AfroCentric GROUP
Healthier Together

Interim Results Presentation

For the six months ended 30 June 2025

3 September 2025

Group CEO:
Gerald van Wyk

Revenue	Profit margin	Headline earnings per share (cents)	Lives under management	Scripts dispensed	B-BBEE
▼	▶	▼	▲	▲	▶
R4 211.1m	9%	11.68 cents	4 024m	1 479m	Level 1
(Jun-24: R4 323.9m)	(Jun-24: 9%)	(Jun-24: 19.00 cents)	(Jun-24: 4 009m)	(Jun-24: 1 424m)	B-BBEE status

▶ **R398.3m**

Operating profit

(Jun-24: R398.6m)

AFROCENTRIC GROUP
2025 INTERIM RESULT

Service Cluster

Operating profit
R320.7m

Total revenue
R2 422.7m

Operating profit margin
13.2%

Retail Cluster

Operating profit
R77.6m

Total revenue
R1 856.1m

Operating profit margin
4.1%

Material matters

- Loss of Bonitas DSP and marketing contract
- Erosion of the margins in hospital products
- Data centre migration costs
- Investment in strengthening clinical expertise
- Higher administration and managed care fees (higher membership)
- Cost savings in the services business

Looking ahead

Regulatory environment

- Multiple Legal Challenges to the NHI Act and LCBO framework continue to create uncertainty.
- Section 59 Inquiry findings, while not legally binding, has raised public concerns about bias in fraud detection. We reject these claims and contest the report's methodology.

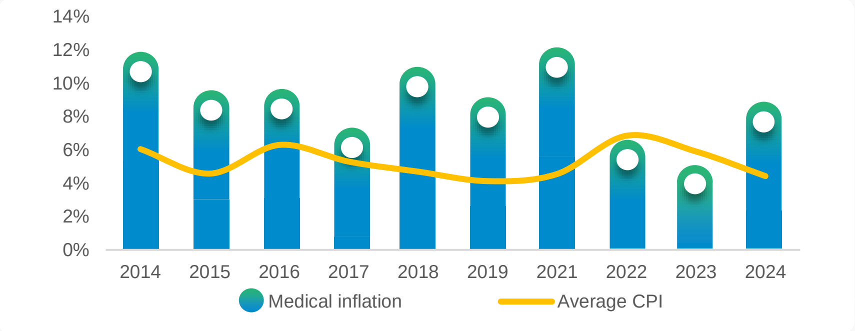
Client contract cycle

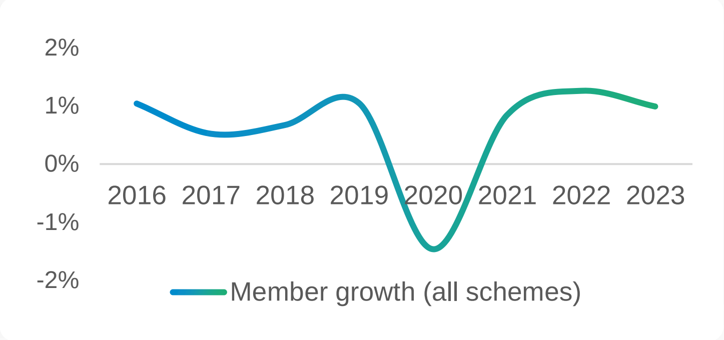
- NHP's Managed Care tender was awarded to another provider; Medscheme Namibia remain contracted for Administration services and are preparing for a multi-provider transition.
- Other key contracts are approaching renewal in the ordinary course of business incl. GEMS, CCMDD, Polmed and Bonitas (Active RFP).

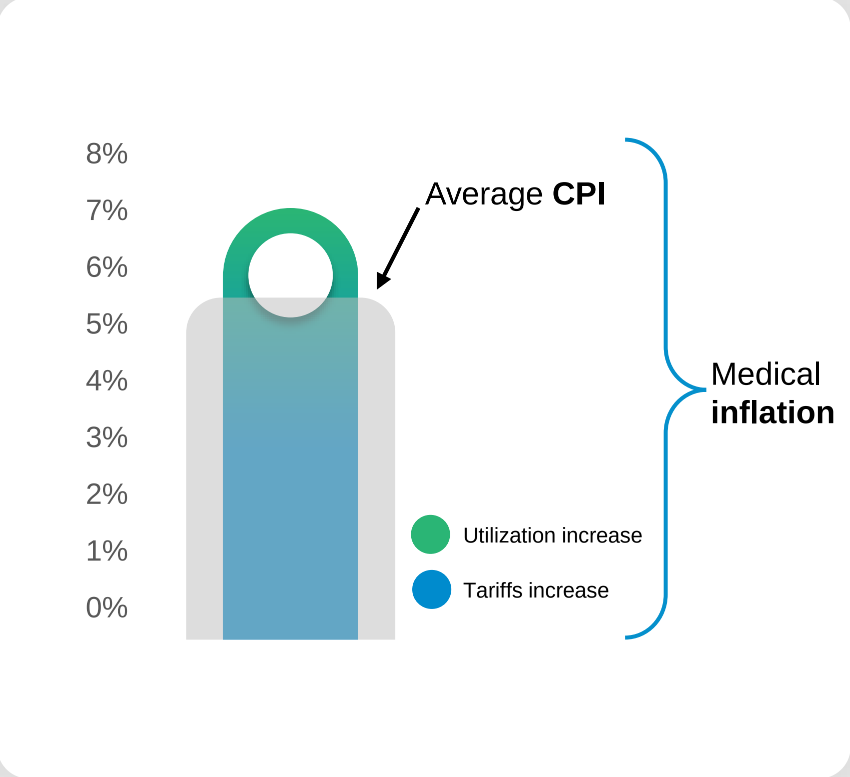
Structural realignment and action

- Focused changes across key areas, including distribution optimisation (ADS, Wellworx), integration of Scriptpharm into the services segment, and an advanced-stage review of the Retail portfolio.
- Continued and scaled-up investment in digital platforms, analytics, and clinical innovation in the second half of the year.

Rising costs and **shrinking membership** are just the tip of the iceberg in medical aid challenges





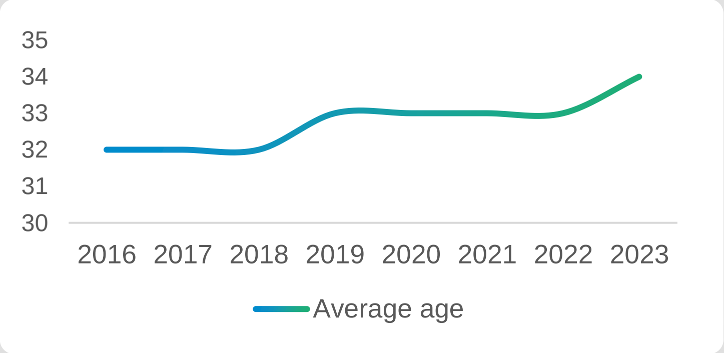


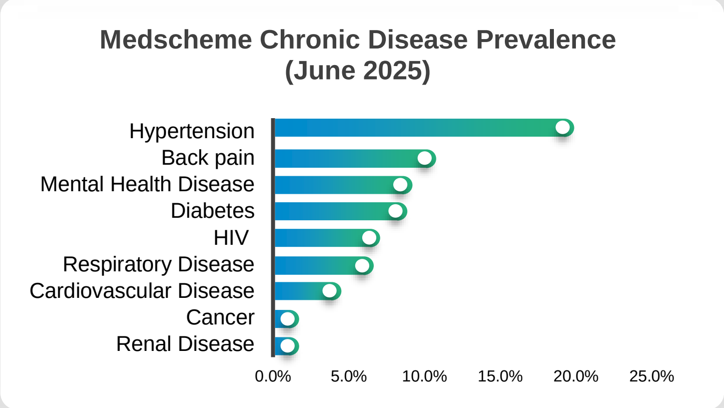
Fragmented care

Regulatory pressure

Technology costs

Fraud, waste and abuse





To shift the underlying problems, AfroCentric is **changing the rules of the game** by transitioning to **value-based care**

AfroCentric GROUP
Healthier Together

Current Model

- Fragmented care
- Fee-for-service
- Affordability pressures
- Fraud, waste, and abuse
- Poor health outcomes

38% of members drive **78%** spend

VALUE = OUTCOMES / COST

- Provider Experience
- Member Experience
- Access
- Clinical Outcomes
- Costs

R980m savings expected

Value Creation

- **Value contracting**
- **Personalised** and **preventive care**
- **Integrated** and **coordinated care**
- **Risk stratification** and **predictive analytics**
- **Evidence-based care pathway**
- **Remote monitoring** and **virtual care**

Executing **vision 2030** by transforming healthcare through **value-based care innovations**

Pillar 01 – Building a winning health offering

Pillar 02 – Managed care leadership through clinical innovation

Pillar 03 – Data, digital platforms and technology investment

Pillar 04 – Operating model evolution

Pillar 01
Building a winning health offering

Pillar 02
Managed care leadership through clinical innovation

Pillar 03
Data, digital platforms and technology investment

Pillar 04
Operating model evolution

Sanlam-aligned open scheme execution	Strong momentum
Sanlam Health Rewards execution	Completed
Sanlam Health Distribution implementation	Strong momentum
Integrated health and wealth solutions deployment	Strong momentum

AfroCentric GROUP
Healthier Together

Pillar 01
Building a winning health offering

Pillar 02
Managed care leadership through clinical innovation

Pillar 03
Data, digital platforms and technology investment

Pillar 04
Operating model evolution

Spinal risk transfer programme delivery	Completed
Oncology value-based care programme delivery	Early stage
Disease management digitisation	Early stage
Integrated pharmacy benefit management delivery	Steady progress

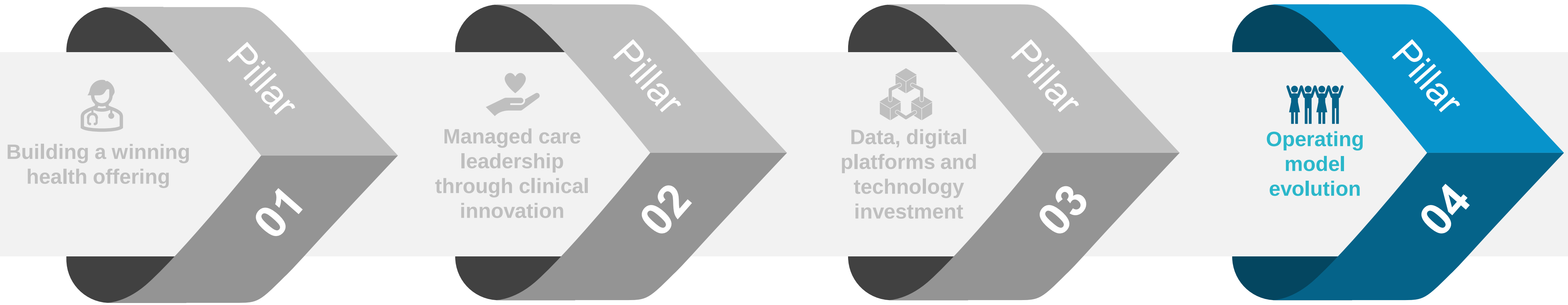
Pillar 01
Building a winning health offering

Pillar 02
Managed care leadership through clinical innovation

Pillar 03
Data, digital platforms and technology investment

Pillar 04
Operating model evolution

Data strategy execution	Steady progress
Data centre migration	Completed
Core system upgrades	Strong momentum
Digital transformation	Early stage



AfroCentric Distribution Service restructure	Completed
Strategic review of the group's operating model	Completed
Sanlam culture, values, and governance adoption	Strong momentum
Target operating model execution	Strong momentum

Vision 2030 ambition: our **long-term targets**

Financial

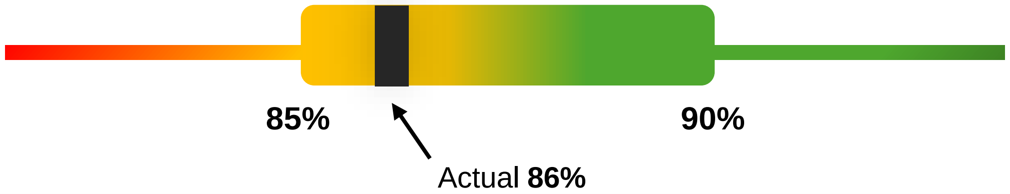
EBIT Margin

Membership growth range

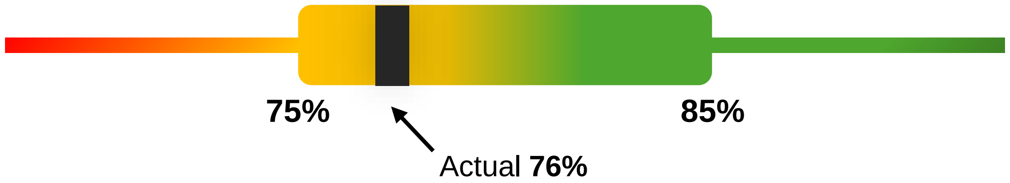
RoGEV target range

Non-financial

Customer effort score



Hospital claims automation



Employee net promoter score (eNPS)

Group CFO:
Thato Moloele

Business Highlights

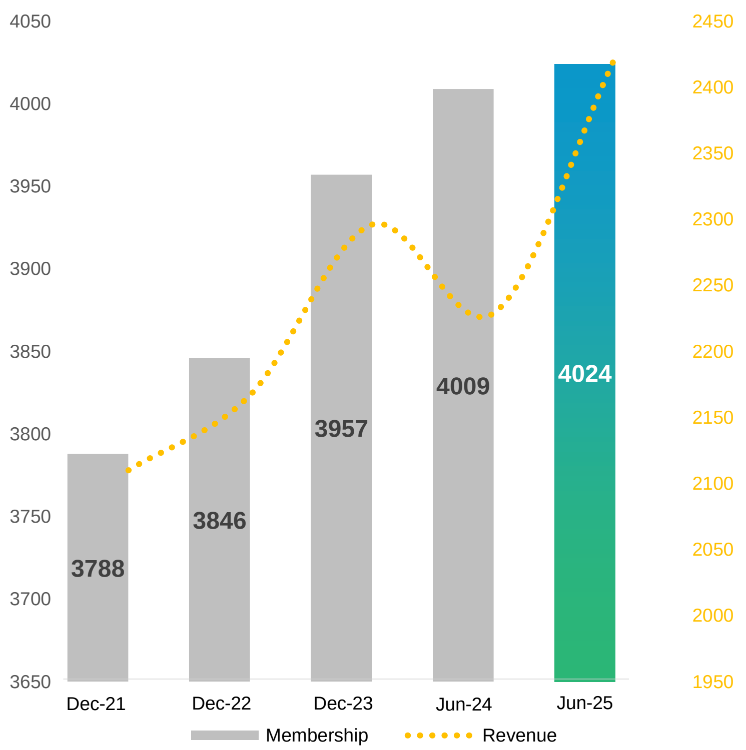
	31 December 2024 R'm	30 June 2024 R'm	30 June 2025 R'm	
Total Revenue	**4 246.4**	**4 392.8**	**4 278.8**	▼ **(2.6%)**
Healthcare Services	2 296.8	2 229.2	2 422.7	▲ **8.7%**
Healthcare retail	1 949.6	2 163.6	1 856.1	▼ **(14.2%)**
Operating Profit	**327.6**	**398.6**	**398.3**	▼ **(0.1%)**
Healthcare Services	198.0	309.2	320.7	▲ **3.7%**
Healthcare Retail	129.6	89.4	77.6	▼ **(13.2%)**
Profit /(Loss) for the year	**(119.2)**	**(110.7)**	**106.7**	▲ **196.4%**
Profit/(Loss) from continuing operation	(113.6)	(129.6)	108.1	▲ **183.4%**
(Loss)/profit from discontinued operations	(5.6)	18.8	(1.4)	▼ **(107.4%)**
Headline Earnings (Rands)	**31.9**	**157.8**	**98.1**	▼ **(37.8%)**
Heading Earnings per share (cents)	**3.80**	**19.00**	**11.68**	▼ **(38.5%)**

Service Cluster | Medical aid administration, risk management, and technology

Rebounding profitability in key local administration and risk management segments

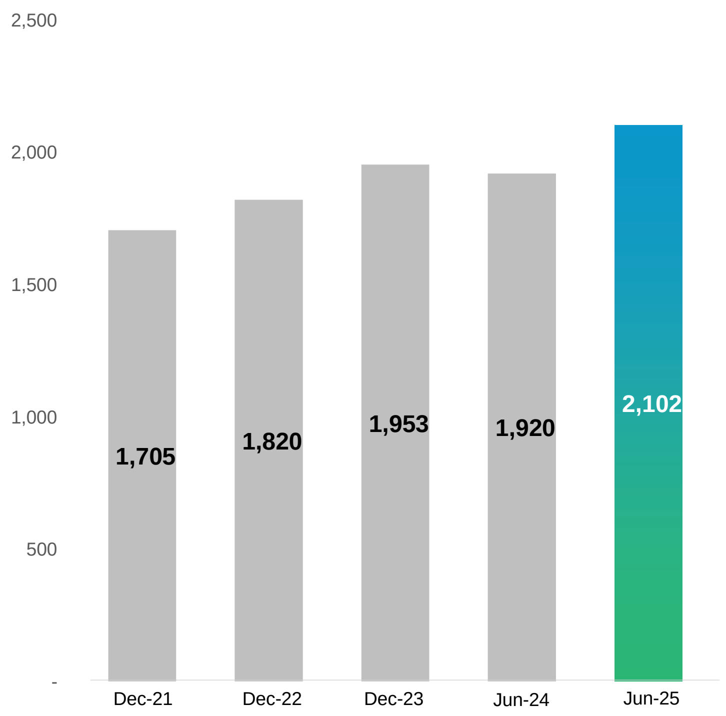
Total lives administrated ('m)

CAGR 1.5%



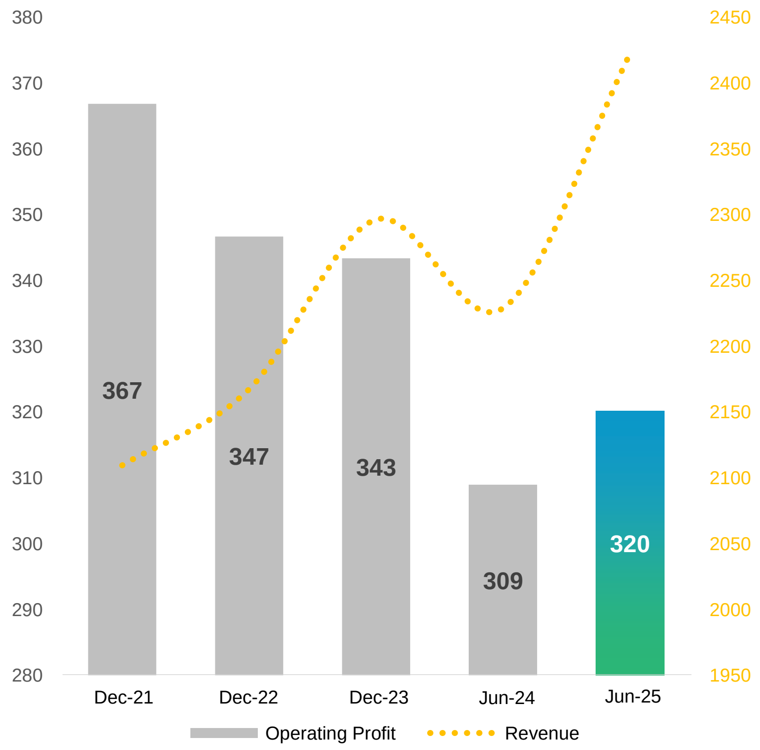
Operating Costs (R'm)

CAGR (5.4%)



Operating Profits (R'm)

CAGR (3.3%)



Total Revenue (R'm)	2021	2022	2023	2024	2025
	2 110	2 167	2 296	2 292	2 423

Profit Margin %	2021	2022	2023	2024	2025
	16.6%	16.0%	15.0%	8.6%	13.2%

- Encouraging local membership growth experienced in government-linked schemes **(98 577 new lives, 3%- YoY**) and in Fedhealth **(6,017 new lives, 5.8% - YoY)**; partially offset by BonCap termination (**78,893 lives**) and Corporate Scheme regression **(2 041 lives lost, 5%- YoY);** supported by inflation linked fee increases across schemes.
- International operations yielded flat earnings (R43m) , off the back of marginal membership growth and flat fee increases.
- Deferred strategic investment improved short-term profitability, partially offset by targeted IT stabilisation and modernisation spend to drive operational excellence and enhance service delivery.

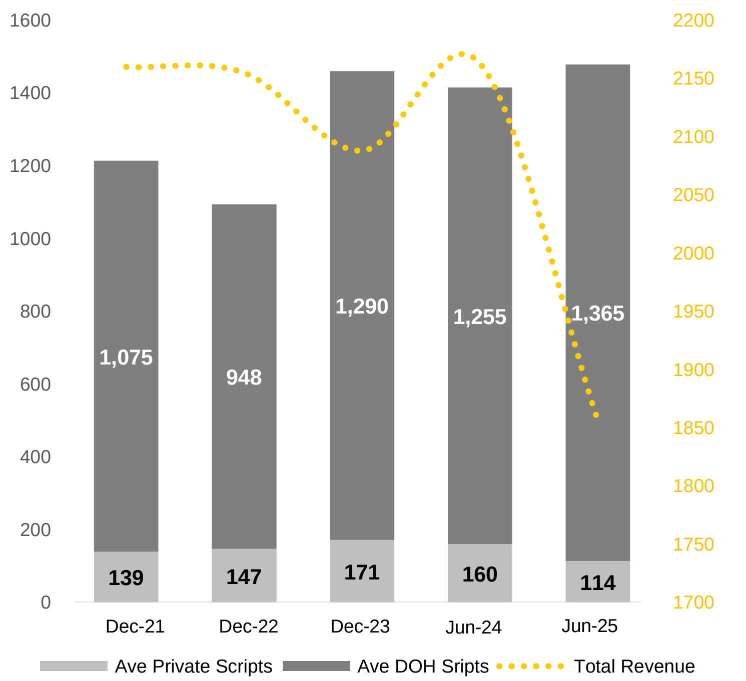
Retail Cluster | Pharma, chronic medicine dispensing services and capitation

Private business under pressure, supported by public sector demand for scripts and efficiencies

AfroCentric GROUP Healthier Together

Number of Scripts Dispensed ('000)

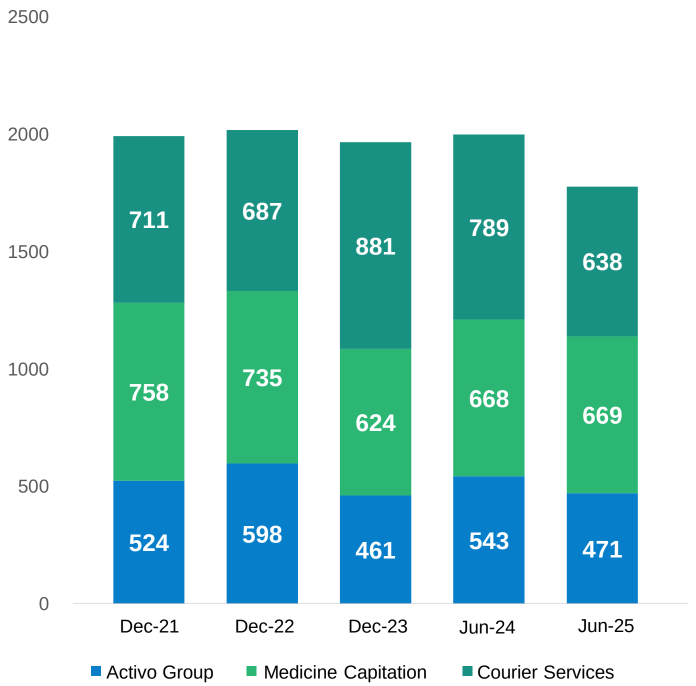
CAGR 5.1%



Total Revenue (R'm)	2021	2022	2023	2024	2025
	2 160	2 155	2 088	2 163	1 856

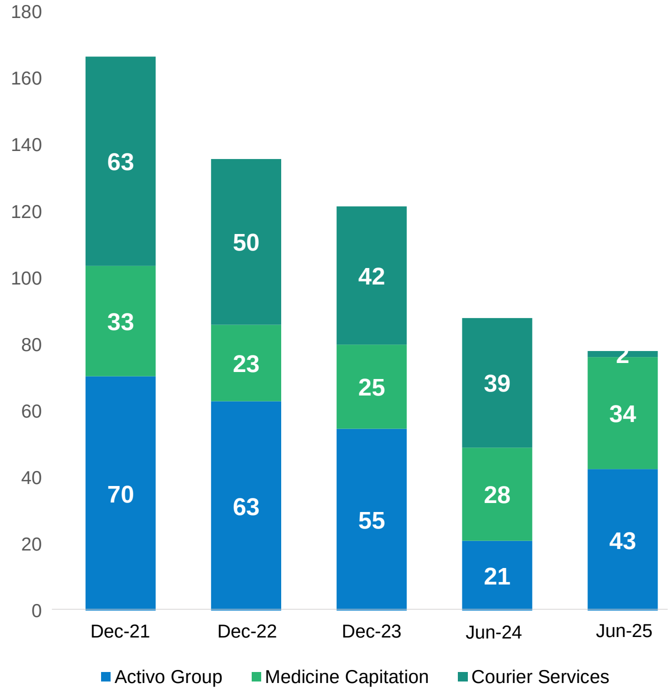
Operating Costs (R'm)

CAGR 2.8%



Operating Profits (R'm)

CAGR (16.9%)



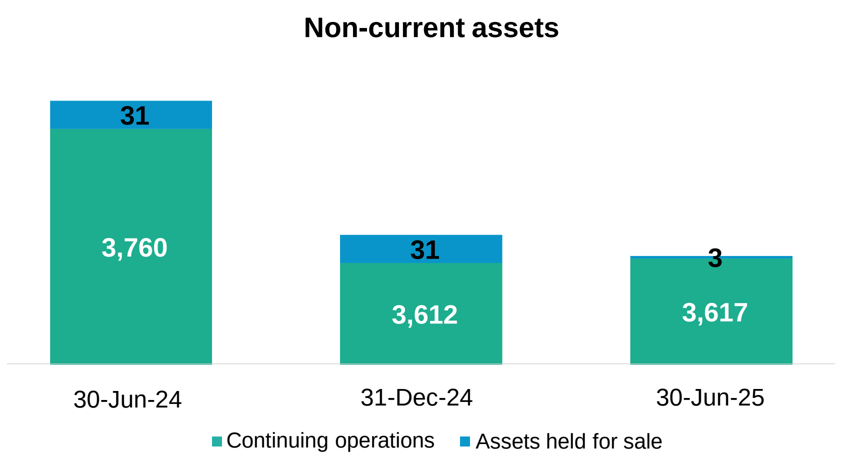
Profit Margin %

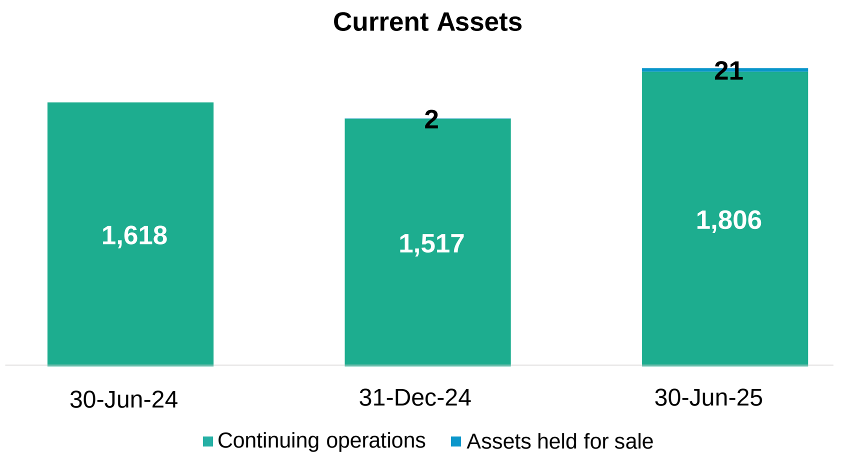
	2021	2022	2023	2024	2025
Medicine Capitation	4.2%	3.0%	3.9%	3.3%	4.8%
Courier services	8.1%	6.8%	4.5%	4.3%	0.3%

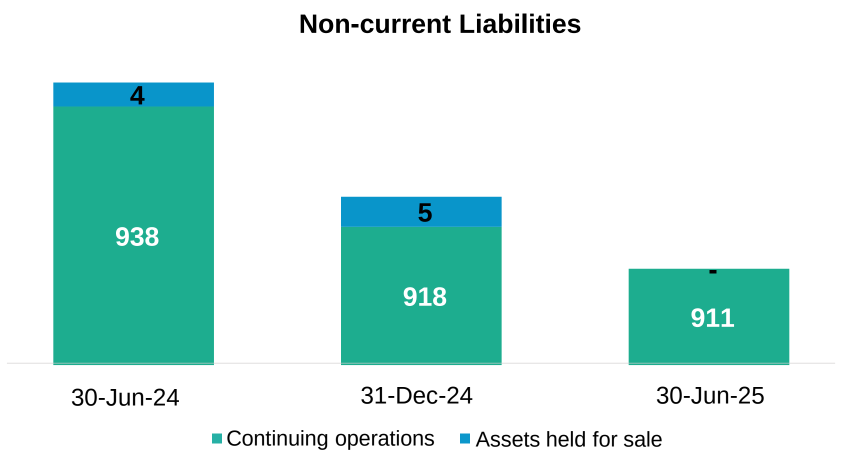
- Medicine marketing & distribution earnings further impacted by ARV SEP margin erosion R18m and lower 3rd party pharmaceutical sales (-R10m, -48% - YoY).
- Offset by strong CCMDD performance, which, doubled its EBIT contribution to R26.4m through higher script deliveries, CPI price adjustments and packaging and distribution efficiencies.
- Capitation profits rebounded to R34m (2024- R24m), driven by oncology profit shares, membership growth and CPI linked price adjustment.

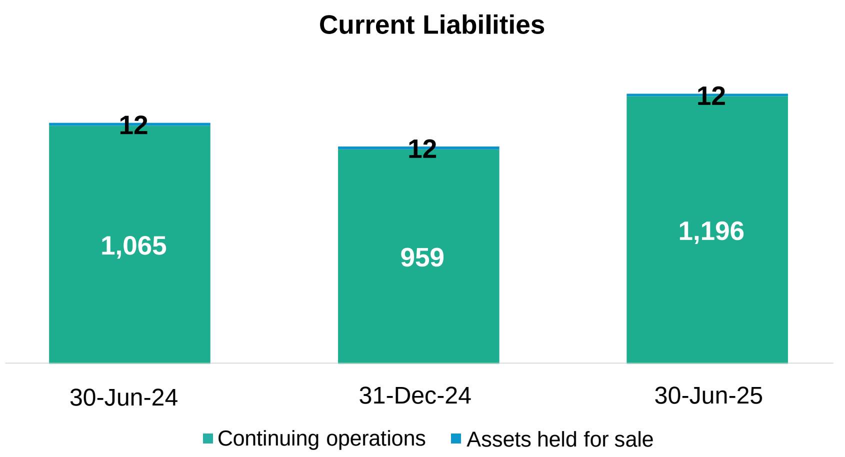
Stable balance sheet position

being leveraged to support operational needs and strategic ambitions on a risk-adjusted basis









Debt to Asset Ratio

Jun-24	**0.36**
Dec-24	**0.37**
Jun-25	**0.39**

Debt to Equity Ratio

Jun-24	**0.57**
Dec-24	**0.59**
Jun-25	**0.64**

Current Asset Ratio

Jun-24	**1.52**
Dec-24	**1.58**
Jun-25	**1.51**

Borrowings to Equity

Jun-24	**0.18**
Dec-24	**0.19**
Jun-25	**0.20**

- Balance sheet disclosure impacted by restructurings including i) ADS, Wellworx, Tendahealth and AFS sale to Sanlam Life for R15m and ii) disposal of old Medscheme Namibia head office for R35m.
- Gearing levels increased marginally following the completion of 2 inter-related property transactions in Namibian – R45m net increase to borrowings, financed over 10 years.
- Short term liquidity within target levels, supported by improved profitability in Services Cluster, lower stock orders and disciplined creditor management processes.

Cash flow generation and capital allocation

Disciplined capital allocation, financing growth through internal cash earnings

Total cash from operations: R298m

Generated from Healthcare Services
R201m

Generated from Healthcare Retail
R97m

Increase in cash conversion cycle
294 days

Cash Generated through normal operations: R298m
Pre-Capital Management Policy

Cash conversion rate
74.8% of operating profits

Short term borrowings: **R36m**
Borrowings at **R654m** of the total facilities available.

R219m
To fund value-based care rollout (Chronic conditions)

- R36m of capital required to service borrowing facilities, through interest repayments.
- R96m incurred in 2024 on establishing foundational data environment, infrastructure and building up clinical care capabilities, jointly linked to the Orthocare pilot – targeting musculo-skeletal and spinal disease
- R52m required to support the modernisation of our administration systems architecture and software.
- Additional expenditure of R219m required to i) roll-out integrated value-based care over additional chronic conditions incl. diabetes, hypertension and Hyperlipidemia and ii) further develop detailed data insight capabilities, real-time analysis and predictive modelling measures in support of automated claims and risk management processes.

Thank You

Q&A