost efficiency with generic medicines

Generic medicines are significantly less expensive than the originator products. For example, a generic injectable anticoagulant is 14% cheaper than the original, and generic antibiotics are 64% to 70% less expensive than their originator counterparts. However, doctors hesitate to use generics, mostly due to concerns about quality and patient outcomes.

Leveraging our data

We used the Big Data analytics platform to conduct a large-scale risk analysis of a broad-spectrum antibiotic commonly given to critically ill patients. The study included over 23 000 adult patients admitted to Netcare hospitals from January 2022 to March 2025. After adjusting for risk factors, we found that patients who received the generic drugs had the same mortality rates as those who received the originator drug.

Outcome

This evidence-based approach has helped reassure doctors about the safety and effectiveness of generic drugs, positively contributing to cost efficiency while still maintaining high standards of patient care.

1. *PCI: personalised clinical information.*
2. *Formularies are used to guide doctors in prescribing the most cost-effective care without compromising on quality.*

Digital transformation and data management

Expanding the Netcare digital dividend

Value created | Value created/preserved but below target | Value preserved | Value eroded

Digitisation projects

The **Hospital Division** continues to enhance and improve the CareOn platform – the focus for FY 2025 being to improve clinical coding accuracy. The EMR platform continues to deliver efficiencies above anticipated benefits.

Netcare Akeso successfully launched the CareOn Akeso medication module during the year, featuring advanced electronic signatures for doctors across all facilities. At **Netcare Medicross**, Phase 5 of the EMR platform (Medicross Heal) was completed, delivering enhanced patient access to appointment histories, improved communication between reception, doctors and nursing, and a more efficient scheme reimbursement process. **Netcare Diagnostics** is replacing its current laboratory information system with a more cost-effective, locally based vendor who has deeper insight into the South African pathology market. **Netcare Occupational Health's** Care@Work platform has reached its third phase, delivering new functionality for clients to manage absenteeism, incapacity and disability.

The first phase of the **HR function's** digital platform – MyNetCareer – launched in August 2025, focusing on core human capital management, workforce planning and recruitment. Performance and talent optimisation, absence management, payroll modernisation and a new time and attendance platform are scheduled for Phase 2. We also launched the nursing CPD[1] digital platform, which serves close to 11 000 nursing practitioners across all divisions.

Additionally, projects are underway to advance digital billing, targeting process improvements within both the Hospital Division and Netcare Akeso. We have also digitised the research application process to better manage and monitor ongoing research projects within the Group.

Operational efficiencies achieved through our digital transformation

Nursing efficiencies	Completed
Printing and stationery	Completed
Medicolegal insurance and claims	Completed
Billing consolidation into seven billing operation centres	Completed
Clinical pharmacists centralised	Completed
Facility and asset management digitised and centralised	Completed
Environmental sustainability digitised and centralised	Completed
HR platform digitisation[2]	In progress
Streamlining administrative and financial processes through robotic process applications and AI agents across all Netcare divisions[2]	In progress

=

>R587 million

cash savings and cost avoidance since 2022, of which R256 million was achieved in FY 2025.

Internal rate of return >25%

Completed | In progress

1. *CPD: continuous professional development.*
2. *Will start delivering operational efficiencies in FY 2026.*

Data projects

Big Data analytics platform

The Big Data analytics platform is managed centrally by the consistency of care function. To date, it has been populated with 16 data domains (ten added in FY 2025). Six satellite business units – nursing, funders, pharmacy, digital clinical pharmacy, infection prevention and control and emergency department – use the platform independently. This enables teams to identify, plan and monitor data driven clinical improvement projects that enhance patient safety, quality of care and overall cost per event. The self-service analytics and research tool that uses data from the analytics platform has 18 domains to date such as clinical measurements, patient feedback scores, pathology and radiology orders, doctor and healthcare worker consults and employee safety data etc.

The platform organises patient information by using a unique identifier for each patient as a central reference point, enabling the construction of comprehensive patient event timelines. It also seeks to democratise data access, ensuring that information can be distributed to and accessed by those who need to analyse and interpret it. Data domains, grouped by theme, make it easy for users to locate relevant information. Throughout the year, targeted training initiatives have enhanced user proficiency.

The platform addresses data security and patient privacy requirements through the use of synthetic data, while supporting research and facilitating doctor collaboration. It delivers robust clinical analysis and reporting and ensures outcomes are both accurate and auditable.

Innovation exploration

We continue to advance our research, development and testing of tools that use machine learning, generative AI, large language models, data management and advanced analytics. In FY 2024, seven proofs of concept were delivered, with five successfully implemented as operational solutions this year. In FY 2025, four new proofs of concept were introduced and tested.

Patient embedded value

The initial patient embedded value solution, launched in FY 2023, provided foundational insights into how patient relationships contribute to organisational value. In FY 2025, we began developing divisional models for the Hospital Division, emergency departments, Netcare Cancer Care and Netcare Medicross. These solutions will enable us to analyse retention within the Netcare ecosystem and will serve as key indicators of patient relationship strength and trust.

Social and relationship capital

Our stakeholder relationships support the delivery of our strategy and our commitment to being a force for social good in the building of a more inclusive and equal SA for all.

Our patients

Expanding the Netcare digital dividend

Value created | Value created/preserved but below target | Value preserved | Value eroded

Patient engagement

Over the past five years, we have overhauled patient feedback surveys and introduced multiple engagement channels to better understand patients' experiences and priorities. All Netcare divisions use structured, validated questionnaires to capture each patient's unique experience. Advanced data modelling in the Hospital Division identifies key satisfaction drivers and informs target setting. In FY 2025, the Netcare Group Patient Feedback and Complaints Committee was established to provide a Group-wide perspective on patient engagement.

The Hospital Division targets six key drivers to improve patient satisfaction: pain management, communication with next of kin, hospital cleanliness, noise levels, comfort and food. Notable improvements have been seen over the last four years, with the largest gain in communication with next of kin. Food scores, while improved, remain a focus area, prompting closer collaboration with our suppliers to ensure consistent quality across our hospitals. Noise and hospital cleanliness have also received focused attention in FY 2025, with both measures showing improvement. Across 45 hospitals, 472 improvement initiatives were implemented, with 71% of our hospitals achieving their individual composite score targets. Targeted improvement initiatives are being developed for hospitals performing below expectations, informed by deep dives into their patients' pain points and leveraging best practices from our top performers.

In FY 2025, we received 71 347 (FY 2024: 78 703) PFS[1] responses for the Hospital Division, with an average 14% (FY 2024: 17%[2]) response rate of surveyable discharges and an average 17% (FY 2024: 21%[2]) response rate to email invitations[3]. Completion rates remained above 90%. New features on the Netcare App and gratitude platform such as Get in Touch and Google review links aim to boost participation.

The average nurse compassion score rose to 8.36 (from 8.26 in FY 2024), reaching a record of 8.49 in August 2025 – an important indicator of perceived quality of care that is just as important as the care delivered. Netcare Cancer Care's radiotherapy and SACT[4] nurses continue to achieve exceptionally high standards, once again scoring above 9.4 out of ten across all perception of care metrics.

For Netcare Medicross, the new PFS (sent 24 hours post-consultation) achieved an average completion rate of 9.0%, up from 2.4% in FY 2024. The top reasons for choosing Netcare Medicross include preferred practitioner (66%), convenience and/or location (31%) and appointment availability (25%). High scores were achieved for doctors, dentists and reception though waiting times and communication remain areas of improvement. Initiatives are underway to give patients with chronic and complex conditions more consultation time to reduce waiting times and help doctors to better manage their schedules. Targets for Netcare Medicross' overall satisfaction score were set using a rigorous methodology combining historical trends and initial pilot data from the new survey.

National Renal Care's perception of care metrics improved in FY 2025, attributed to prioritising coordinated care and diversity training that promotes culturally competent care.

Quality report (for detailed disclosure).

Hospital Division

8.17

average patient overall satisfaction with hospital stay score.

FY 2025 target: 8.08

FY 2024: 8.04

FY 2023: 7.89

43%

net promotor score at year end. The likelihood of recommending Netcare to family or friends was 8.10 (FY 2024: 7.96).

FY 2024: 39%

FY 2023: 36%[5]

Netcare Medicross

9.3

average patient overall satisfaction with score.

FY 2024: 8.8 (old format survey but same question)

90%

net promotor score at year end. The likelihood of recommending Netcare Medicross to family or friends was 92%.

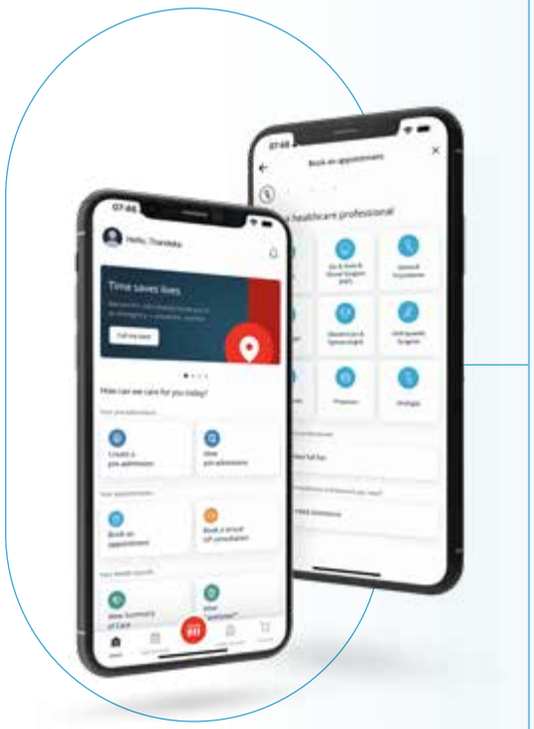
First time reported

1. *PFS: patient feedback survey.*
2. *Restated from 15% for surveyable discharges and 19% for email invitations reported in FY 2024 due to additional responses received after year end.*
3. *An average survey response rate of between 10% and 30% is considered acceptable (PeoplePulse).*
4. *SACT: systemic anticancer therapy.*
5. *Restated from 35% reported in FY 2024 due to rounding.*

Our patients continued

Digitising patient engagement

Digital engagement is central to our strategy to attract new patients, retain existing ones and increase the embedded value of patients within the Netcare ecosystem. We are building a seamless digital experience through the ONE Netcare website, the Netcare App and social media channels. The ONE Netcare website remains a key access point and continues to demonstrate strong performance, driven by ongoing enhancements. Patients are increasingly using the website to book appointments and search for facilities and specialists. User journeys are being aligned across MyNetcare Online (the patient portal) and the Netcare App for a consistent experience.



The Netcare App is a personalised healthcare solution that provides access to healthcare services across the Netcare ecosystem, and gives patients trustworthy and convenient access to their healthcare information. Phase 2 of the Netcare App has introduced new features to keep patients informed and supported throughout their hospital stay and after discharge. The app's Get in Touch function allows us to reach patients sooner and address poor experiences prior to discharge.

FY 2025 Netcare App improvements

- A comprehensive hospital guide.
- The ability to message hospital management.
- The opportunity to send gratitude cards.
- Access to health records, recovery guides, PFS, billing information, food menu and digital scripts.
- The ability to make direct emergency medical calls without having to register first.

Promoting online pre-admissions via the app has been a key focus in FY 2025, resulting in increased overall online pre-admissions via the website and app.

The National Renal Care App now provides a seven-day renal-friendly meal planner and fluid intake tracker, with average time spent engaging with the app per month rising to 18 minutes from 16 minutes in FY 2024.

Other priorities for the year included educating patients about their Summary of Care reports and providing them with targeted healthcare information. Patient consent is actively sought for personalised, timely updates about care.

Key digital engagement metrics

99 170 telephone calls made to Netcare **appointmed**™[1] facilitating approximately **21 474** appointments.	**99%** of National Renal Care's patients are registered on its app. 75% of patients are actively engaging with the platform.
FY 2024: 21 255	FY 2024: 94%
FY 2023: 20 819	FY 2023: 80%

1. *A free telephonic appointment booking service for patients and GPs to find doctors and specialists at Netcare hospitals, Netcare Akeso facilities and Netcare Medicross medical and dental centres.*
2. *Patient adoption is defined as a patient accessing their Summary of Care report at least once.*

Summary of Care reports

The first hospital group in Africa to deploy this feature

Summary of Care reports, implemented across seven Netcare divisions, provide patients with a valuable electronic clinical summary of the care they received at Netcare facilities. These reports use data captured by attending doctors and are designed to empower patients to actively participate in their care, ultimately supporting improved clinical outcomes. The effectiveness of these reports relies on both the thoroughness of doctors' notes and the patient's ability to understand the information provided. Across all seven divisions, the overall patient adoption[2] rate at year end was 5.4%.

A survey of 2 113 eligible hospital patients in January 2025 revealed that 42% accessed their Summary of Care report and 39% of those found it more valuable than they expected. Qualitative feedback indicated that patients primarily used the report to verify billing and care accuracy, and requests were received to include more practical information, such as prognosis, self-care guidance and advice for caregivers.

The theatre resource planning tool was developed to improve data quality and accuracy and streamline workflow for surgical cases. System enhancements were implemented in June 2025, followed by doctor engagement and employee training, resulting in improved doctor adoption.

To make clinical information accessible for patients, we developed, tested and implemented a large language model and natural language processing tools to interpret and translate credible, independently governed clinical data into layman's terms. Patients are able to ask questions on the information in the report, enhancing their education and participation in their recovery post hospitalisation. This feature launched on MyNetcare Online and the Netcare App in September 2025, resulted in the highest monthly engagement with Summary of Care reports for the Hospital Division since launch in June 2024, with over 4 000 files accessed. Patient adoption for the Hospital Division was 9.4% for the year.

Patient adoption of National Renal Care's Summary of Care met the 25.4% target for FY 2025, largely due to nurses who consistently communicate the value of the reports to patients.

Our people

Value created | Value created/preserved but below target | Value preserved | Value eroded

Employee engagement

In FY 2025, Netcare participated in the Top Employers Institute survey to benchmark ourselves against other employers. Achieving Top Employer certification for both 2025 and 2026 with an average overall score of 80% (well above the 60% minimum to qualify), we outperformed the global average in the Steer and Unite domains. Survey insights identified opportunities to enhance the employee experience, especially through digitised HR processes, with some work to be done in talent acquisition. Action plans and the implementation of MyNetCareer are underway to drive improvements towards achieving best practice HR standards.

Top Employer survey scores

Steer	Shape	Attract	Develop	Engage	Unite
94.1%	80.3%	63.0%	78.2%	73.8%	95.3%
Business strategy, people strategy and leadership	Organisation and change, digital HR and work environment	Employer branding, talent acquisition and onboarding	Performance, career and learning	Wellbeing, employee listening, rewards and recognition and offboarding	Purpose and values, ethics and integrity, DEI and sustainability

To address gaps in fairness, trust and integrity at work, highlighted in the FY 2022 Voice of OUR Employees engagement survey, we updated our HR policies to ensure their fair and consistent application across the organisation. In FY 2024, management participated in training and awareness sessions on these updated policies, and this year the training was extended to the broader workforce. 66% of non-management employees have been reached (target: 80%)[1]. Workshops were also held for leaders focused on fair disciplinary management and for employees on workplace harassment and bullying.

Care and Connect sessions were introduced to strengthen relationships between employees and management, revisiting Netcare's values and behaviours and providing opportunities for open two-way dialogue on strategic and operational issues. These sessions have reached 37% of employees (target: 70%)[1].

Over the past five years, the Hospital Division completed all six modules of the Care4YOU Programme to embed compassion as a core value. The programme has delivered benefits for employees and positively impacted our nursing compassion scores. 2 327 employees participated in the pause and reflect survey and 20 follow-up group discussions were held to assess the programme's impact. Insights will be used to identify how we can sustain the benefits of Care4YOU going forward.

Person centred employee proposition: page 91.

ESG report (for detailed disclosure).

1. *Initiative will continue in FY 2026.*
2. *Excludes PPPs and includes agency costs.*
3. *Negative sentiments received via the gratitude programme are managed through our complaints management processes.*

Engaging with recognised trade unions

At September 2025, union membership was at 48.3% of the permanent workforce (FY 2024: 48.1%). Wage negotiations were successfully concluded for FY 2025/26 with all three of the Hospital Division's recognised trade unions and with Netcare Medicross' recognised trade union. The same adjustment and benefits were extended to the members of Solidarity, which does not have a majority membership within the Hospital Division, as well as other employees in non-bargaining units in the interest of promoting fairness and enhancing pay parity.

R9 764 million
salaries paid[2], up 5%.
FY 2024: R9 286 million
FY 2023: R8 861 million

17 485
Care4YOU sessions rolled out.
FY 2024: 11 833
FY 2023: 12 208

20 887
gratitude cards received by employees from patients and their families; 95% expressing positive sentiments[3].
FY 2024: 28 758
FY 2023: 36 555

37
employee grievances received relating to labour practices; all resolved by year end. 92 cases referred for conciliation.
FY 2024: 37
FY 2023: 26

5
cases of unfair discrimination, racism, sexism, harassment, workplace bullying and/or human rights violations were reported through the anonymous toll-free SHOUT line. All cases where consent was received were resolved and appropriate corrective action was taken.
FY 2024: 6
FY 2023: 6

Doctors and allied healthcare professionals

Expanding the Netcare digital dividend

Value created | Value created/preserved but below target | Value preserved | Value eroded

Doctor engagement

We continue to advance our strategic initiatives to address the 'pain points' identified in the Hospital Division doctor engagement survey conducted in FY 2023. We have grown our engagement touchpoints and are investing in improved mechanisms to better align our offering with doctors' needs and expectations. For example, we have established a single source of doctor data that seamlessly supplies all necessary information to business processes within the Hospital Division, eliminating the need to repeatedly request updates from them. We have also created a clinical partner network for specialists charging medical scheme rates to help them increase their market share in lower cost network options. Over 1 092 specialists had joined the network by year end. With these improvements, we anticipate better outcomes in next year's doctor engagement survey.

In response to the independent Netcare Medicross consumer research survey conducted in FY 2024, a project was launched to re-establish GPs as the central custodians of patient health and care. The Netcare GP Partner Network pilot aims to improve communication between GPs and Netcare hospitals to enhance continuity of patient care and increase referral rates. As part of this initiative, we piloted the use of CareOn and Summary of Care reports to improve engagement with GPs from when their patients are admitted to hospital to when they are discharged and return to their GP's care. More broadly, this project will contribute positively to overall cost of patient care by eliminating the duplication of medical tests.

Netcare Medicross' FY 2025 engagement survey reached 404 healthcare practitioners and achieved an overall response rate of 20%[1]. The survey revealed that healthcare practitioners increasingly value Netcare Medicross' support in achieving financial growth, digital systems that enhance their practices and a culture of teamwork, equality and shared accountability. High-quality, compassionate nursing and dental support staff remained the top priority. Compared to the FY 2023 survey, dentist satisfaction declined while GP satisfaction showed a remarkable turnaround.

Netcare Akeso's doctor engagement survey, with a 25% response rate, highlighted the need to improve patient food services and communication between management, doctors and multi-disciplinary teams. Our group therapy programmes remain a major draw for psychiatrists.

Personalised clinical information reports

PCI reports provide doctors with evidence-based information on their personal quality of care outcomes, patient experience scores and contribution to the total cost of an admission. The electronic version allows for case level data analysis. We have developed six focused, discipline-specific PCI reports from our clinical and efficiency data models (one developed in FY 2025). These reports compare a doctor's performance against that of their peers in the same discipline, providing granular information that presents a truer identification of outliers and supports meaningful, data driven engagement with doctors. This supports strong doctor partnerships to enhance clinical cost efficiency, inform our clinical and efficiency data models and support evidence-based commercial contracting.

Quality report (for detailed disclosure).

Netcare Medicross healthcare practitioner engagement survey

7.6
our score for healthcare practitioners who would recommend Netcare Medicross
FY 2023: 7.1

Note: score out of ten.

76%
of healthcare practitioners want to expand their practice – an 11% increase on FY 2023.

2 063
PCI reports released to doctors.
FY 2024: 2 025[2] | FY 2023: 1 992

27
black doctors received ESD[3] support (subsidised rental space, practice setup and office refurbishments etc).
FY 2024: 39 | FY 2023: 45

733
initiatives held to support the CPD[4] of doctors.
FY 2024: 726 | FY 2023: 741

R9 million
invested in the Professor Bongani Mayosi Netcare Clinical Scholarship fund for black clinical scholars[5].
SDP 2024: R11 million
SDP 2023: R9 million

R13 million
of our CSI invested in doctor training and development.
FY 2024: R14 million
FY 2023: R18 million

1. *An average survey response rate of between 10% and 30% is considered acceptable (PeoplePulse).*
2. *Restated from 3 906 reported in FY 2024.*
3. ***ESD:** enterprise and supplier development.*
4. ***CPD:** continuous professional development.*
5. *Calculated for skills development period (SDP) 1 April 2024 to 31 March 2025.*

Private medical funders

Expanding the Netcare digital dividend

Value created | Value created/preserved but below target | Value preserved | Value eroded

Digital funder engagement

We have successfully piloted an electronic funder portal designed specifically for funders to seamlessly engage with Netcare on case management and billing. Funders have secure access to all relevant member information and authorisations in near real time, 24/7/365, significantly reducing time spent on calls or sending emails.

1. Access to a patient's clinical parameters, including vitals, for updates on clinical status.
2. Access to a patient's radiology and pathology reports.
3. Electronic letters of motivation from Netcare for level of care, and expensive and Section 21 medication[1].
4. Access to the case management summary report of a patient's stay in hospital.
5. Access to digital Summary of Care reports.
6. Ability to load electronic remittance advices and rejections.

Value-based contracting

Clinical outcomes (mortality and readmission rates)	Patient safety (hospital-acquired infections)	Patient experience	Cost per event

Value-based contracting aligns payment models with health outcomes rather than the quantity of services delivered. It incentivises hospitals to improve patient outcomes and experience and reduce cost. We have developed methodologies for measuring performance for the four value-based contracting categories shown above.

Quality report (for detailed disclosure). *Clinical cost efficiency: page 97.*

34

quality of care measures reported in our automated quality report to medical schemes, released quarterly. Early in 2025, we included patient feedback measures for the first time. Based on funder engagement, changes will be made to our quality reports in FY 2026.

FY 2024: 28

FY 2023: 23

7

risk-adjusted clinical and efficiency data models developed for ten specific disciplines to inform focused quality improvements.

FY 2024: 5

FY 2023: 4

Netcare birthwise

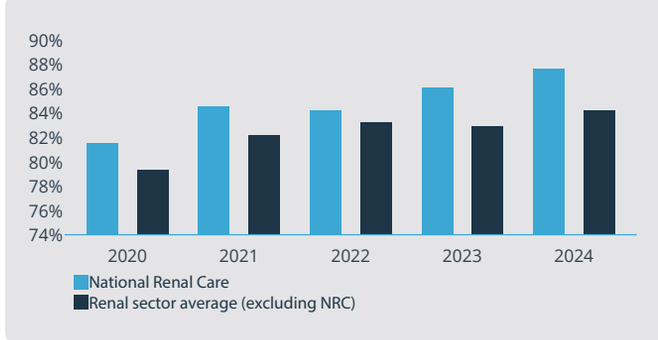
Creating value for both our patients and funders, Netcare birthwise is an innovative clinical product that arose out of our clinical cost efficiency programme. Our goal was to develop a competitive maternity offering for funders while consolidating highly efficient maternity care to improve quality, safety and cost of care.

Netcare birthwise provides patients with the entire antenatal, birth and post-partum journey with no out-of-pocket expenses. It relies on a multi-disciplinary team resourced by doctors, including obstetricians, GPs and midwives. By clinically appropriate assignment of duties and following the defined care pathway, all costs are controlled within scheme benefits. For Netcare, the product supports market share growth as its affordability allows more patients to access maternity care at Netcare hospitals.

In the pilot phase, Netcare birthwise performed better than anticipated. It is available at Netcare Park Lane and Netcare Femina hospitals and will be rolled out to additional hospitals in FY 2026.

NETCARE birthwise @ Netcare Femina Hospital

Enabled by our digital platform, nephrologists practising at **National Renal Care** are provided with monthly clinical reports for each of their patients, including pathology results and detailed recordings of dialysis machine parameters, to monitor and inform treatment. The **NephrOn App**, with over 95% patient engagement, allows patients to participate in managing their condition, resulting in improved outcomes. National Renal Care's value-based care quality score outperforms the renal sector, with improving outperformance year on year



1. *Medication that is not available in SA.*

Suppliers

Value created | Value created/preserved but below target | Value preserved | Value eroded

Supporting small businesses

Our structured ESD Programme[1] supports eight high-potential small businesses (FY 2024: seven), four of which are black women owned (FY 2024: six). The risk profile of these businesses remains stable, with good growth and compliance on loan repayments[2]. The outstanding loan balance (not yet due) was R92 million at year end, slightly lower than prior year due to repayments received. There have been gains in respect of EMEs migrating to QSEs, and QSEs migrating to generic enterprises[3], signifying positive operational and financial growth of these entities due to Netcare's support. As SMME suppliers grow, they leave gaps at EME and QSE levels and place pressure on our spend in these categories. We actively source reputable businesses for the ESD Programme, and in FY 2025 we onboarded four new beneficiaries (offset by three partners exiting). We also introduced a formal strategy to increase our spend in the EME and QSE categories.

The success of our ESD Programme is demonstrated by Dosimeter Services. The 51% black-owned business commenced in 2018 as an internal solution for Netcare and has since expanded profitably to serve external customers, with Netcare now accounting for only 25% of the dosimeter services provided. The business grew its revenue by 62% year on year. Another success is Netcare Diagnostics, a black female-owned pathology provider, which continues to show strong growth in both revenue and test volumes, with four laboratories commissioned and 163 service points deployed across Netcare. Further expansion is planned for FY 2026.

ESG report (for detailed disclosure).

R14.3 billion

total procurement spend, of which **92%** qualified as measurable for B-BBEE purposes under the dtic Codes[4].

FY 2024: R14.3 billion, 90%

FY 2023: R13.8 billion, 92%

117% of our measurable procurement spend was with B-BBEE compliant suppliers, totalling R15.3 billion (FY 2024: R15.3 billion).

FY 2025 target: 123%

dtic target: 80%

FY 2024: 119%

FY 2023: 114%

R7.7 billion

spend with ≥51% black-owned businesses (**59%** of measurable spend). These suppliers comprised 37% of our supplier base in FY 2025.

FY 2025 target: 59%

dtic target: 50%

FY 2024: R7.3 billion; 57%

FY 2023: R6.6 billion; 52%

R5.0 billion

spend with ≥30% black women-owned businesses (**39%** of measurable spend). These suppliers comprised 21% of our supplier base in FY 2025.

FY 2025 target: 41%

dtic target: 12%

FY 2024: R5.2 billion; 40%

FY 2023: R4.1 billion; 32%

R1.5 billion

spend with QSEs (**12%** of measurable spend). These suppliers comprised 16% of our supplier base in FY 2025.

FY 2025 target: 11%

dtic target: 15%

FY 2024: R1.4 billion; 11%

FY 2023: R1.2 billion; 9%

R1.0 billion

spend with EMEs (**8%** of measurable spend). These suppliers comprised 37% of our supplier base in FY 2025.

FY 2025 target: 9%

dtic target: 15%

FY 2024: R1.1 billion; 8%

FY 2023: R1.0 billion; 8%

R140 million

invested in ESD, of which R34 million was measurable under the dtic Codes for enterprise development[5] and R71 million for supplier development[6]. This equates to 2% and 4% of NPAT for enterprise development and supplier development, respectively.

Enterprise dtic target: 1% of NPAT

Supplier dtic target: 2% of NPAT

FY 2024: R185 million

FY 2023: R72 million

1. *The structured enterprise and supplier development (**ESD**) programme provides access to low and interest-free loans and non-financial business development support.*
2. *Suppliers being considered for funding are vetted and undergo a due diligence process. Loan amounts are approved by the Finance and Investment and the ESD Funding committees.*
3. ***EMEs and QSEs:** exempted micro enterprises and qualifying small enterprises. Generic suppliers are those that have an annual turnover of >R50 million.*
4. ***dtic Codes:** Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment Codes of Good Practice.*
5. *Businesses we have identified as having the potential to become part of our supply chain.*
6. *Registered suppliers to Netcare.*

Regulators and government

Value created | Value created/preserved but below target | Value preserved | Value eroded

Sharing our expertise and capacity

We share a common objective with government: to address the structural weaknesses that challenge SA's healthcare sector. We have developed a comprehensive engagement plan to strengthen communication with all levels of government, aiming to improve healthcare delivery and build sustainable solutions for the national health system. Through this engagement, we seek to contribute positively to discussions of key issues and the shaping of new healthcare regulations.

Public health partnerships

- We partnered with the Gauteng Department of Health to help alleviate the backlog of prostate and breast cancer patients, utilising our spare capacity at Netcare Olivedale Hospital's radiation unit.
- The Bloemfontein PPP acute hospital contract was renewed for a further two years.
- National Renal Care maintains 11 PPPs.

Human milk banks (33% of donor breastmilk was given to public sector babies)

- The Netcare-funded Ncelisa Human Milk Bank at RMMC[1] Hospital has recruited 42 donors and fed 288 public sector babies with donated breastmilk since its opening in July 2024. This is our first milk bank in the public healthcare sector.
- Recipient eligibility criteria at RMMC Hospital were expanded in FY 2025, allowing more babies to be fed for longer periods.
- The milk handler at RMMC Hospital has begun recruiting donors at Charlotte Maxeke Johannesburg Academic Hospital to feed babies born and admitted there.
- Plans are underway to trial the freeze-drying of human breastmilk, a first for SA, to reduce reliance on the cold chain and preserve nutritional and immunological components of milk. If successful, this would allow us to reach disadvantaged mothers and babies in rural areas.

Organ donation (55% of all organs procured are shared with the state)

- We support state organ donor and transplant services by sharing organs with state hospitals in Johannesburg, Durban and Cape Town. We also cover the costs of managing donors (donor care, testing and management).

Nursing education and training

- We continued to collaborate with the NDoH and all private and public nursing education institutions on the development of a differentiated nursing education and training plan for SA for 2025 to 2029. Policy analysis and recommendations for nursing education reform were presented at the final workshop in July 2025.
- The HASA Board Nursing sub-committee has proposed a collaborative study to maximise public and private sector training capacity and ensure an adequate nursing pipeline for each province. Netcare supports this proposal.

Mental health and community support

- The Healthy Lifestyle Trust, in partnership with the South African Depression and Anxiety Group, has established and maintains counselling containers in Diepsloot and Ivory Park, reaching over 135 000 community members and providing extensive counselling and outreach services since March 2019.

R758 million

income tax paid, up 120%.

FY 2024: R345 million

FY 2023: R374 million

18 959[2]

people employed who pay personal tax, and contribute to the economies of the communities where they live and work. 84% of permanent full-time employees use the Group's medical aid (FY 2024: 83%).

FY 2024: 18 927

FY 2023: 19 168

109

unemployed youth enrolled in the Netcare Youth Development Initiative. Since 2018, 1 738 learners have been enrolled on learnerships at Netcare. 1 293 learners have completed their learnership, with 94% now gainfully employed (64% at Netcare).

SDP 2024: 215

SDP 2023: 101

1 083

jobs sustained by 134[3] of our ESD beneficiaries with **475** jobs created in the year.

FY 2024: 510; 42 created

FY 2023: 468; 162 created

1. ***RMMC:*** *Rahima Moosa Mother and Child.*
2. *Total permanent employees and fixed-term contractors.*
3. *Job creation/preservation is tracked for beneficiaries participating in our various support programmes (excluding the early payment programme).*

Society

Value created | Value created/preserved but below target | Value preserved | Value eroded

R11 million
distributed through the HPFL[1] B-BBEE trusts, which benefits our employees and NPOs and NGOs that work to uplift communities.
FY 2024: R7 million
FY 2023: R6 million

R27 million
corporate social investment, 8% up on prior year. 89% of CSI beneficiaries were black.
FY 2024: R25 million
FY 2023: R29 million

91
indigent patients treated with emergency medical services at a cost of R4 million (FY 2024: R3 million).
FY 2024: 153
FY 2023: 338

703
survivors of GBV[2] and sexual assault provided with free and compassionate care and counselling. 46% were under 18 years old, 90% were women and 88% were uninsured.
FY 2024: 699
FY 2023: 771

112
beneficiaries[3] funded for various procedures (cleft lip and palate, craniofacial, elephantiasis, cataract, cochlear implant and paediatric cardiac programmes).
FY 2024: 89
FY 2023: 181

ESG report (for detailed disclosure).

Access to private healthcare

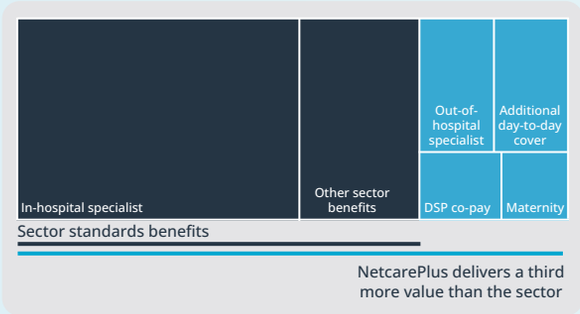
NetcarePlus offers innovative healthcare products and funding solutions designed to make high-quality private healthcare accessible to a broader segment of SA's population – those who are uninsured, not covered by medical aid or on network options where Netcare is not a designated service provider. By providing these solutions, NetcarePlus helps alleviate pressure on the public health system.

Available through multiple channels, including the Netcare App, the product portfolio comprises gap cover, emergency and primary care insurance, employee wellness programmes, prepaid healthcare vouchers for consultations and elective procedures across multiple specialties, including ophthalmology, ENT[4], gynaecology, orthopaedics, urology and general surgery.

In FY 2025, NetcarePlus reported a 36% growth in insured lives compared to last year, with 44% (FY 2024: 38%) being retail clients.

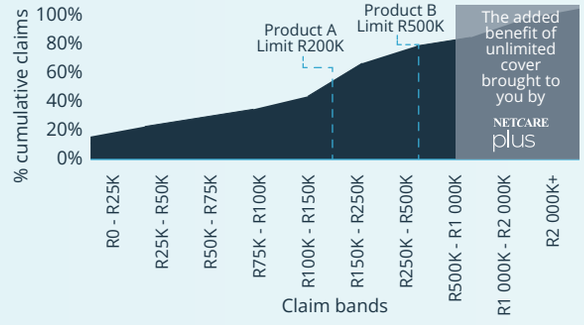
NetcarePlus GapCare

The in-hospital specialist shortfall benefit is the most claimed benefit under NetcarePlus GapCare, making up 42% of total claims. This product offers a third more value than the standard benefits of other products of this kind as shown by the light blue segments in the graph below. During the year, an accidental death and disability benefit was added to gap insurance.



NetcarePlus EmergencyCare

Many products similar to NetcarePlus EmergencyCare have limited cover; often insufficient to treat a patient. NetcarePlus EmergencyCare offers unlimited cover, made possible through the Netcare ecosystem. Over 90% of EmergencyCare cases are treated at Netcare with no upfront co-payments for patients. This product was improved in FY 2025 with the introduction of an enhanced cover option for illnesses.



1. *The four HPFL B-BBEE trusts including our employee share ownership scheme, and trusts that support clinical skills development and community-based health and wellness initiatives.*
2. ***GBV:** gender-based violence.*
3. *Focusing on individuals who earn less than R2 000 a month and have no health insurance.*
4. ***ENT:** ear, nose and throat.*

ESG ratings

CDP

Global rating

Assesses climate change disclosure.

Rating date
December 2024

Climate change

Scored C

On par with the global (C) and Africa (C) and higher than the healthcare (D) average scores.

2023: B

2022: B

Water

Scored B

Higher than the global (C), Africa (B-) and healthcare (D) average scores.

2023: B-

2022: B

Netcare target: A rating across both measures by 2026

Note: our rating for 2024 declined due to an extensive methodology update to CDP climate change scoring; however, we remain committed to achieving an A rating.

S&P Global Corporate Sustainability Assessment

Global rating

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

Rating date
August 2025

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

Scored 91%

2024: 94%

2023: 93%

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

Note: the decline in Netcare's governance and environmental scores are due to changes in S&P's assessment methodology following the adoption of the IFRS Sustainability Disclosure Standards.

MSCI ESG Research Inc.

Global rating

Evaluates the management of financially material ESG risks and opportunities.

Rating date
October 2025

Achieved 'AAA' rating

2024: AA

2023: AA

This is the first time Netcare has achieved 'AAA' rating; the highest awarded on a seven-point scale.

MSCI ESG RATINGS AAA

CCC | B | BB | BBB | A | AA | AAA

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

Institutional Shareholder Services

Global rating

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

Rating date
September 2025

Achieved B rating

and a very high transparency level

2024: B-

2023: B-

	2025
Governance	3
Environmental	1
Social	2

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

ESG ratings continued

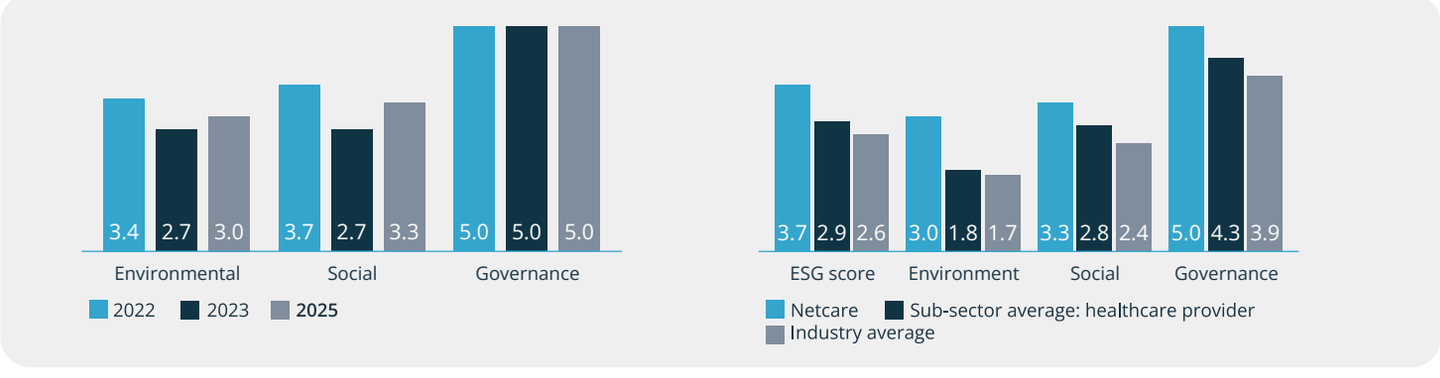
FTSE4Good Index Series

Global rating

Measures ESG performance.

Rating date
April 2025

3.7 out of 5



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

Manufactured capital

Our physical infrastructure, including our facilities, medical equipment, digital assets and the infrastructure installed to improve our environmental impact, as well as the national infrastructure on which we depend, all of which impact the quality of care we provide, our doctor and funder relationships and patient experience.

Physical infrastructure

Value created | Value created/preserved but below target | Value preserved | Value eroded

Capital expenditure

Total capex, including strategic projects, amounted to R1.6 billion for FY 2025, slightly above market guidance of R1.5 billion. Excluding the replacement of assets damaged by the Netcare Pretoria East Hospital fire, replacement capex was 4.7% of revenue, above our internal benchmark of 4.5% due to some of our planned bed conversions having been brought forward. Expansionary projects accounted for 18% of total capex.

Total capex for FY 2026 is budgeted at R1.9 billion as expansion and digitisation accelerate. Key investments include new beds and bed conversions in the Hospital Division, Netcare Akeso construction projects, new doctors' rooms, a number of digitisation and AI projects and the environmental sustainability programme.

Estate and medical equipment

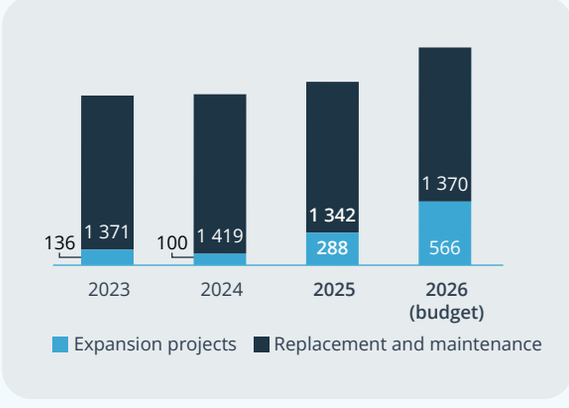
The fire at Netcare Pretoria East Hospital on 5 December 2024 originated above the plant room. The exact cause remains undetermined. There was no loss of life thanks to the rapid and coordinated response of our employees and emergency services. Patients were safely evacuated and received support and care from specific ward teams. Critical cases were transferred to other Netcare hospitals and non-critical patients were re-admitted the same night once the facility was declared safe and electrical and medical gas services had been restored. All critical services were reinstated within seven days. While the western theatre complex remained operational, seven theatres in the eastern complex were extensively damaged. All seven were restored and recommissioned by July 2025 after official inspection and clearance.

Onsite water storage and distribution are already incorporated in new hospital builds and major hospital expansion projects (seven hospitals). Risk-based upgrades for the balance of our hospital portfolio will be implemented over the next three to five years. We have also launched a strategic major emergency preparedness and readiness project to incorporate lessons learned from our recent experience into our policies and procedures to improve our operational fire response.

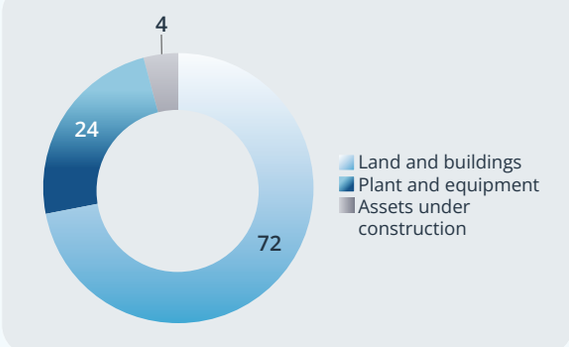
R631 million
spent on repairs and maintenance.
FY 2024: R618 million
FY 2023: R564 million

R732 million
invested in new medical equipment.
FY 2024: R798 million
FY 2023: R733 million

Capital expenditure (Rm)



Carrying value of property, plant and equipment (%)



Physical infrastructure continued

Estate and medical equipment continued

Key expansion, maintenance and replacement and strategic projects

Expanding the Netcare digital dividend

Acute	Mental health	Primary care	Renal care	Information technology
• **Netcare Akasia Hospital:** medical ward upgraded. • **Netcare Garden City Hospital:** paediatric unit upgraded. • **Netcare Linksfield Hospital:** catheterisation laboratory upgraded. • **Netcare Milpark Hospital:** pharmacy upgraded (Phase 1); Phase 2 to begin in FY 2026. • **Netcare Montana Hospital:** upgrade of the maternity ward (FY 2026). • **Netcare Mulbarton Hospital:** foyer and coffee shop upgraded. • **Netcare Park Lane Hospital:** foyer and coffee shop upgraded. • **Netcare Parklands Hospital:** radiation bunker refurbished. • **Netcare St Anne's Hospital:** surgical ward refurbishment project to complete in FY 2026. • **Netcare St Augustine's Hospital:** three theatres upgraded. • **Netcare Sunninghill Hospital:** upgrade of one ward and one laboratory (FY 2026). • **Netcare Sunward Park Hospital:** start a two-year theatre upgrade project to complete in FY 2027. • **Netcare Umhlanga Hospital:** convert a day ward to a high care unit (FY 2026). • **Netcare Unitas Hospital:** oncology ward upgraded this year and the refurbishment of a medical ward is scheduled for FY 2026. • One LINAC[1] machine installed in FY 2025 and one installation and one replacement scheduled for FY 2026. • Three beds converted from low demand disciplines to high demand disciplines across the Hospital Division in FY 2025. 89 bed additions and/or conversions are budgeted for FY 2026. • Established seven billing operations centres. • Closed two radiation operations that had low utilisation levels.	• Essential refurbishment work at certain Netcare Akeso facilities. • **Expansion** 87-bed Netcare Akeso Polokwane facility to open in March 2026. • **Expansion** 88-bed Netcare Akeso Montana facility to be commissioned in October 2026 (delayed from June 2026). • **Expansion** 80-bed Netcare Akeso Alberlito facility to open March 2027.	• **Netcare Medicross:** eight refurbishments. • **Netcare Occupational Health:** one occupational health industrial hub and one executive health facility upgraded. • **Expansion** an occupational executive health and travel clinic opened in Westmead, KwaZulu-Natal. • **Expansion** 32-bed sub-acute facility to open in FY 2026.	• **Expansion** Three new chronic haemodialysis units opened, one unit relocated and 47 dialysis points added. An additional six units to open in FY 2026.	• Cybersecurity enhancements. • Netcare App enhancements. • Server replacements. • Population of Big Data analytics platform. • Phase 1 of the MyNetCareer implementation (HR digitisation project).

1. ***LINAC:*** *medical linear accelerator.*

Physical infrastructure continued

Alternative sources of energy

Renewable energy

Our renewable energy strategy has advanced significantly with the unconditional status of the wheeling[1] agreement with NOA Group Trading in 2024. This 20-year arrangement, focused mostly on wind power, will supply six Eskom-supplied facilities with up to 100% of renewable energy by September 2026 – around 12% of our annual electricity consumption. Negotiations are ongoing to extend this agreement to 12 municipal-supplied facilities across four municipalities, which will add a further 15% to 20% to our renewable energy footprint.

While these agreements do not mitigate power outage risks, they do offer discounted tariffs and inflation-linked increases, supporting meaningful cost savings.

Netcare operates the largest solar fleet among SA's hospital groups, with 72[2] solar PV systems generating 16.4 GWh (FY 2024: 15.1 GWh) of power during the year. Two of these systems were installed this year, with a further three installations planned for FY 2026.

Going forward, we will upsize and optimise our existing PV systems and integrate BESS[3] to store surplus energy for use during non-PV generating periods, such as nighttime. BESS also enables energy arbitrage, using stored energy during 'peak' tariff periods, and reduces reliance on diesel generators during power outages, Currently, BESS are installed at 20 Netcare Medicross centres and two acute hospitals.

R14 million
invested in our renewable energy programme.
FY 2024: R11 million
FY 2023: R20 million

Solar PV installations delivered a cost saving of
R48 million
FY 2024: R38 million
FY 2023: R34 million

Two recently commissioned BESS installations are estimated to realise a cost saving of
R3 million.

Anaerobic digestion (a first in South African healthcare)

At Netcare Alberton Hospital we are piloting an anaerobic digestion plant that converts food waste into methane, which is then transformed into electricity for the facility. The plant started generating electricity in mid-October 2025. The success of this pilot could lead to the rollout of similar technology at other facilities with sufficient waste volumes. Additionally, the process produces organic fertiliser, benefiting both the hospital and local farmers.

Other energy-related infrastructure projects

In our second national LED lighting rollout, 43 acute hospitals are undergoing installation with over 100 000 energy efficient luminaires already fitted. In addition, an LED lighting replacement project is planned for 35 Netcare Medicross centres. We piloted the use of biodiesel as generator fuel – cheaper than fossil fuel-based diesels and with fewer emissions. Rollout to Netcare Akeso facilities has begun. Six additional electric vehicle charging stations were installed in FY 2025, now providing patients and/or employees at eight of our acute hospitals with access to charging infrastructure. Two stations are planned for the short term.

Alternative sources of water

Water security and risk mitigation strategy

During FY 2025, borehole feasibility studies were completed for 44 Netcare hospitals and 13 Netcare Akeso facilities. The Group currently has 45 boreholes (seven in use) and seven groundwater treatment works, with plans to add 30 more boreholes in the short term for both the Hospital Division and Netcare Akeso. For the Hospital Division, construction of groundwater treatment plants is planned for four facilities and applications for water use licences for over 30 boreholes that are not in use are pending. Installations of new groundwater treatment works will commence in FY 2026 and rollout will take place over the next five years.

The construction of the onsite greywater treatment plant at Netcare Alberton Hospital has received municipal approval and construction will begin in FY 2026. The plant is expected to meet 60% of the hospital's water needs and save around 50 000 kilolitres annually. Investigations on the feasibility of blackwater treatment plants continue.

We are also converting water-intensive HVAC[4] cooling towers to energy efficient technologies that do not require water. Upgrades to reverse osmosis systems at National Renal Care facilities have resulted in a reduction of water wastage by 50% to 70%.

The water security and risk mitigation strategy required capex of R7 million in FY 2025 (FY 2024: R6 million).

ESG report (for detailed disclosure).

1. *Wheeling is when electrical energy produced by a generating facility or power producer is wheeled through the grid and sold to the energy consumer without a direct or physical connection between the parties.*
2. *Number decreased year on year due to the disposal and closure of various Netcare facilities centres with solar PV systems.*
3. ***BESS:** battery energy storage systems.*
4. ***HVAC:** heating, ventilation, and air conditioning.*

Natural capital

The natural resources we use, predominantly water and energy, and the waste we generate during the normal course of daily operations to deliver the best and safest care, with an increasing focus on influencing environmental improvement in the supply chain.

ESG report (for detailed disclosure).

Environmental sustainability

Value created | Value created/preserved but below target | Value preserved | Value eroded

The 2030 environmental sustainability strategy is the second phase of our environmental sustainability programme. It drives substantial financial savings through relatively modest capital investments while advancing the Group to net zero emissions by 2050. Phase 2 is well underway and delivered tangible financial savings of R42 million in FY 2025 (see *page 36*).

Carbon footprint

Emission targets

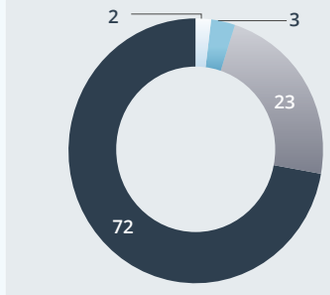
- Achieve zero Scope 2 emissions.
- Reduce Scope 1 and Scope 2 emissions by a combined 84%.
- Significantly reduce Scope 3 emissions against baseline.

SBTi commitments measured against the FY 2019 baseline

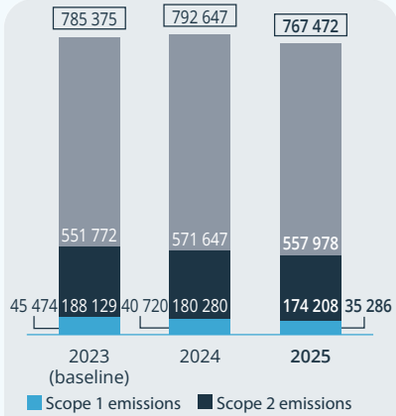
Reduce Scope 1 and Scope 2 emissions by 63% by 2034 and 90% by 2050 to achieve net zero.

Reduce Scope 3 emissions by 27.5% (46.2% of Scope 3.1) by 2030 and by 90% by 2050 to achieve net zero.

Breakdown of carbon emissions (%)



Carbon emissions (tCO_2e)



Note: excludes emissions falling outside of the Kyoto Protocol. Scope 3 emissions restated[1].

Absolute Scopes 1 and 2 emissions	Scope 2 emissions: purchased electricity	Scope 3 emissions[1]	Scopes 1 and 2 emissions to revenue	Scopes 1 and 2 emissions to beds
5% decrease	**3% decrease**	**2% decrease**	**9% decrease**	**5% decrease**
to **209 494** tCO_2e, a 10% decrease against the 2030 strategy baseline and 15% against the SBTi baseline.	to **174 208** tCO_2e, a 7% decrease against the 2030 strategy baseline.	to **557 978** tCO_2e, a 15% decrease against the SBTi baseline.	to **7.95** tCO_2e/Rm.	to **19.33** tCO_2e/bed.
FY 2024: 221 000	FY 2024: 180 280	FY 2024: 571 647	FY 2024: 8.77	FY 2024: 20.40
FY 2023 baseline: 233 603	FY 2023 baseline: 188 129	FY 2023: 551 772	FY 2023: 9.86	FY 2023: 21.41
SBTi baseline: 245 218		SBTi baseline: 657 532		

1. *Scope 3 emissions restated to account for updates to Scope 3.3 emissions factors. Total Scopes 1, 2 and 3 emissions updated from FY 2023: 752 710 and FY 2024: 766 612.*

Environmental sustainability continued

Carbon footprint continued

Lower levels of load shedding in FY 2025 led to a significant reduction in generator usage. This positively impacted Scope 1 emissions as diesel generator usage decreased 69%. The rented fleet, comprising 222 petrol and diesel vehicles, four helicopters and three jets, contributed only about 1% to Scope 1 emissions. Looking ahead, we will evaluate the adoption of electric ambulances for Netcare 911, which could further reduce emissions. Overall, diesel consumption decreased 40%.

Conversely, Scope 2 emissions were negatively affected by reduced load shedding; however, this was offset by an improvement in the updated DFFE[1] 2023 emissions factor, which resulted in an overall decrease in Scope 2 emissions year on year.

Electrical energy consumption decreased marginally year on year, with purchased electricity down by 1%. This reduction occurred despite lower load shedding and is a result of an increase in renewable energy. Overall (direct and indirect) energy consumption decreased 7% to 243 665 MWh (FY 2024: 262 688 MWh) driven by substantial reductions in natural gas and generator usage.

Energy intensity also declined thanks to our ongoing energy efficiency initiatives. These initiatives together with our solar PV systems enabled the Group to meet and exceed the related FY 2025 Group BSC targets. Our renewable energy capacity continues to grow, with material changes expected upon the full implementation of Phase 1 of the renewable energy wheeling initiative in late FY 2026 (see *page 111*).

Scope 3 emissions decreased year on year, primarily due to a stronger focus on reducing downstream emissions, particularly those related to purchased goods and services, which fell by 6% compared to FY 2024. In the longer term, the renewable energy programme aims to reduce Scope 3 emissions for fuel and energy-related activities and downstream leased assets to zero.

Energy

Energy targets

- 100% renewable energy.
- Reduce electricity intensity by 1% against baseline (measured in kWh per bed per year).

Renewable energy

1 573

additional year-on-year tCO_2e avoided through new renewable energy projects.

FY 2025 BSC target: 1 300

FY 2024: 1 847

FY 2023: 1 081

Energy efficiency

6 840

additional year-on-year tCO_2e avoided through new energy efficiency projects.

FY 2025 BSC target: 4 700

FY 2024: 2 300

FY 2023: 1 324

Total energy to all beds[2]

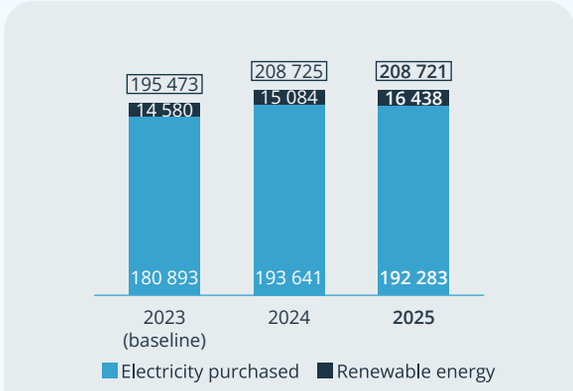
1% decrease

to 18 787 kWh per bed per year, a 4% increase against baseline.

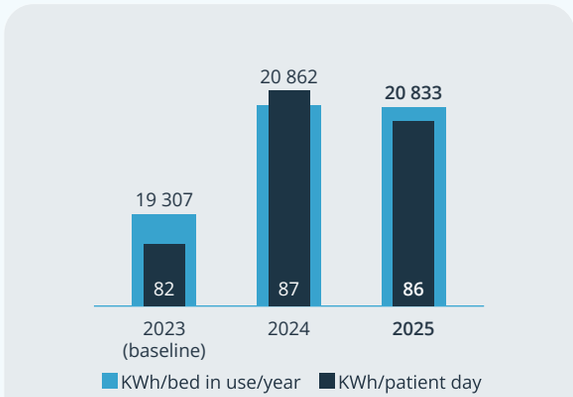
FY 2024: 18 968

FY 2023 baseline: 18 128

Electrical energy consumption (MWh)



Energy intensity on monitored facilities



Note: the graph above reflects our energy intensity of beds that are in use only. The intensity ratio (total energy to all beds) reported alongside is calculated on all beds.

1. *Department of Forestry, Fisheries and the Environment.*
2. *Metric updated to include electricity purchased and generator usage to account for changes in the degree and frequency of generator usage during load shedding. Numbers have been restated to account for this change in methodology.*

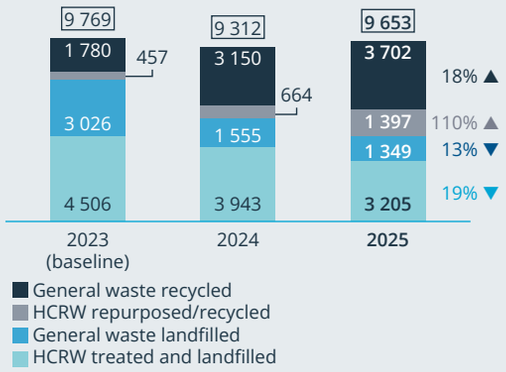
Environmental sustainability continued

Waste

Waste targets

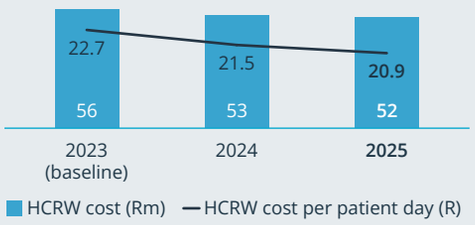
- Zero waste to landfill.
- Zero general waste certification for the Group by FY 2027.

Waste volumes (tonnes)[1]



Note: excludes 68 tonnes of incinerated HCRW.

HCRW cost and cost per patient day



For FY 2025, total waste sent to landfill decreased, reflecting an increased focus on waste minimisation, recycling and diversion initiatives and better segregation at source. Total waste landfilled and incinerated was 4 622 tonnes, a 17% year-on-year decrease (FY 2024: 5 571 tonnes). Including incinerated waste, 52% of total waste was recycled – 73% of general waste and 30% of HCRW diverted. Overall, the volume of waste recycled or repurposed rose by 34% to 5 099 tonnes.

Currently, 77% of acute hospitals meet the criteria for zero general waste certification, diverting between 70% and 97% of general waste from landfill. Facilities with diversion rates below 70% are being audited to identify improvement opportunities.

Most of our diversion initiatives prioritise innovative ways to convert waste into useful secondary products like fuel, energy products, furniture and school shoes for children, with a primary focus on HCRW. We are also updating our procurement policies to influence the packaging of medical products and consumables, driving less wastage and increased use of recyclable materials.

The cost of managing HCRW declined 2.5% year on year, while other waste disposal costs decreased 2.7%. Actual costs for FY 2025 were R52 million, with projections indicating that, without intervention, costs would have risen by 37% to R71 million.

A change in waste reporting methodology was implemented in FY 2025, with HCRW recycled and/or repurposed now reported separately from HCRW treated and landfilled. This has led to updated metrics for FY 2024 and FY 2023.

MYWALK
MADE WITH SOUL

Founded in 2020 by Netcare and Adcock Ingram Critical Care, the **My Walk made with Soul** initiative recycles single-use high-quality PVC waste into waterproof, recyclable school shoes for underprivileged children across SA. The initiative partners with numerous corporate and private sponsors.

>162 tonnes of uncontaminated, non-hazardous PVC waste diverted from landfill since 2018.

>335 000 pairs of school shoes donated since 2018.

13 jobs supported by the entrepreneurial businesses involved in the initiative.

Hospital Division HCRW

31% (1 397 tonnes) of HCRW diverted from landfill and recycled, a year-on-year increase of 110%. HCRW generated for the year totalled 4 451 tonnes (FY 2024: 4 413).

FY 2025 BSC target: 20%

FY 2024: 15% | FY 2023: 9%

Hospital Division general waste

80% (4 120 tonnes) of general waste recycled, a year-on-year increase of 34%. Total general waste generated (including recycled waste) totalled 5 156 tonnes (FY 2024: 4 622).

FY 2025 BSC target: 75%

FY 2024: 67% | FY 2023: 44%

Total waste generated to revenue[1]

21% decrease

to **175** kg/Rm.

FY 2024: 221 | FY 2023: 321

Total waste generated to beds[1]

17% decrease

to **426** kg/bed.

FY 2024: 514 | FY 2023: 967

1. *FY 2023 and FY 2024 restated to reflect the new methodology in waste reporting. Total waste for FY 2023 was reported at 9 844 tonnes and 9 384 tonnes for FY 2024. Total waste to revenue was reported as 340kg/Rm for FY 2023 and 247kg/Rm for FY 2024 and total waste to beds for FY 2023 was 739kg/bed and 575 kg/bed for FY 2024.*

Environmental sustainability continued

Water

Water targets

- Significantly reduce impact on the limited freshwater sources in SA.
- Reduce water intensity by 5% against baseline (measured in litres per bed per day).

Group water consumption decreased year on year, driven by an increased focus on operational efficiencies and proactive leak detection. Water intensity ratios also improved. The reduction in borehole water consumption is attributable to lower extraction volumes at one site – an additional borehole has been drilled to supplement supply.

We significantly outperformed our FY 2025 water recycling target, largely attributable to the expedited rollout of recycling initiatives and conservative estimates used to calculate expected yields. Having already surpassed our 2030 target of reducing water consumption per bed per day by 5% to below 400 litres, we will now set a new target and continue our efforts to reduce reliance on municipal infrastructure through water recycling and borehole initiatives.

Alternative sources of water: page 111.

Municipal water consumption

14% decrease

to **1 422** megalitres.

FY 2024: 1 647

FY 2023: 1 696

Note: municipal water consumption reflects all facilities with water meters installed. Water meters are installed at all Netcare Hospitals and Netcare Akeso facilities.

Water recycled and reduced

25 256 kl

additional year-on-year reduction in water consumed through water recycling and consumption reduction initiatives.

FY 2025 BSC target: 17 000

New measure

Total water to revenue

17% decrease

to **54** kl/Rm.

FY 2024: 65

FY 2023: 72

Total water to beds

14% decrease

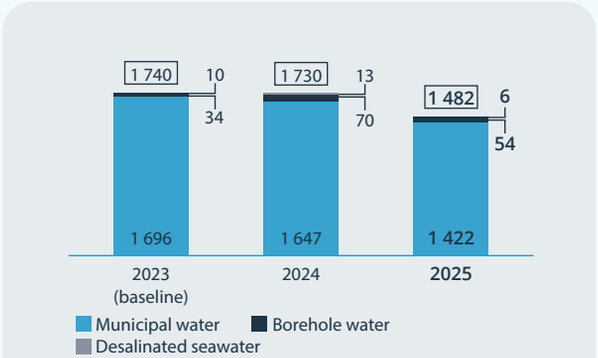
to **131** kl/bed/year.

FY 2024: 152

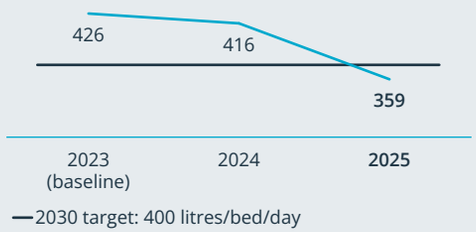
FY 2023: 155

Note 1: municipal water consumption and intensity ratios exclude re-use and borehole water.

Water consumption (megalitres)



Water consumption (litres per bed per day)



05

ADDITIONAL INFORMATION

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Disclaimer on forward-looking statements	ibc

Glossary

Doctors

Independent specialists across all clinical disciplines, including physicians, surgeons, GPs, psychiatrists, anaesthesiologists, radiologists, dentists, nephrologists, pathologists and other specialists.

Healthcare practitioners

Doctors

+

Allied healthcare professionals (psychologists, radiographers, dental hygienists, occupational therapists, physical therapists, radiographers etc)

+

Registered nurses, enrolled nurses and auxiliary nurses

UN Sustainability Development Goals

- Good health and wellbeing
- Quality education
- Gender equality
- Clean water and sanitation
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Responsible consumption and production
- Climate action
- Peace, justice and strong institutions

McKinsey & Company – The evolution of artificial intelligence

Artificial intelligence

AI is the broad field of developing machines that can replicate human behaviour, including tasks related to perceiving, reasoning, learning and problem-solving.

Machine learning

Machine learning algorithms detect patterns in large data sets and learn to make predictions by processing data, rather than by receiving explicit programming instructions.

Deep learning

Deep learning uses neural networks inspired by the ways neurons interact in the human brain to ingest data and process it through multiple iterations that learn increasingly complex features of the data and make increasingly sophisticated predictions.

Generative AI

Generative AI is a branch of deep learning that uses exceptionally large neural networks called large language models (with hundreds of billions of neurons) that can learn especially abstract patterns. Language models applied to interpret and create text, video, images and data are known as generative AI.

Glossary continued

AGM:	annual general meeting
AI:	artificial intelligence
app:	application
B-BBEE:	broad-based black economic empowerment
BESS:	battery energy storage system
Board:	the Board of directors
BR:	business risk
bps:	basis points
BSC:	balanced scorecard
capex:	capital expenditure
CDP:	formerly the Carbon Disclosure Project
CEO:	chief executive officer
CFO:	chief financial officer
cost per event:	the cost of ward, theatre, equipment, drugs and consumables as well as all healthcare practitioner costs
CPD:	continuous professional development
CSI:	corporate social investment
DEI:	diversity, equity and inclusion
dividend cover:	adjusted headline earnings per share divided by total dividends per share
dtic Codes:	Department of Trade, Industry and Competition's Broad-based Black Economic Empowerment Codes of Good Practice
EBITDA:	earnings before interest, tax, depreciation and amortisation
EBITDA margin:	EBITDA expressed as a percentage of revenue
effective tax rate:	taxation expressed as a percentage of profit before taxation
EMEs:	exempted micro enterprises
EMR:	electronic medical record
ESD:	enterprise and supplier development
ESG:	environmental, social and governance
FC:	financial capital
FY:	financial year
GBV:	gender-based violence
GDP:	gross domestic product
GHG:	greenhouse gas
GPs:	general practitioners
GNU:	Government of National Unity
GWh:	gigawatt hours
HASA:	Hospital Association of South Africa
HCRW:	healthcare risk waste
headline earnings:	this comprises the earnings attributable to owners of the parent after adjusting for specific re-measurements as defined in Circular 2/2013 issued by the South African Institute of Chartered Accountants
healthcare provider:	Netcare and our peers
HEPS:	headline earnings per share
HC:	human capital
HPCSA:	Health Professions Council of South Africa
HPFL:	Health Partners for Life
HR:	human resources
IC:	intellectual capital
ICHW:	independently contracted healthcare workers
ICU:	intensive care unit
IFRS:	International Financial Reporting Standards
interest cover:	operating profit divided by net interest paid
IoT:	internet of things
IRR:	internal rate of return
ISSB:	International Sustainability Standards Board
ISO:	International Organization for Standardization
IT:	information technology

Glossary continued

JSE:	JSE Limited
King IV:	King Report on Corporate Governance for South Africa (2016)
kg:	kilograms
kl:	kilolitres
KPIs:	key performance indicators
kWh:	kilowatt hours
LED:	light-emitting diodes
MC:	manufactured capital
MWh:	megawatt hour
NC:	natural capital
NDoH:	National Department of Health
NED:	non-executive director
net debt:	long-term debt, short-term debt and bank overdrafts net of cash and cash equivalents
net debt to EBITDA:	net debt divided by EBITDA
NGOs:	non-governmental organisations
NHI:	National Health Insurance (South Africa)
NPAT:	net profit after tax
NPOs:	non-profit organisations
NPV:	net present value
OHS:	occupational health and safety
OHSC:	Office of Health Standards Compliance
PCI:	personalised clinical information
PFS:	patient feedback survey
POPIA:	Protection of Personal Information Act
PPD:	paid patient day
PPPs:	Public Private Partnerships
PV:	photovoltaic
PVC:	polyvinyl chloride
QSEs:	qualifying small enterprises
return on equity:	profit for the year divided by average total shareholders' equity
ROIC:	return on invested capital: normalised operating profit after tax divided by average invested capital
SA:	South Africa
SANC:	South African Nursing Council
SAHPRA:	South African Health Products Regulatory Authority
SBTi:	Science-based Targets initiative
SDG:	Sustainable Development Goals
SDP:	skills development period (1 April to 31 March)
SHEQ:	safety, health, environment and quality
SIP:	Single Incentive Plan
SMMEs:	small, medium and micro enterprises
SRC:	social and relationship capital
TCFD:	Task Force on Climate-related Financial Disclosures
tCO_2e:	tonnes of carbon dioxide equivalent
UHC:	universal health coverage
UN:	United Nations
US:	United States
WACC:	weighted average cost of capital

Corporate information

Company registration number
Registration number 1996/008242/06

Business address and registered office
Netcare Limited
76 Maude Street (corner West Street),
Sandton 2196
Private Bag X34,
Benmore 2010

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Customer call centre
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customer.service@netcare.co.za

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

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

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

Transfer secretaries
CTSE Registry Services
The District Building, Office B6,
6th Floor, 41 Lowry Road,
Woodstock, Cape Town,
7925
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Auditors
Deloitte & Touche

Principal bankers
RMB Private Bank
Nedbank Limited

Selected websites
www.netcare.co.za
www.nrc.co.za

Disclaimer

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

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

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

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

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