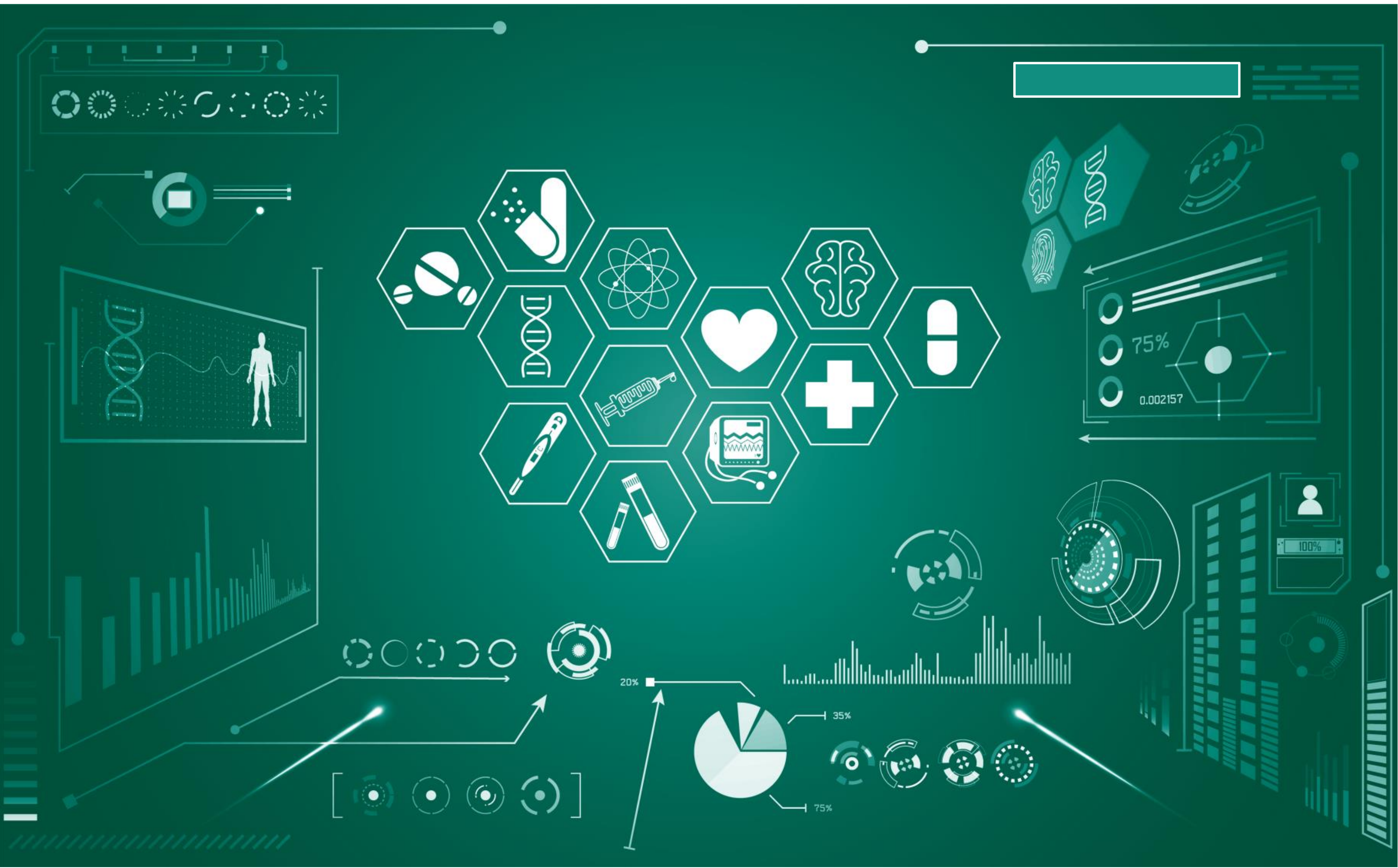
iHealthcare
Group Holdings Ltd

# 2021

# ANNUAL REPORT

## Contents

# Overview



# Overview

## Profile

**iHealthcare Group Holdings Limited ('iHealthcare Holdings' or 'Company') and its subsidiaries ('iHealthcare Group' or 'Group') is an investment group which is 'doctor-controlled' and is entirely invested in the healthcare industry with a focus on the ophthalmology market. Through its operating subsidiaries iHealthcare Holdings provides a range of medical-equipment, devices and surgicals, and pharmaceuticals, to its customers in the ophthalmology market.**

The strategic plan of the Group is aimed at the expansion of the Group's operations into other segments within the medical industry in future reporting periods.

The Group has identified a single business segment outside of the Group Central Services segment, for the current reporting period, as follows:

- Ophthalmology segment - which comprises the supply of medical equipment, devices and surgicals as well as a wide-range of pharmaceutical products to hospitals and medical practices specialising in ophthalmology across South Africa.

Group Central Services, which is represented by the Company's operations, provides strategic direction and shared services to the Group.

iHealthcare Holdings listed on the exchange operated by 4 Africa Proprietary Limited ('4AX'), in the Healthcare industry, on 17 January 2020. This is the second annual report published by the Group.

The head office of the Group is based in Pretoria at the Sappi Technology Centre, corners of Aaron Klug and Max Theiler Street, The Innovation Hub Persequor, Pretoria, South Africa.

## About the Annual Report

**The Board of Directors ('the Board') of iHealthcare realises the importance of an annual report that fully promotes transparency and accountability to reinforce its role as a responsible corporate citizen.**

iHealthcare Holdings' annual report was prepared in compliance with the following:

- International Financial Reporting Standards ('IFRS');
- 4AX Listing Requirements; and
- Companies Act of South Africa, 2008 (Act 71 of 2008), as amended ('Companies Act').

### Reporting Philosophy

This is our second annual report. We have adopted a reporting philosophy which will continuously strive to improve our reporting elements, alignment to relevant reporting frameworks and best practice. We seek to provide relevant and material information for investors and other stakeholders through a report that is accessible to the reader.

The annual report for the year ended 28 February 2021 addresses all businesses, which comprise the local operations, including subsidiary companies, in the financial reporting elements as well as certain additional information as required by the applicable frameworks and legislation.

This report, nevertheless, offers stakeholders a more holistic view of iHealthcare’s operations and provides insight on both financial and limited non-financial matters for the year ended 28 February 2021. The Board will aim to improve disclosures and application, as deemed appropriate during every reporting cycle.

The annual report is available online at www.ihgh.co.za.

# Overview

## Comparatives

Most of the performance measures included in this report have comparative figures and, unless specifically stated otherwise, cover reporting periods (also referred to as financial year) of the Group.

There were restatements during the period under review. The restatements are set out in note 39 of the financial statements.

## Feedback

The Board welcomes feedback on iHealthcare Holdings' annual report for the 2021 reporting period from stakeholders. Please contact Crisna Erasmus, Company Secretary, on email address crisna@fluidrockgovernance.com with any questions or queries on this report.

## Forward-looking Statements

Certain statements in this report are forward-looking statements, which iHealthcare Holdings believes are reasonable, and take into account information available up to the date of the report. Results could, however, differ materially from those set out in the forward-looking statements as a result of, amongst other factors, changes in economic and market conditions, changes in the regulatory environment and fluctuations in commodity prices and exchange rates.

As a result, these forward-looking statements are not guarantees of future performance and are based on numerous assumptions regarding the Group’s present and future business models, strategy and the environments in which it operates.

All subsequent oral or written forward-looking statements attributable to the Group or any member thereof or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statements above and below. iHealthcare expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein or to reflect any change in their expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based. The forward-looking statements have neither been reviewed nor audited by the Group’s external auditors, SizweNtsalubaGobodo Grant Thornton Incorporated.

## Annual Declaration

Shareholders are advised that the directors of iHealthcare Holdings are aware of their responsibilities in terms of the 4AX Listings Requirements and complies with the 4AX Listings Requirements, save for the following:

### Securities in public hands

iHealthcare currently has approximately 22 (2020: 20) public shareholders, which is less than the prescribed number of 100 public shareholders in accordance with paragraph 6.26 of the 4AX Listing Requirements. At listing, iHealthcare Holdings obtained dispensation from 4AX not to comply with the prescribed spread requirements, on the basis that the Company would embark on a series of capital raisings and potential acquisitions (consideration to be settled by way of iHealthcare Holdings shares) in order to achieve the required spread requirements. The Company is fully committed to complying with the abovementioned spread requirements, and will embark on capital raisings during more favourable market conditions.

The increase in the number of public shareholders is a result of a capital raising conducted during the reporting period. Refer to note 16 of the financial statements for more details.

## Approval of the Annual Report

The Board acknowledges its responsibility to ensure the integrity of the annual report. The Board has accordingly applied its mind to the annual report and in the opinion of the Board the annual report addresses all material issues, and presents fairly the performance of the organisation and its impacts.

## Overview

The annual report has been prepared in line with best practice to the extent possible for the reporting period under review. On 19 May 2021, the Board authorised the annual report for release on 31 May 2021.

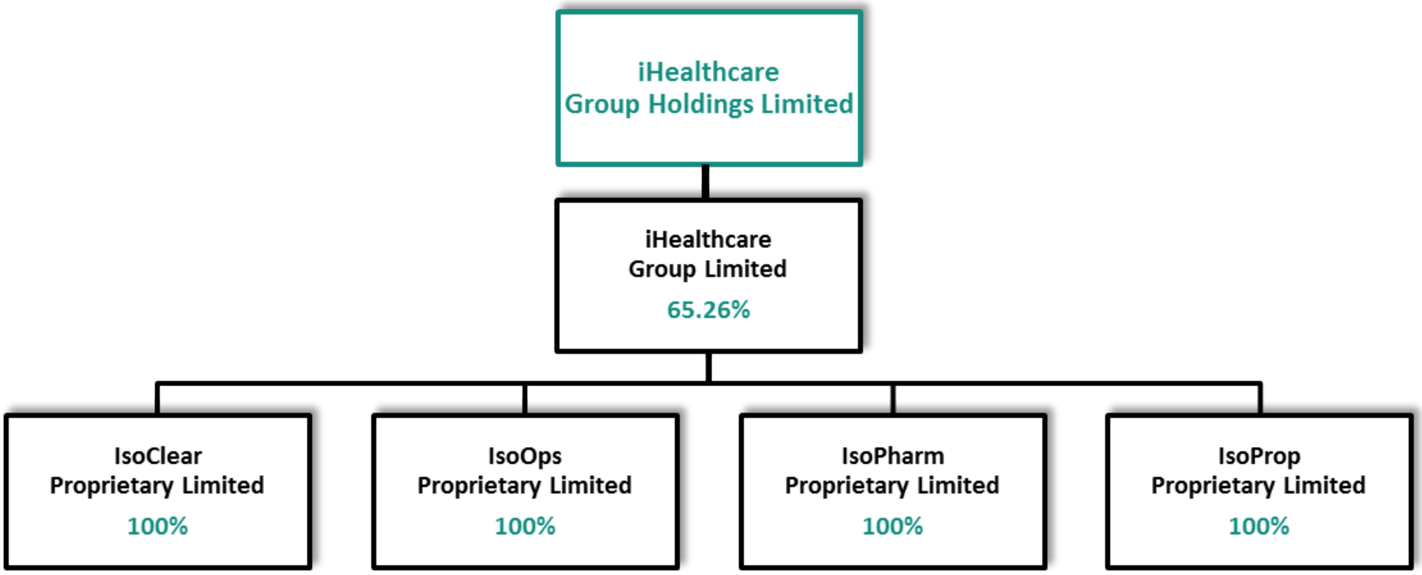
For and behalf of the Board

**Dr PJL Odendaal**
**CEO**

**Dr A Jacobsz**
**CEO**

## Group Structure

### Group Structure as at 28 February 2021




### Operational Subsidiaries

#### IsoClear Proprietary Limited ('IsoClear')

IsoClear is a wholly-owned South African company supplying high quality, affordable ophthalmology products and solutions into the market, with superior levels of customer service and intimacy. The company holds distributor rights in South Africa, and in some cases Africa, for a range of ophthalmology devices, surgicals and surgical consumables. The company partners only with reputable and ethical international and local manufacturers.

The company operates under the following licenses:

- License to manufacture medical devices;
- Licence to wholesale medical devices; and
- License to distribute medical devices.

The company will aim to diversify future operations to include other segments within the healthcare industry.

### Semi-dormant Subsidiaries

#### IsoPharm Proprietary Limited ('IsoPharm')

A strategic plan was implemented to move the operations of IsoPharm to a new operational location in Pretoria. A Responsible Pharmacist has been appointed during the reporting period and the inspection of the compliance with the regulatory requirements for the new premises has been finalised. The company is awaiting the licence approval, which has been delayed due to the COVID-19 pandemic. The Board is committed to restart the operations in the foreseeable future.

The company will, in future, operate in terms of a wholesale pharmaceutical license.

# Group Structure

## Dormant Subsidiaries

### IsoOps Proprietary Limited ('IsoOps')

The company was incorporated in the current reporting period. The strategic purpose of IsoOps is the future acquisitions and development of healthcare businesses.

### IsoProp Proprietary Limited ('IsoProp')

The company was incorporated in the current reporting period. The strategic purpose of IsoProp is the future acquisition and maintenance of the properties of the Group.

## Report to Shareholders

We are pleased to present the report to the shareholders of iHealthcare Holdings ('shareholders') for the 2021 reporting period.

### Overview

This has been an extraordinary year for the South African economy, but also the global economy, as a result of the COVID-19 global pandemic. iHealthcare Holdings has been unable to avoid the economic fall-out that has ensued as a direct result of the events and impact of the pandemic during the reporting period.

During the national lockdown, initiated by the South African Government, iHealthcare Holdings' management had extensive discussions with employees, suppliers and customers regarding the sustainability of the Group. These interactions revealed an overwhelming support by various stakeholders towards iHealthcare Holdings. Management was encouraged with the feedback and commitment.

### Global Health Pandemic

During the reporting period, there is widespread local and global uncertainty associated with the COVID-19 pandemic. On the 15th of March 2020 a National State of Disaster was declared in South Africa due to the COVID-19 pandemic and subsequently, on 26 March 2020, a national lockdown became effective for all South African citizens and businesses. This national lockdown was extended until 30 April 2020. On 01 May 2020 a risk-adjusted phased-in approach of economic activity was implemented and promulgated in terms of the Disaster Management Act of South Africa, 2002 (Act 57 of 2002).

The significant operating subsidiary of the Group, IsoClear, was classified as an essential services provider during the risk-adjusted phased-in approach which impacted the operations of the Group as follows:

- There was a significant disruption in the operations of the company, being the supply of consumables to customers, as most of the consumables are utilised during elective medical procedures. These elective medical procedures were initially restricted to emergency elective procedures and then allowed during the national lockdown period and the risk-adjusted phased-in approach;
- Limited importation of consumables relating to the elective procedures during the national lockdown period and during the risk-adjusted phased-in approach;
- The Group was impacted by the deterioration of the Rand (ZAR) in respect of the imported goods;
- All staff were encouraged to work remotely, where possible;
- The implementation of all required regulations in relation to the various operating premises and staff members present at these premises, resulted in an immaterial increase in costs; and
- Financial budgets in relation to the 2021 and 2022 reporting periods were revised accordingly and pro-active cost saving measures were implemented where possible.

The Board is of the opinion that the pandemic will not have a material impact on the financial stability of the Group or the Company in the foreseeable future based on the fact that neither the Group or Company utilised any relief measures implemented by Government; customers did not request any extended terms or relief in terms of outstanding accounts; and the Group continued operations since the implementation of the risk-adjusted approach. The prohibition of elective procedures has been relaxed during the risk-adjusted phased-in approach further supporting the Group's ability to operate at full capacity.

### Correction of Prior Period Error

As announced on the 4AX news services on the 15th of April 2021, management identified an error in respect of the allocation of the loss and total comprehensive loss attributable to NCI for the prior reporting period. This error has been corrected in the financial statements presented. Refer to note 39 of the financial statements.

# Report to Shareholders

## Comparative Information

We draw attention to the fact that the comparative consolidated and separate financial results represent an 11-month period ended 29 February 2020 due to the incorporation of the Company in the prior reporting period. The users of the financial statements are cautioned to be attentive when comparing the current financial results, which represent the 12-month period ended 28 February 2021, to the comparative results, representing the 11-month period ended 29 February 2021, and to note that all the information is not necessarily comparable.

Furthermore, we draw attention to the fact that the Company acquired a 66.09% direct interest in iHealthcare Group Limited during the prior reporting period on 30 November 2019. This transaction was classified as a transaction under common control.

**Transaction non-controlling interest without change in control**

Details of the change in the direct interest held in iHealthcare Group Limited is set out in notes 10 and 17 of the financial statements.

## Segment Performance

### Ophthalmology

The segment increased revenue by 245.70% and the operating profit before tax increased by 134.23%. A contributing factor to the increase in the revenue and performance of the segment is the fact that the consolidated segment information, in the prior reporting period, was representative of a 3-month period due to the effective date of transaction under common control being 30 November 2019.

Although the segment revenue and performance increased, it is important to note that the lockdown on the elective medical procedures had a negative impact on the operations of the significant operational entity of the Group, namely IsoClear Proprietary Limited.

## Financial Results

### Statement of profit or loss

Revenue increased by 245.70% during the current reporting period. It is important to draw attention to the fact that the consolidated revenue, in the prior reporting period, was representative of a 3-month period due to the effective date of transaction under common control being 30 November 2019.

The lockdown on the elective medical procedures had a negative impact on the operations of the significant operational entity of the Group, namely IsoClear Proprietary Limited, during the current reporting period, albeit that revenue increased for the Group.

Due to the strict regulations in relation to expired inventory items, the Group recognised an allowance for obsolete inventory in the current reporting period amounting to R 151,678 in profit or loss. No allowance was recognised in the prior reporting period.

The pandemic resulted in significant volatility in terms of foreign currencies to which the Group is exposed. This resulted in a loss on foreign exchange amounting to R 844,416 being recognised in profit or loss during the current reporting period.

Overall the Group implemented cost saving mechanisms which restricted the overall Group spend in relation to operating expenses.

## Report to Shareholders

The average weighted number of shares, from which earnings per share and headline earnings per share are derived, was 1,541,827 (2020: 385,110) shares at the reporting date. The increase in the weighted average number of shares at the reporting date was largely due to the period during which the shares were issued in the prior reporting period compared to no significant movements in the issued stated capital of the Group during the current reporting period.

Earnings per share increased by 128.17% to 76.5 cents per share (cps) (2020: 271.6 loss cps) and headline earnings per share increased by 166.12% to 76.5 cents per share (cps) (2020: 115.7 loss cps).

### Statement of financial position

During the reporting period the Group acquired additional items of property, plant and equipment amounting to R 178,912.

The overall lease contract was cancelled and a new smaller premises occupied, during the reporting period.

The subsidiary, iHealthcare Group Limited, provided funding to the Group amounting to R 1,278,371 (2020: R 1,190,743).

The working capital* of the Group remained stable at R 14,317,384 (2020: 14,153,634). The pandemic resulted in an increased level of estimated obsolete inventory as explained above.

**The working capital includes inventories, trade and other receivables and trade and other payables.*

### Statement of cash flows

In spite of the challenges faced by the Group, the total cash resources of the Group increased by 75.54% to R 4,994,093 (2020: R 2,844,911).

Cash generated by operations increased to R 4,107,223 (2020: R 396,012 outflow) due to the stabilisation in terms of the working capital of the Group.

## Governance

Sound corporate governance is inherent in iHealthcare Holdings' values, culture, processes, functions and organisational structure. The Board is fully committed to the highest standard of governance and accountability and delivery of the outcomes of an ethical culture, good performance, effective control and legitimacy.

## Composition of the Board

The Board comprises 6 (six) directors, 2 (two) executive directors and 4 (four) non-executive directors. The executive directors are the joint CEO's. All non-executive directors are independent.

### The Board

| Director | Classification | Date appointed |
|---|---|---|
| AP Coetzee | Independent non-executive director | 10 October 2019 |
| K Fleischhauer | Independent non-executive director, chairperson | 10 October 2019 |
| Dr HD Hoffman | Independent non-executive director | 10 October 2019 |
| Dr A Jacobsz | Executive director, CEO | 10 October 2019 |
| KJM Moja | Independent non-executive director | 10 October 2019 |
| Dr PJL Odendaal | Executive director, CEO | 03 April 2019 |

## Report to Shareholders

As announced on the 4AX news services on the 16th of April 2021, Mr D Prinsloo has been appointed as the new Chief Executive Officer and executive director of the Company with effect from 1 June 2021. Dr A Jacobsz and Dr PJL Odendaal have resigned as Joint Chief Executive Officers and will remain in office until 31 May 2021.

The Board has full confidence in the expertise of Mr Prinsloo and welcomes his appointment. The Board looks forward to his invaluable contributions to the Group.

### Stakeholder Engagement

Stakeholder relationships are built on the basis of open dialogue and mutual trust as sustainable value creation depends on successful engagement with stakeholders. These engagements assist iHealthcare Holdings to understand and respond to the interests and expectations of key stakeholders. The Group strives to ensure the completeness, timeliness, objectivity, reliability and consistency of information.

### Dividends

The Group did not declare a dividend during the current or prior reporting period.

### Prospects

The outlook for the period ending 28 February 2022 is unclear. The economy remains under huge pressure with limited appetite for investment. The impact of the COVID-19 pandemic is still fresh in our memories although operating levels of the Group has started to increase towards the latter part of the reporting period. The Board expects the overall operational levels to normalise in the foreseeable future. The overall future impact of the pandemic and effectiveness of the implemented vaccine roll-out is still unclear. Much needs to be done to turn around confidence in the business arena. Notwithstanding these factors, the Group has well-established businesses with solid, experienced management in place that contributed to the growth in the current reporting period and the implementation of the needed measures to combat the financial impact of the COVID-19 pandemic on the operations of the Group.

### Appreciation

We extend our appreciation to the management and staff across the Group for their contribution during the reporting period. The relationships with our external stakeholders, including our customers, shareholders and funders, advisors, suppliers and business associates, are critical to the sustainability of the business and we thank them for their continued support and engagement. We would also like to thank the Board for their active participation in Board and Committee meetings, and for providing valuable insight and oversight into and of the Group's operations.

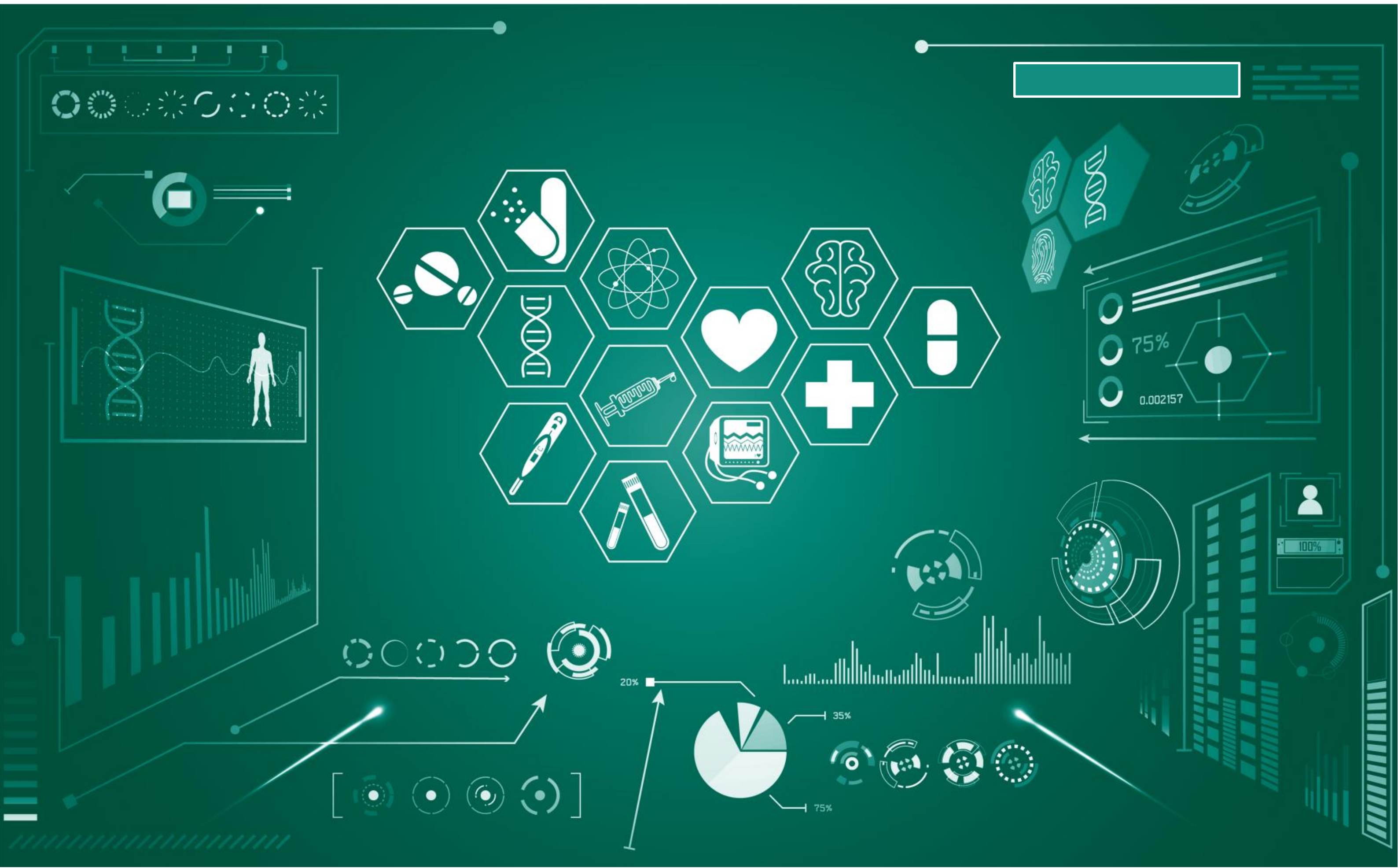
**K Fleischhauer**
**Chairperson**

**Dr A Jacobsz**
**CEO**

**Dr PJL Odendaal**
**CEO**

**JH Visser**
**CFO**

# Board of Directors



# Board of Directors

## Board Members

### AP Coetzee

*Independent non-executive director*

Chairperson of the Audit and Risk Committee, Member of the Social and Ethics Committee

CA(SA)

Appointed: 10 October 2019

Abrie is a qualified Chartered Accountant. Abrie has 23 years of Financial Services experience of which 21 years is with Momentum Metropolitan Holdings Group in a number of management positions. He is currently appointed as the COO of the Guardrisk Group and an Exco member responsible for strategy development, mergers and acquisitions, technology and digital strategies and chairperson of a number of operational steering committees.

### K Fleischhauer

*Independent non-executive director*

Chairperson of the Board

B. Eng (Industrial), B. Eng (Industrial) (Hons), MBA

Appointed: 10 October 2019

Konrad started his career with PwC (then Coopers and Lybrand) after completing B. Eng (Industrial), B. Eng (Industrial) (Hons) and MBA degrees at the University of Pretoria. Konrad has pursued a career in investment banking and private equity since 1998, and his career included periods with the Industrial Development Corporation ('IDC'), Gensec Private Equity, and Treacle Private Equity, which he co-founded in 2000. In 2007, Konrad joined Investec Principal Investments before co-founding Fledge Capital in July 2010. Konrad joined Fledge Capital on a full-time basis in July 2011.

### Dr HD Hoffman

*Independent non-executive director*

Chairperson of the Social and Ethics Committee, Member of the Audit and Risk Committee

MBChB, MMed (Paed), FCP (SA)

Appointed: 10 October 2019

Dr Hoffman qualified as a Paediatrician in 1980 and thereafter he held an academic position for eight years at Tygerberg Hospital and the Medical School of the University of Stellenbosch. He spent the next eight years in private practice at the Panorama Mediclinic. During these years he played an important role in the Medical Association as Member of the Board of Trustees, member of the Executive Committee and Chairperson of the Private Practice Committee. In 1996 he joined Sanlam Health as Medical Director and General Manager of the Managed Health Care Division. Since 2000 he held various positions in the Health Care Industry, i.e. CEO of Multimed, Head of Administration Momentum Medical Scheme Administrators, CEO PPS Healthcare Administrators. He is currently an independent consultant in the Healthcare Industry.

Left to right: Mr AP Coetzee, Mr K Fleischhauer, Dr HD Hoffman, Mr KJM Moja, Dr A Jacobsz and Dr PJL Odendaal.

# Board of Directors

## KJM Moja

Member of the Audit and Risk Committee

*Independent non-executive director*

LLB, LLM

Appointed: 10 October 2019

Kabelo is a qualified and admitted attorney of the High Court of the Republic of South Africa. His qualifications include an LLB and Postgraduate Diploma in Tax from the University of the Witwatersrand and an LLM from the University of Pretoria. Kabelo has worked at the Public Investment Corporation SOC Limited as a senior legal advisor and periodically held an acting executive head of legal role; National Treasury of South Africa as a legal commercial director, Absa Bank Limited and at Routledge Modise Inc. trading as Hogan Lovells South Africa.

He is currently a director with Ascension Capital Partners Proprietary Limited, a private equity fund management and advisory business that specializes in making equity and quasi equity investments into various companies within Sub Saharan Africa. In addition to his current directorships, Kabelo was recently appointed as an independent non-executive director to the Southern African Venture Capital Association.

## Dr A Jacobsz

*Executive director*

MBChB (UOFS), FC Ophth (SA)

Appointed: 10 October 2019

Dr Jacobsz is an ophthalmologist with 16 years' experience and has in-depth knowledge of ophthalmology practice and hospital management. Dr Jacobsz completed his undergraduate medical training in 1996 and shortly thereafter started his career in ophthalmology at 1 Military Hospital in Pretoria. During 2004, Dr Jacobsz completed his ophthalmology training and joined the Pretoria Eye Institute, where he still currently practises today. Dr Jacobsz was appointed to the board of the Pretoria Eye Institute in 2005, where he played a critical role in the development and implementation of integrated strategies, in collaboration with executive partners. He was later appointed as the managing director of the Pretoria Eye Institute in 2010.

Dr Jacobsz currently serves as a director of IsoPharm Proprietary Limited (previously known as Chronimed (Eastern Cape) Proprietary Limited, IsoOps Proprietary Limited and IsoProp Proprietary Limited.

To date, Dr Jacobsz has played, and continues to play, a pivotal role in the establishment and growth of the iHealthcare Holdings Group and its subsidiaries.

## Dr PJL Odendaal

Member of the Social and Ethics Committee

*Executive director*

MBChB, FCP (SA)

Appointed: 3 April 2019

Dr Odendaal is a healthcare practitioner specialising as an Ophthalmologist. Dr. Odendaal completed his undergraduate trading in 1994 at the University of Stellenbosch and his ophthalmology training in 2002 at University of Pretoria. Soon after, he started his career as an ophthalmologist in private practice at the Pretoria Eye Institute. Dr Odendaal has previously served on the Pretoria Eye Institute's Board of Directors as well as the Specialised Hospital Management Groups Board of Directors where he was responsible for business development.

Dr Odendaal served as a director to Club Surgical Centre Proprietary Limited and Club Medical Centre Proprietary Limited and resigned as director of these entities during the reporting period.

To date, Dr Odendaal has played, and continues to play, a pivotal role in the establishment and growth of the iHealthcare Holdings Group and its subsidiaries.

# Board of Directors

## Meeting Attendance

### Board of Directors

| Members | Meeting date | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 13 Mar 2020 | 8 Jul 2020 | 21 Sept 2020 | 3 Nov 2020 | 25 Nov 2020 | 22 Jan 2021 | 14 Apr 2021 | 19 May 2021 |
| AP Coetzee | √ | √ | √ | √ | √ | √ | √ | √ |
| K Fleischhauer | √ | √ | √ | √ | √ | √ | √ | √ |
| Dr HD Hoffman | √ | √ | √ | √ | √ | √ | √ | √ |
| KJM Moja | √ | √ | √ | √ | √ | √ | √ | √ |
| Dr A Jacobsz | √ | √ | √ | √ | √ | √ | √ | √ |
| Dr PJL Odendaal | √ | √ | √ | √ | √ | √ | √ | √ |
| **Invitees** | | | | | | | | |
| JH Visser | √ | √ | √ | √ | √ | √ | √ | √ |
| **Company Secretary** | | | | | | | | |
| FluidRock Co Sec Proprietary Limited representative | √ | √ | √ | √ | √ | √ | √ | √ |

### Audit and Risk Committee

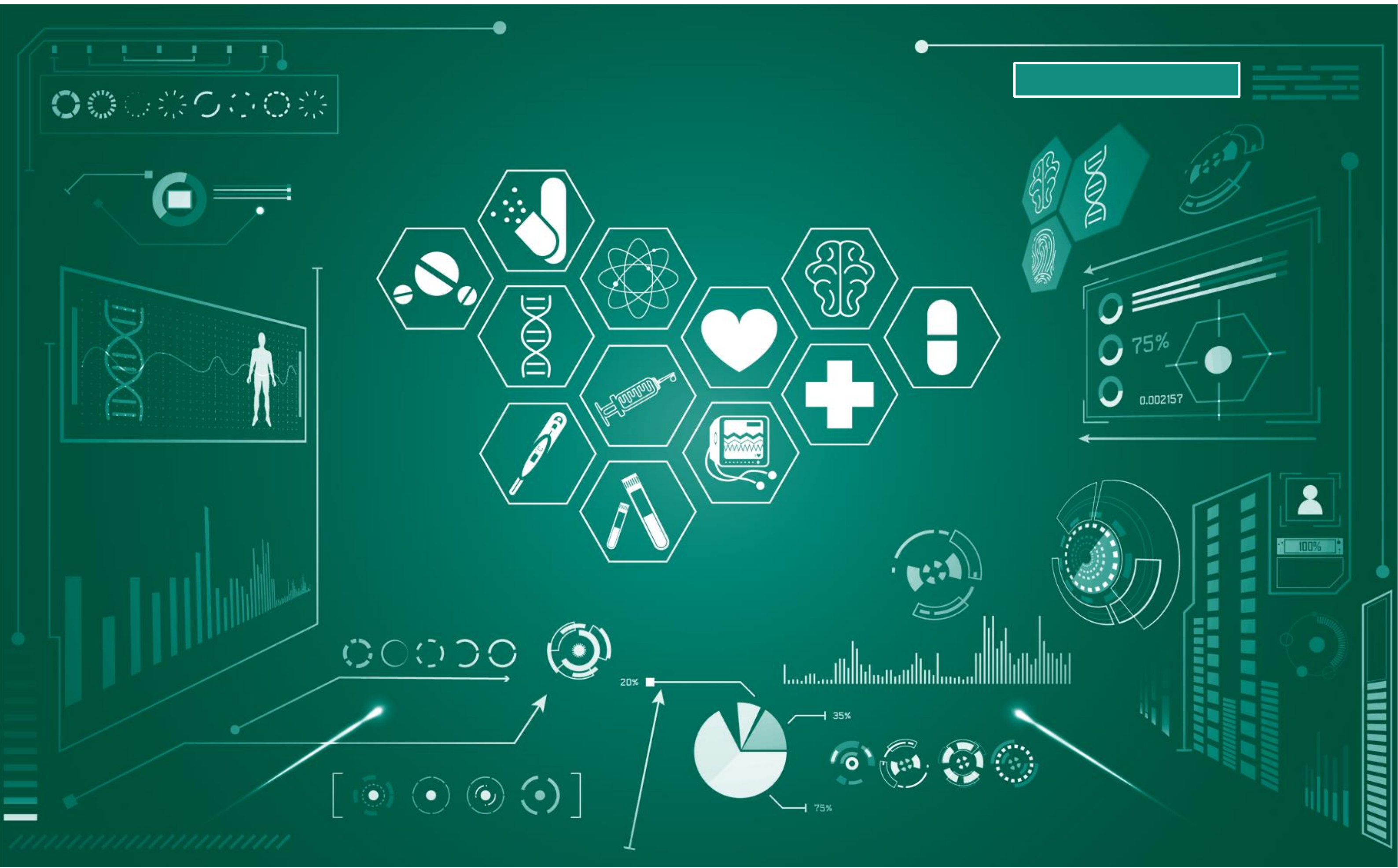
| Members | Meeting date | | | | | |
|---|---|---|---|---|---|---|
| | 13 Mar 2020 | 19 Jun 2020 | 8 Jul 2020 | 24 Nov 2020 | 22 Jan 2021 | 18 May 2021 |
| AP Coetzee | √ | √ | √ | √ | √ | √ |
| Dr HD Hoffman | √ | √ | √ | √ | √ | √ |
| KJM Moja | √ | Apology | √ | √ | √ | √ |

### Social and Ethics Committee

| Members | Meeting date | |
|---|---|---|
| | 18 Sept 2020 | 13 Apr 2021 |
| Dr HD Hoffman | √ | √ |
| AP Coetzee | √ | √ |
| Dr PJL Odendaal | √ | √ |

iHealthcare
Group Holdings Ltd

# Report of the Social and Ethics Committee



# Report of the Social and Ethics Committee

The iHealthcare Holdings Social and Ethics Committee (‘the Committee’) is constituted as a statutory sub-committee of the Board, in line with the 4AX Listing requirements, and reports in compliance with section 72(4) of the Companies Act read together with regulation 43 of the Companies Regulation, 2011.

Although not a statutory requirement, the Committee has continued implementing processes to align its duties in terms of the recommendations of King IV Report on Corporate Governance for South Africa, 2016 ('King IV™'). The Committee conducted its work in accordance with the Social and Ethics Committee Terms of Reference ('TOR'), which was implemented during the reporting period and approved by the Board. The Committee was established in March 2020.

## Duties Assigned by the Board

In addition to the statutory requirements of the Companies Act and the recommendations of King IV™, the Board assigned additional functions for the Committee to perform. Duties were mandated by the Board-approved Committee TOR and included the following key actions:

- exercise ongoing oversight of the management of ethics and, in particular, oversee that it results in the following:
    - application of ethical standards to the processes for the recruitment, evaluation of performance and reward of employees, as well as the sourcing of suppliers;
    - having sanctions and remedies in place for when the ethical standards are breached;
    - the use of protected disclosure or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately; and
    - the monitoring of adherence to the ethical standards by employees and other stakeholders, through, among others, periodic independent assessments;
- annually review the Code of Ethics and relevant ethics policies to ensure that these give effect to the Board’s direction on organisational ethics and make necessary recommendations to the Board for approval;
- ensure that the Code of Ethics and ethics policies provide for arrangements that familiarise employees and other stakeholders with the Group’s ethical standards, including:
    - publishing the aforementioned documents on the Company website;
    - incorporating by reference, or otherwise, the relevant codes and policies in supplier and employee contracts; and
    - including these codes and policies in employee induction and training programmes;
- review significant cases of employee conflicts of interest, misconduct or fraud, or any other unethical activity by employees;
- where requested, make recommendations on any potential conflict of interest or questionable situations;
- ensure that ethics performance is adequately assessed, monitored and disclosed;
- oversee that the core purpose and values, strategy and conduct are congruent with the Company being a responsible corporate citizen;
- monitor on an ongoing basis how the consequences of the Company’s activities and output affects its status as a responsible corporate citizen in the following areas:
    - workplace: employment equity; safety, health, dignity and development of employees;
    - economy: economic transformation and prevention, detection and response to fraud and corruption;
    - society: public health and safety; consumer protection; community development and protection of human rights; and
    - environment:  pollution; waste disposal and protection of biodiversity;
- annually review and recommend the fraud prevention policy and plan, and any material amendments thereto, to the Board for approval;
- annually review and recommend relevant policies that address any of the above matters to the Board for approval;
- exercise ongoing oversight of the management of ethics and in particular oversee that it results in the use of protected disclosures or whistle-blowing mechanisms to detect breaches of ethical standards and dealing with such disclosures appropriately; and
- annually review and recommend any whistleblowing policies to the Board for approval.

# Report of the Social and Ethics Committee

## Committee Activities and Decisions Taken During the Reporting Period

The Committee had its first meeting in September 2020 to consider and to act upon its statutory duties and functions and the Board confirms that the Committee has, during the reporting period, performed the duties mandated to it by the Board.

The Committee's role and responsibilities are governed by its TOR as reviewed and approved annually by the Board.

At the meeting the TOR and Annual Work Plan were presented and approved by the Committee.

The Committee recognizes that compliance and the execution of its mandate is a journey, as such the Committee has set the following priorities for the ensuing reporting period:

- Broad-Based Black Economic Empowerment ('B-BBEE') work plan;
- Code of conduct; and
- Human Resources and remuneration policy.

## Plan of the Committee

The Plan of the Social and Ethics Committee was reviewed. The Plan is available for inspection at the registered office of the Company.

## Approval

The Committee has fulfilled its mandate during the reporting period.

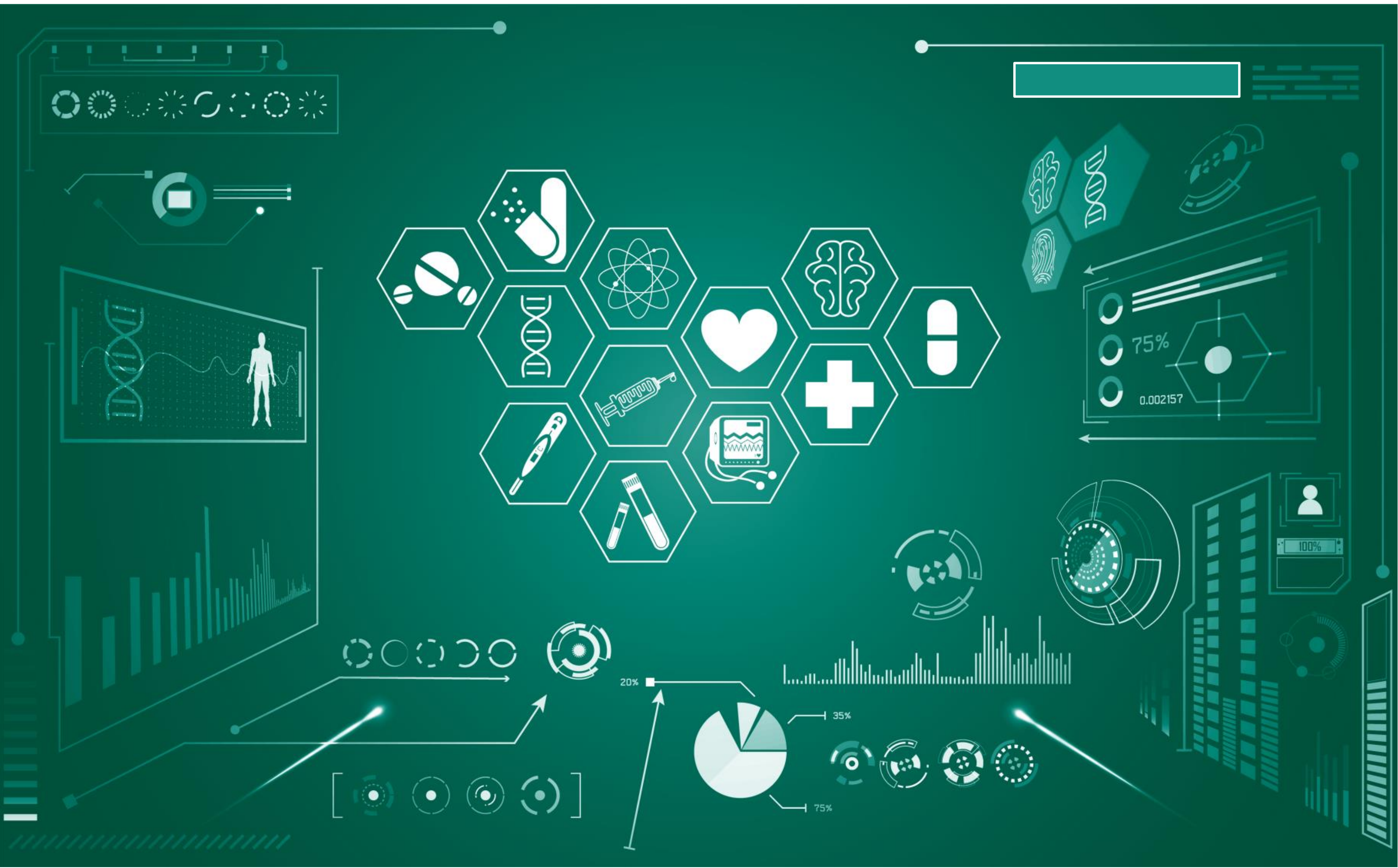
I wish to thank the members of the Committee and management for their contributions during the reporting period to ensure that the Committee could fulfil its mandate assigned to it by the Board.

**Dr HD Hoffman**
**Chairperson of the Social and Ethics Committee**

19 May 2021

iHealthcare
Group Holdings Ltd

# Annual Financial Statements



# Annual Financial Statements

## Laws of Incorporation and Memorandum of Incorporation

iHealthcare Group Holdings Limited ('iHealthcare Holdings') has been established and incorporated in compliance with the provisions of the Companies Act of South Africa, 2008 (Act 71 of 2008), as amended ('Companies Act'), and operates in conformity with its Memorandum of Incorporation ('MOI').

## Level of Assurance

The financial statements have been audited in compliance with the applicable requirements of the Companies Act.

## Auditors

SizweNtsalubaGobodo Grant Thornton Incorporated
Registered Auditors

## Preparer

JH Visser CA(SA)(ANZ), CFO

## Publication Date

31 May 2021

# Certificate by the Company Secretary

## Declaration by Company Secretary

The Company Secretary of iHealthcare Group Holdings Limited certifies that in terms of section 88(2) of the Companies Act, that the Company has lodged with the Companies and Intellectual Property Commission of South Africa all such returns and notices as are required of a public company in terms of this Act.

Furthermore, the Company Secretary confirms that all such returns are true, correct and up to date in respect of the reporting period ended 28 February 2021.

**FluidRock Co Sec Proprietary Limited**
**Company Secretary**

19 May 2021

**Postal address**
P O Box 25160
Monument Park
Pretoria
0105

**Physical address**
Block 5, Suite 201
Monument Office Park
79 Steenbok Avenue
Monument Park
Pretoria
0181

# Directors' Responsibilities and Approval

The directors are required, in terms of the Companies Act, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the Group and Company as at the reporting date and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards ('IFRS').

## Reporting Frameworks and Regulations

The consolidated and separate financial statements have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of 4AX and in the manner required by the Companies Act, and are based on appropriate accounting policies consistently applied throughout the Group and supported by reasonable and prudent judgements and estimates.

## Internal Financial Control System

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. These standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties in order to ensure an acceptable level of risk. The internal financial controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal financial control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

## Going Concern Principle

The directors have reviewed the Group and Company cash flow forecasts for the next 12 months from date of approval of the consolidated and separate financial statements and, in the light of this review, taking into account the impact of the COVID-19 pandemic in South Africa and the current financial position, they are satisfied that the Group and the Company have, or have access to, adequate resources to continue in operational existence for the foreseeable future.

## Events After the Reporting Period

The directors are not aware of any events after the reporting period that have a material impact on the Group and Company's cash flow forecasts for the next 12 months from date of approval of the consolidated and separate financial statements, that have not already been incorporated into these forecasts.

### Changes to the Board

As announced on the 4AX news services on the 16th of April 2021, Mr D Prinsloo has been appointed as the new Chief Executive Officer and executive director of the Company with effect from 1 June 2021. Dr A Jacobsz and Dr PJL Odendaal have resigned as Joint Chief Executive Officers and will remain in office until 31 May 2021.

# Directors' Responsibilities and Approval

## External Assurance

The external auditors are responsible for independently examining and reporting on the consolidated and separate financial statements and their report is presented on pages 34 to 36.

## Approval

The consolidated and separate financial statements for the year ended 28 February 2021, as set out on pages 37 to 109, which have been prepared on the going concern basis, were approved by the Board on 19 May 2021 and are signed on their behalf by:

**K Fleischhauer**
**Chairperson**

**Dr A Jacobsz**
**CEO**

**Dr PJL Odendaal**
**CEO**

**JH Visser**
**CFO**

# Report of the Audit and Risk Committee

The iHealthcare Holdings Audit and Risk Committee ('the Committee') is constituted as a statutory sub-committee of the Board, in line with the 4AX Listings Requirements, and reports in compliance with section 94(7)(f) of the Companies Act.

Although not a statutory requirement, the Committee has continued implementing processes to align its duties in terms of the recommendations of King IV Report on Corporate Governance for South Africa, 2016 ('King IV™'). The Committee conducted its work in accordance with the Audit and Risk Committee Terms of Reference ('TOR'), which was reviewed and updated during the reporting period and approved by the Board.

The quality, integrity and reliability of audit and risk-related issues of the Group are delegated to the Committee to assist the Board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting statements in compliance with all applicable legal requirements and accounting standards. Ensuring good corporate governance in the Group is also a mandate assigned to it by the Board.

## Duties Assigned by the Board

In addition to the statutory requirements of the Companies Act and the recommendations of King IV™, the Board assigned additional functions for the Committee to perform. Duties were mandated by the Board-approved Committee TOR and included the following key actions:

- ensured that the appointment of the external auditors complied with the provisions of the Companies Act and any other relevant legislation, including auditor independence, fees payable and the nature and extent of any non-audit services;
- examined the reliability and accuracy of the financial information presented to all users of such information, including the Company’s going concern assertion;
- formed an integral component of the risk management process and, as such, reviewed the risk management process, resultant risk registers and action plans to mitigate all key risks. Key risks involved strategic risks, liquidity risks, financial reporting risks, fraud risks, operational risks, risks associated with information technology, legal and compliance risks and internal financial controls;
- reported to the Board on the Committee’s activities and made recommendations to the Board concerning the adequacy and effectiveness of the risk policies, procedures, practices, controls or any other matters arising from the above responsibilities;
- oversaw reporting and reviewed all factors and risks that may impact on the integrity of the annual report;
- monitored relationships between all assurance providers and monitored results and actions taken to address any deficiencies;
- satisfied itself of the appropriateness, expertise, resources and experience of iHealthcare Holdings' finance function, and specifically the CFO;
- ensured that appropriate financial reporting procedures exist and are working;
- assessed the information regarding the audit firm and designated audit partner provided by the external auditors, prior to recommending them for reappointment;
- considered the most current information provided in respect of the 4AX monitoring processes and the pro-active monitoring processes of other security exchanges;
- monitored iHealthcare Holdings' implementation of the recommendations of King IV™;
- reviewed IT and fraud risks; and
- in addition to the above duties, the Committee reviewed the following:
    - annual report;
    - interim report; and
    - financial statements.

# Report of the Audit and Risk Committee

## Committee Activities and Decisions Taken During the Reporting Period

The Committee has met periodically to consider and act upon its statutory duties and functions and the Board confirms that the Committee has performed the duties mandated to it by the Board during the reporting period.

### External audit

In terms of section 90(1) of the Companies Act, the Committee had nominated SizweNtsalubaGobodo Grant Thornton Incorporated ('SNGGT') as the independent auditors and Mr A Philippou, a registered independent auditor, as the designated director, for appointment for the 2021 audit. This appointment was approved by shareholders at the Annual General Meeting ('AGM') on 27 August 2020. The Committee has satisfied itself through enquiry that the auditor of iHealthcare Holdings is independent, as defined by the Companies Act, and as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided by the auditor that the internal governance processes within the audit firm support and demonstrate the claim to independence.

The Committee, in consultation with executive management, agreed to the engagement letter, terms, nature and scope of the audit function and audit plan for the 2021 reporting period. The budgeted fee was considered for appropriateness and then approved. Audit fees are disclosed in note 23 of the financial statements.

The Committee considers and approves the non-audit services rendered by the external auditor. The external auditors did not render any non-audit services during the reporting period.

Meetings were held with the auditor and no matters of concern were raised. In terms of the Committee TOR, the external auditors have unrestricted access to the Chairperson of the Committee.

SNGGT has been iHealthcare Holdings' auditors since 2017, with Mr A Philippou being appointed as the designated auditor in 2020. The attendant risk of familiarity between management and the external auditors is mitigated through various factors, which include but are not limited to:

- balancing the benefits of maximising the knowledge gained through the utilisation of the same audit and management teams and ensuring independence and avoidance where knowledge of processes and procedures creates an environment where aspects are taken for granted;
- rotation of management and directors, not only from a statutory perspective, but also on an ongoing basis;
- the rotation of Mr NC Kyriacou after serving as designated auditor in the previous reporting periods. Mr Kyriacou was replaced by Mr A Philippou in the prior period;
- ongoing independence evaluations; and
- rotation of the Engagement Quality Control Reviewer as per the firm policy.

As Gazetted on 5 June 2017, mandatory audit firm rotation will become effective for reporting periods commencing on or after 1 April 2023. An audit firm shall not serve as the appointed auditor of a company for more than ten consecutive reporting periods. The audit firm will only be eligible for reappointment as the auditor after the expiry of at least five reporting periods.

The Committee confirms that the auditor and designated auditor are accredited by 4AX, and was satisfied with the quality of the external audit.

Significant matters that the Committee considered included:

- the restatement of comparative information in relation to a prior period error identified; and
- the impact of the COVID-19 global pandemic.

The Committee relied on assurance obtained from the detailed audit procedures performed, specifically on the above matters, by the external auditors. External IFRS consultants assisted management with the application of the above.

# Report of the Audit and Risk Committee

## Internal Controls

The Group maintains systems of internal control, which include financial, operational and compliance controls.

The Committee is responsible for reviewing the functioning of the internal control system, the reliability and accuracy of the financial information provided by management as well as that provided for dissemination to other users of financial information. In addition, it reviews whether the Group should continue to use the services of the current external auditors, any accounting or auditing concerns identified as a result of the external audit, the Group's compliance with legal and regulatory provisions, its MOI and by-laws.

The Board is accountable for establishing appropriate risk and control policies. Executive management is responsible for monitoring, reviewing and communicating these controls and policies through the organisation. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified.

All processes have been in place for the reporting period and up to the date of the approval of the financial statements and the directors are not aware of any known material breakdown in the functioning of the internal financial controls that has occurred during the reporting period to render the control environment ineffective.

The Committee assured itself of the internal financial controls through the integrated reporting model and, specifically, reports from the external auditors. The independent assurance as well as internal inspections, which was received during the reporting period, formed the basis for reporting to the Board on the reliability thereof.

iHealthcare Holdings' overall system of internal control remains adequate and no significant deficiencies in the design, implementation or execution of internal financial controls were identified.

## Evaluation of the CFO, Finance Function and Financial Reporting Structure

The Committee has satisfied itself of the appropriateness of the expertise and experience of Mr JH Visser CA(SA)(ANZ), CFO of the Group.

The Committee has considered, and has satisfied itself of, the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the finance function. The Committee has established that iHealthcare Holdings has appropriate financial reporting procedures in place and that those procedures are operating and operated satisfactorily during the reporting period.

## Financial Statements and Accounting Policies

The Committee has reviewed the accounting policies and the financial statements of the Group and the Company.  It is satisfied that they are appropriate and comply with IFRS. There has been no change in the accounting policies for the period under review.

The Committee and the Board are confident that they have taken, and continue to take, all the necessary steps to execute their responsibilities in terms of the Companies Act and the principles of good governance as contemplated in King IV™.

The Committee fulfilled its mandate and recommended the financial statements for the period ended 28 February 2021 for approval to the Board. The Board approved the financial statements on 19 May 2021 and the financial statements will be open for discussion at the AGM.

# Report of the Audit and Risk Committee

## Going Concern

Management presented the results of the Company's and the Group's solvency and liquidity tests at each of the Committee's meetings. The Committee satisfied itself that the Company and the Group have sufficient assets to carry on with operations and that the Group was both solvent and liquid after considering the impact of the COVID-19 global pandemic. These results were reported at each of the Board meetings.

The Committee monitored liquidity throughout the national lockdown and thereafter. Further details on the actions taken relating to the COVID-19 pandemic are discussed in note 5 of the financial statements.

## Reporting Process

The Committee oversaw the reporting process in accordance with its TOR and, in particular, the Committee:

- regarded all factors and risks that may impact on the integrity of the annual report, including factors that may predispose management to present a misleading picture, significant judgements and reporting decisions made, as well as any evidence that brings into question previously published information and forward-looking statements or information;
- reviewed the financial statements;
- reviewed the disclosure of other information in annual report to ensure that it is reliable and does not conflict with the financial information; and
- recommended the annual report for approval by the Board.

## Risk Management

The Board assigned oversight of the Group's risk management function to the Committee. In terms of King IV™, the Committee has reviewed the effectiveness of the risk management function and a total risk management process is been implemented.

The Committee reviewed the annual risk maturity assessment and was satisfied with the results during the reporting period. Standing Committee agenda items included risks associated with IT, financial reporting, liquidity risks, fraud, legal and regulatory compliance, litigation, insurance, reputation issues, ethics and health and safety compliance.

## Fraud Prevention and Whistle-blowing

The Committee is satisfied that management's anti-fraud management and controls to be sufficient. During the reporting period, no instances of whistle-blowing occurred and no matters were reported.

## IT Risk Management

The Board assigned oversight of technology and information governance, and the risks associated therewith, to the Committee. The Committee accepts that technology has a fundamental impact on the way in which business is conducted and businesses are measured.

The Committee noted the following from the IT risk presentation at the reporting date:

- the IT strategy for the Group is in place with the main driver of the strategy being costs and efficiency;
- implementation of the new robust and updated IT infrastructure for the Group is in process; and
- all IT risks are added to the Group's risk register with mitigating strategies.

## Report of the Audit and Risk Committee

The Committee confirms that:

- risks associated with the IT environment and projects are continuously evaluated and appropriate plans are in place and implemented to mitigate these risks to an acceptable level;
- IT expenditure is motivated by sound commercial principles to ensure that the business strategies and IT strategies are aligned;
- developments in the IT industry are monitored on an ongoing basis and the potential impact thereof on the Group's long-term strategy is evaluated regularly; and
- the necessary skills are in place to ensure that the internal control systems are adequately applied across the Group's entire IT environment.

### Legal and Regulatory Compliance

The Committee has been assigned the responsibility for ensuring ongoing legal and regulatory compliance. This mandate has been fulfilled through regular reviews of exposure levels associated with any key non-compliances and legal disputes.

### Plan and Terms of Reference

The Plan of the Audit and Risk Committee was reviewed. The Plan is available for inspection at the registered office of the Company. As included in the TOR, the appointment of external auditors for non-audit services was approved by the Committee.

### Financial Statements

Following the review by the Committee of the consolidated and separate financial statements of iHealthcare Holdings for the period ended 28 February 2021, the Committee is of the view that, in all material aspects, it complies with the relevant provisions of the Companies Act and IFRS and fairly presents the financial position at that date and the results of its operations and cash flows for the period.

In conjunction with the Board, the Committee has also satisfied itself as to the integrity of the remainder of the annual report.

Having achieved its objectives for the reporting period, the Committee recommended the consolidated and separate financial statements and annual report for the year ended 28 February 2021 for approval to the Board on 18 May 2021.

### Approval

The Committee has fulfilled its mandate during the reporting period and accordingly the financial statements have been approved for recommendation to the Board. The Board has subsequently approved the financial statements on 19 May 2021 which will be open for discussion at the AGM.

I wish to thank the members of the Committee and management for their contributions during the reporting period to ensure that the Committee could fulfil its mandate assigned to it by the Board.

**AP Coetzee**
**Chairperson of the Audit and Risk Committee**

18 May 2021

# Directors' Report

The directors take pleasure in presenting their report for the reporting period ended 28 February 2021.

## Directors' Responsibility

The Company's directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## iHealthcare Holdings' Business

iHealthcare Holdings listed on 4AX, in the Healthcare industry, during the prior reporting period. A description of iHealthcare Holdings' business profile and Group structure is set out in the overview section of the annual report.

## Financial Results

The operating results and the state of affairs of the Company and the Group are discussed in the Report to Shareholders on pages 8 to 11 of the annual report.

The Group generated a profit of R 1,751,503 (2020: loss of R 948,280). The financial statements on pages 37 to 109 details the Group's and the Company's financial performance, position and cash flow for the reporting period.

### Comparative financial results

We draw attention to the fact that the comparative consolidated and separate financial results represent an 11-month period ended 29 February 2020 due to the incorporation of the Company in the prior reporting period. The users of the financial statements are cautioned to be attentive when comparing the current financial results, which represent the 12-month period ended 28 February 2021, to the comparative results, representing the 11-month period ended 29 February 2021, and to note that all the information is not necessarily comparable.

Furthermore, we draw attention to the fact that the Company acquired a 66.09% direct interest in iHealthcare Group Limited during the prior reporting period on 30 November 2019. This transaction was classified as a transaction under common control.

### Segment Analysis

A detailed segment analysis of the Group's performance is disclosed in note 35 of the financial statements.

## Stated Capital

A detailed analysis of the movements in stated capital is set out in note 16 of the financial statements.

## Rights Attaching to Shares

Each ordinary iHealthcare Holdings share is entitled to identical rights in respect of voting, dividends, profits and a return of capital. The variation of rights attaching to iHealthcare Holdings shares requires the approval of shareholders of at least 65% (sixty five percent) of the voting rights exercised on the resolution in accordance with the MOI and 4AX Listing Requirements or the sanction of a special resolution passed at a general meeting of the holders of the iHealthcare Holdings shares of that class.

The issue of iHealthcare Holdings shares, whether in the initial or in any increased capital, is subject to shareholder approval.

# Directors' Report

## Directors and Prescribed Officer's Interest and Shareholding

Directors’ and the prescribed officer’s interests and shareholding as at 28 February 2021 are shown in note 32.

There has been no change in directors’ interests from the reporting date until the approval of the iHealthcare Holdings annual report on 19 May 2021. The directors have no non-beneficial shareholdings.

## Shareholders other than Directors

An analysis of shareholders is set out in note 40 of the financial statements.

### Major shareholders

Pursuant to section 56(7) of the Companies Act, the Group has no shareholder with a beneficial interest in excess of 5% of the issued share capital.

## Dividend Policy

The Group did not declare a dividend during the current or prior reporting period.

## Service Contracts with Directors

iHealthcare Holdings complies with relevant legislation when determining minimum terms and conditions for the appointment of executive directors. Unless stated otherwise in the contract of employment, there are no fixed terms of employment. Employment ceases on the resignation or dismissal of the director upon notice of two months (other than during the first six months of employment), and the notice period may be waived at the discretion of iHealthcare Holdings. All recently contracted employment agreements with management include a restraint of trade clause to protect iHealthcare Holdings' proprietary interests and to ensure that the business is not prejudiced in any way or form.

## Systems of Internal Control

The Group maintains systems of internal control, which include financial, operational and compliance controls. The Audit and Risk Committee is responsible for reviewing the functioning of the internal control system, the reliability and accuracy of the financial information provided by management as well as that provided for dissemination to other users of financial information.

In addition, the Audit and Risk Committee reviews whether the Group should continue to use the services of the current external auditors, any accounting or auditing concerns identified as a result of the external audit, the Group’s compliance with legal and regulatory provisions, its MOI and by-laws.

The Board is accountable for establishing appropriate risk and control policies. Executive management is responsible for monitoring, reviewing and communicating these controls and policies through the organisation. Corrective actions are taken to address control deficiencies and other opportunities for improving the systems, as they are identified.

All processes have been in place for the reporting period and up to the date of the approval of the financial statements and the directors are not aware of any known material breakdown in the functioning of the internal financial controls that has occurred during the reporting period to render the control environment ineffective.

iHealthcare Holdings' overall system of internal control remains adequate and no significant deficiencies in the design, implementation or execution of internal financial controls were identified.

# Directors' Report

## External Audit and Independence

SizweNtsalubaGobodo Grant Thornton Incorporated ('SNGGT') acts as external auditors of the Company, and has indicated their willingness to continue in office for the ensuing year.

The Audit and Risk Committee has satisfied itself of the independence of SNGGT and the designated auditor, Mr A Philippou, as required by section 90 of the Companies Act. The Board concurs with the Audit and Risk Committee’s assessment.

The proposed audit fee to be paid to SNGGT for the independent audit of the iHealthcare Holdings Group entities for the reporting period ended 28 February 2021 amounts to R 1,000,000 (2020: R 1,100,000).

## Composition of the Board

The Board comprises 6 (six) directors, 2 (two) executive directors and 4 (four) non-executive directors. The executive directors are the joint CEO's. All non-executive directors are independent.

### The Board

| Director | Classification | Date appointed |
|---|---|---|
| AP Coetzee | Independent non-executive director | 10 October 2019 |
| K Fleischhauer | Independent non-executive director, chairperson | 10 October 2019 |
| Dr HD Hoffman | Independent non-executive director | 10 October 2019 |
| Dr A Jacobsz | Executive director, CEO | 10 October 2019 |
| KJM Moja | Independent non-executive director | 10 October 2019 |
| Dr PJL Odendaal | Executive director, CEO | 03 April 2019 |

### Audit and Risk Committee

| Member | Classification | Date appointed |
|---|---|---|
| AP Coetzee | Independent non-executive director, chairperson | 10 October 2019 |
| Dr HD Hoffman | Independent non-executive director | 10 October 2019 |
| KJM Moja | Independent non-executive director | 10 October 2019 |

### Social and Ethics Committee

| Member | Classification | Date appointed |
|---|---|---|
| Dr HD Hoffman | Independent non-executive director, chairperson | 13 March 2020 |
| AP Coetzee | Independent non-executive director | 13 March 2020 |
| Dr PJL Odendaal | Independent non-executive director | 13 March 2020 |

A brief biography of each of the directors is disclosed on pages 13 to 15 of the annual report.

# Directors' Report

## State Affairs of the Group - Material Considerations

### Borrowing powers

The MOI imposes no restrictions on the borrowing powers of the Company or its directors. The Company does, however, have in place a formal delegation of authority imposing limitations in terms of transaction value and nature, which is fully operational and reviewed on an ongoing basis by the Board.

### Transaction non-controlling interest without change in control

Details of the change in the direct interest held in iHealthcare Group Limited is set out in notes 10 and 17 of the financial statements.

### Investment in subsidiaries

Details of interest in subsidiaries held are disclosed in note 10 of the financial statements.

### Directors’ interest in contracts

No director of the Company had any interest in any contract of significance during the reporting period.

### Contingent liabilities

The directors are not aware of any contingent liabilities that existed at 28 February 2021, or at the date of this report.

### Litigation statement

The Board is not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have a material effect on the Group’s financial position.

### Related party transactions

The related party transactions entered into in the ordinary course of business are disclosed in note 33 of the financial statements.

### Insurance

The Group has placed cover in the South African traditional insurance markets to ensure that all categories of risk are covered adequately. Additional cover on a per risk basis has been purchased, where appropriate.

### Impact of the COVID-19 pandemic

The COVID-19 pandemic has had a significant impact in South Africa and across the world. The first impact was noted in the Group in March 2020 when all major markets were similarly impacted by the pandemic. Based on the magnitude of the pandemic and its potential impact on the financial statements, management has conducted a review of all possible financial effects the virus could have on the measurement, presentation and disclosure provided. The results of this assessment are disclosed in note 5 of the financial statements.

## Correction of Prior Period Error

As announced on the 4AX news services on the 15th of April 2021, management identified an error in respect of the allocation of the loss and total comprehensive loss attributable to NCI for the prior reporting period. This error has been corrected in the financial statements presented. Refer to note 39 of the financial statements.

## Going Concern Statement

Following due consideration of the operating budgets, an assessment of Group's debt covenants and funding requirements, solvency and liquidity, the key risks, outstanding legal, insurance and tax issues, the impact of the COVID-19 pandemic and other pertinent matters presented by management, the directors have recorded that they have reasonable expectations that the Company and the Group have adequate resources and the ability to continue in operations for the foreseeable future. For these reasons, the financial statements have been prepared on the going concern basis.

# Directors' Report

## Events After the Reporting Period

Changes to the Board

As announced on the 4AX news services on the 16th of April 2021, Mr D Prinsloo has been appointed as the new Chief Executive Officer and executive director of the Company with effect from 1 June 2021. Dr A Jacobsz and Dr PJL Odendaal have resigned as Joint Chief Executive Officers and will remain in office until 31 May 2021.

The Board is not aware of any other events material to the understanding of the financial statements that occurred after the reporting date and the authorisation date of the financial statements, except the continuation of the risk-adjusted approach implemented by the South African Government in relation to the COVID-19 pandemic.

Independent Auditor's Report

**To the Shareholders of iHealthcare Group Holdings Limited**

***Opinion***

We have audited the consolidated and separate financial statements of iHealthcare Group Holdings Limited (the group and company) set out on pages 37 to 107, which comprise the consolidated and separate statement of financial position as at 28 February 2021, and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of iHealthcare Group Holdings Limited as at 28 February 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Key Audit Matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. No such matter was noted during the audit of the group.

***Other Information***

The directors are responsible for the other information. The other information comprises the information included in the document titled "iHealthcare Group Holdings Limited Annual Report 2021", and in the document titled "iHealthcare Group Holdings Limited Annual Financial Statements 2021", which includes the Directors' Report, the Report of the Audit and Risk Committee and the Certificate by the Company Secretary, as required by the Companies Act of South Africa. The other information further comprises the Analysis of Shareholding note on pages 108 and 109. The other information does not include the consolidated and separate financial statements and our audit report thereon.

SNG Grant Thornton is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered independently by the member firms. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

SizweNtsalubaGobodo Grant Thornton Incorporated Registration Number: 2005/034639/21

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Victor Sekese [Chief Executive]

A comprehensive list of all Directors is available at the company offices or registered office

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities of the Directors for the Consolidated and Separate Financial Statements***

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

***Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**
In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that SizweNtsalubaGobodo Grant Thornton Inc. has been the auditor of iHealthcare Group Holdings Limited for two years.

**Alex Philippou**
**SizweNtsalubaGobodo Grant Thornton Inc.**
**Engagement Director**
**Registered Auditor**

**28 May 2021**

**221 Garstfontein Road**
**Newlands**
**Pretoria**
**Gauteng**

## Statements of Financial Position

as at 28 February 2021

| Figures in R | Notes | Group 2021 | Restated* Group 2020 | Company 2021 | Company 2020 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **Non-current assets** | | | | | |
| Property and equipment | 8 | 4,755,502 | 5,181,371 | - | - |
| Goodwill | 9 | - | - | - | - |
| Investments in subsidiaries | 10 | - | - | 41,564,600 | 41,564,600 |
| Deferred tax assets | 11 | 958,416 | 916,499 | 27,749 | 51,868 |
| **Total non-current assets** | | **5,713,918** | **6,097,870** | **41,592,349** | **41,616,468** |
| **Current assets** | | | | | |
| Inventories | 12 | 14,307,658 | 14,731,872 | - | - |
| Trade and other receivables | 13 | 4,432,685 | 6,110,252 | 125,000 | - |
| Current tax assets | 29 | 8,179 | - | - | - |
| Loans receivable | 14 | 112,409 | 206,518 | - | - |
| Cash and cash equivalents | 15 | 4,994,093 | 2,844,911 | 189,970 | - |
| **Total current assets** | | **23,855,024** | **23,893,553** | **314,970** | **-** |
| **Total assets** | | **29,568,942** | **29,991,423** | **41,907,319** | **41,616,468** |
| **Equity and liabilities** | | | | | |
| **Equity** | | | | | |
| Stated capital | 16 | 41,731,736 | 41,564,720 | 41,731,736 | 41,564,720 |
| Retained earnings | | (26,879,562) | (28,337,554) | (1,229,780) | (1,236,257) |
| **Total equity attributable to owners of the parent** | | 14,852,174 | 13,227,166 | 40,501,956 | 40,328,463 |
| Non-controlling interests | 17 | 8,429,060 | 7,420,950 | - | - |
| **Total equity** | | **23,281,234** | **20,648,116** | **40,501,956** | **40,328,463** |
| **Liabilities** | | | | | |
| **Non-current liabilities** | | | | | |
| Lease liability | 19 | 374,113 | - | - | - |
| Contract liabilities | 18 | 652,050 | 715,575 | - | - |
| Cash-settled share-based payment liability | 32 | - | 505,980 | - | - |
| **Total non-current liabilities** | | **1,026,163** | **1,221,555** | **-** | **-** |
| **Current liabilities** | | | | | |
| Trade and other payables | 20 | 4,422,959 | 6,688,490 | 123,497 | 97,262 |
| Current tax liabilities | 29 | 78,303 | 482,558 | 3,495 | - |
| Lease liability | 19 | 696,758 | 887,179 | - | - |
| Loan from group company | 21 | - | - | 1,278,371 | 1,190,743 |
| Contract liabilities | 18 | 63,525 | 63,525 | - | - |
| **Total current liabilities** | | **5,261,545** | **8,121,752** | **1,405,363** | **1,288,005** |
| **Total liabilities** | | **6,287,708** | **9,343,307** | **1,405,363** | **1,288,005** |
| **Total equity and liabilities** | | **29,568,942** | **29,991,423** | **41,907,319** | **41,616,468** |

**Refer to note 39 of the financial statements.*

## Statements of Profit or Loss and Other Comprehensive Income
for the year ended 28 February 2021

| Figures in R | Notes | 12 months Group 2021 | Restated* 11 months Group 2020 | 12 months Company 2021 | 11 months Company 2020 |
|---|---|---|---|---|---|
| Revenue | 22 | 28,409,946 | 8,218,180 | 453,000 | - |
| Cost of sales | | (11,568,353) | (3,023,286) | - | - |
| **Gross profit** | | **16,841,593** | **5,194,894** | **453,000** | **-** |
| **Other income** | | **347,009** | **313,791** | **-** | **-** |
| Sub-lease rental income | 19 | 96,386 | 100,980 | - | - |
| Gain on early termination of lease | 19 | 34,296 | - | - | - |
| Reversal of accrual for operating lease expense | | 92,939 | 120,183 | - | - |
| Recoupment of internet expenses | | 5,714 | 618 | - | - |
| Reversal of impairment loss on trade receivables | 31 | 35,725 | 38,467 | - | - |
| Recovery of trade receivables written off | 31 | 1,349 | - | - | - |
| Gain on foreign exchange | | - | 53,543 | | |
| Reversal of share-based payment expense | 32 | 80,600 | - | - | - |
| **Operating expenses** | | **(14,465,483)** | **(5,679,117)** | **(393,260)** | **(1,288,125)** |
| Write-off of trade receivables | 31 | - | (14,551) | - | - |
| Impairment loss on goodwill | 9 | - | (600,372) | - | - |
| Loss on foreign exchange | | (844,416) | - | - | - |
| Employee benefit expense | | (6,985,033) | (342,907) | (30,100) | - |
| Share-based payment expense | 32 | (56,220) | - | - | - |
| Administrative expenses** | | (2,520,823) | (1,429,727) | (133,107) | (120,990) |
| Other expenses** | | (4,058,991) | (3,291,560) | (230,053) | (1,167,135) |
| **Operating profit/(loss) before interest** | **23** | **2,723,119** | **(170,432)** | **59,740** | **(1,288,125)** |
| Finance income | 24 | 64,740 | 45,529 | - | - |
| Finance costs | 25 | (94,460) | (38,822) | - | - |
| **Profit /(loss) before tax** | | **2,693,399** | **(163,725)** | **59,740** | **(1,288,125)** |
| Income tax (expense)/benefit | 26 | (941,896) | (784,555) | (53,263) | 51,868 |
| **Profit /(loss) for the period** | | **1,751,503** | **(948,280)** | **6,477** | **(1,236,257)** |
| **Other comprehensive income** | | **-** | **-** | **-** | **-** |
| **Total comprehensive income/(loss) for the period** | | **1,751,503** | **(948,280)** | **6,477** | **(1,236,257)** |
| **Profit/(loss) and total comprehensive income/(loss) for the period attributable to:** | | | | | |
| Owners of the Company | | 1,179,799 | (1,045,933) | | |
| Non-controlling interest | | 571,704 | 97,653 | | |
| | | **1,751,503** | **(948,280)** | | |
| **Earnings/(loss) per ordinary share** | 27 | | | | |
| -Basic earnings/(loss) per ordinary share (cents) | | 76.5 | (271.6) | | |
| -Diluted earnings/(loss) per ordinary share (cents) | | 76.5 | (271.6) | | |

**Refer to note 39 of the financial statements.*

***Refer to note 23 of the financial statement for significant contributing expenses to this category.*

## Statements of Changes in Equity - Group

for the year ended 28 February 2021

| Figures in R | | Stated capital | Retained earnings | Attributable to owners of the parent | Non-controlling interests | Total |
|---|---|---|---|---|---|---|
| Loss for the period (restated*) | | - | (1,045,933) | (1,045,933) | 97,653 | (948,280) |
| Total comprehensive loss for the period (restated*) | | - | (1,045,933) | (1,045,933) | 97,653 | (948,280) |
| Common control transaction | | - | (27,291,621) | (27,291,621) | 7,323,297 | (19,968,324) |
| Issue of ordinary shares | | 41,564,720 | - | 41,564,720 | - | 41,564,720 |
| **Restated balance at 29 February 2020** | | **41,564,720** | **(28,337,554)** | **13,227,166** | **7,420,950** | **20,648,116** |
| **Balance at 1 March 2020** | | 41,564,720 | (28,337,554) | 13,227,166 | 7,420,950 | 20,648,116 |
| Profit for the period | | - | 1,179,799 | 1,179,799 | 571,704 | 1,751,503 |
| Total comprehensive income for the period | | - | 1,179,799 | 1,179,799 | 571,704 | 1,751,503 |
| Issue of ordinary shares | | 167,016 | - | 167,016 | - | 167,016 |
| Issue of shares to NCI without a change in control | | - | 278,193 | 278,193 | 436,406 | 714,599 |
| **Balance at 28 February 2021** | | **41,731,736** | **(26,879,562)** | **14,852,174** | **8,429,060** | **23,281,234** |
| | Notes | **16** | | | **17** | |

***Refer to note 23 of the financial statement for significant contributing expenses to this category.*

## Statements of Changes in Equity - Company

for the year ended 28 February 2021

| Figures in R | | Stated capital | Retained earnings | Total |
|---|---|---|---|---|
| Loss for the period | | - | (1,236,257) | (1,236,257) |
| Total comprehensive loss for the period | | - | (1,236,257) | (1,236,257) |
| Issue of ordinary shares | | 41,564,720 | - | 41,564,720 |
| **Balance at 29 February 2020** | | **41,564,720** | **(1,236,257)** | **40,328,463** |
| | | | | |
| **Balance at 1 March 2020** | | **41,564,720** | **(1,236,257)** | **40,328,463** |
| Profit for the period | | - | 6,477 | 6,477 |
| Total comprehensive income for the period | | - | 6,477 | 6,477 |
| Issue of ordinary shares | | 167,016 | - | 167,016 |
| **Balance at 28 February 2021** | | **41,731,736** | **(1,229,780)** | **40,501,956** |
| | Note | **16** | | |

## Statements of Cash Flows

for the year ended 28 February 2021

| Figures in R | Notes | 12 months Group 2021 | 11 months Group 2020 | 12 months Company 2021 | 11 months Company 2020 |
|---|---|---|---|---|---|
| Cash generated from operations | **28** | **4,107,222** | **(396,012)** | **(39,025)** | **(1,190,863)** |
| Finance cost paid | 25 | (94,460) | (38,822) | - | - |
| Finance income received | 24 | 64,740 | 45,529 | - | - |
| Income tax paid | 29 | (1,396,247) | (1,713,323) | (25,649) | - |
| **Net cash from/(used in) operating activities** | | **2,681,255** | **(2,102,628)** | **(64,674)** | **(1,190,863)** |
| Cash flows from investing activities | | | | | |
| Acquisition of property and equipment | 8 | (178,911) | (3,642,108) | - | - |
| Advances on loans receivable | 14 | (112,409) | (206,518) | - | - |
| Repayment from loans receivable | 14 | 206,518 | - | - | - |
| **Net cash used in investing activities** | | **(84,802)** | **(3,848,626)** | **-** | **-** |
| Cash flows from financing activities | | | | | |
| Proceeds from issue of shares to non-controlling interests | 17 | 714,600 | - | - | - |
| Proceeds from issue of ordinary shares | 16 | 167,016 | 120 | 167,016 | 120 |
| Repayment of lease liability | 19 | (847,287) | (247,227) | - | - |
| Proceeds from loans from group companies | 21 | - | - | 87,628 | 1,190,743 |
| Payment of cash-settled share-based liability | 32 | (481,600) | (874,033) | - | - |
| **Net cash (used in)/from financing activities** | 30 | **(447,271)** | **(1,121,140)** | **254,644** | **1,190,863** |
| **Net increase / (decrease) in cash and cash equivalents** | | **2,149,182** | **(7,072,394)** | **189,970** | **-** |
| Cash and cash equivalents at 1 March | 15 | 2,844,911 | - | - | - |
| Cash and equivalents acquired through business combination | | - | 9,917,305 | - | - |
| **Cash and cash equivalents at 28/29 February** | **15** | **4,994,093** | **2,844,911** | **189,970** | **-** |

# Notes to the Financial Statements

for the year ended 28 February 2021

## 1. Reporting Entity

The principal operations of the Group have been disclosed in the Directors' Report on page 29.

iHealthcare Group Holdings Limited is incorporated and domiciled in South Africa. The address of its registered office is Sappi Technology Centre, The Innovation Hub, Cnr Aaron Klug and Max Theiler Street, Persequor, 0020. The consolidated financial statements of the Company as at and for the period ended 28 February 2021 comprise the Company and its subsidiaries (together referred to as the Group).

## 2. Statement of Compliance

The consolidated and separate financial statements ('the financial statements') have been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the 4AX Listings Requirements and the Companies Act.

The financial statements were authorised for issue by the Board on 19 May 2021 and are subject to the approval of the shareholders at the AGM.

## 3. Basis of Preparation

The financial statements are prepared as a going concern on a historical cost basis. The accounting policies, inclusive of reasonable judgements and assessments, have been consistently applied for all reporting periods presented and comply with IFRS.

The financial statements are presented in South African Rand, which is the functional currency of the Group. Amounts are rounded to the nearest South African Rand, except where another rounding measure has been indicated in the financial statements.

### Comparative financial results

We draw attention to the fact that the comparative consolidated and separate financial results represent an 11-month period ended 29 February 2020 due to the incorporation of the Company in the prior reporting period. The users of the financial statements are cautioned to be attentive when comparing the current financial results, which represent the 12-month period ended 28 February 2021, to the comparative results, representing the 11-month period ended 29 February 2021, and to note that all the information is not necessarily comparable.

Furthermore, we draw attention to the fact that the Company acquired a 66.09% direct interest in iHealthcare Group Limited during the prior reporting period on 30 November 2019. This transaction was classified as a transaction under common control.

## 4. Significant Estimates and Judgements

In preparing these financial statements, management has made judgements and estimates that affect the application of the Group’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

## Notes to the Financial Statements

for the year ended 28 February 2021

### Judgements

Information about judgements made in applying the accounting policies that have the most significant effects on the amounts recognised in the financial statements are included in the following notes:

| Judgements | Related note |
|---|---|
| Revenue recognition: timing principles, i.e., over time or at a point in time | 22 |
| Tax: judgements in terms of the complexity of legislation | 26 |
| Share-based payment arrangement: classification as an equity-settled or cash-settled scheme | 32 |
| COVID-19 impact: going concern assessment | 38 |

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties, at the reporting date, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next reporting period is included in the following notes:

| Assumptions and estimation uncertainties | Related note |
|---|---|
| Impairment of goodwill: key assumptions underlying recoverable amounts | 9 |
| COVID-19 impact on impairment of goodwill: input of forward-looking information into model | 9 |
| Deferred tax: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilised | 11 |
| Net realisable value ('NRV') of inventory: key assumptions in determining the NRV | 12 |
| Revenue recognition: estimate of expected returns | 22 |
| Measurement of expected credit losses: key assumptions in determining the loss rates and credit ratings | 31 |
| COVID-19 impact on measurement of expected credit losses: assessment of forward-looking information | 31 |
| Share-based payment arrangement: key inputs into the appropriate valuation model | 32 |

## 5. COVID-19 pandemic

During the reporting period, there has been widespread local and global uncertainty associated with the COVID-19 pandemic. On 15 March 2020, a National State of Disaster was declared in South Africa due to the COVID-19 pandemic and subsequently, on 26 March 2020, a national lockdown became effective for all South African citizens and businesses. This national lockdown was extended until 30 April 2020. On 1 May 2020, a risk-adjusted phased-in approach of economic activity was implemented and promulgated in terms of the Disaster Management Act of South Africa, 2002 (Act 57 of 2002).

It is important to note that the material operating entity of the Group, namely IsoClear Proprietary Limited ('IsoClear') was classified as an essential service provider during the entire reporting period. Operations were restricted during the national lockdown period to emergency elective medical procedures only which resulted in a disruption of the operations of IsoClear. Although, elective medical procedures were allowed to be performed during the risk-adjusted phased-in approach, there was still a delay in the execution of elective medical procedures by the customers of the Group. Although operating levels only started to show improvement towards the latter part of the reporting period, these levels have not yet normalised. The majority of staff members worked remotely which contributed to the limited disruption of the overall demand of customers throughout the reporting period.

The COVID-19 pandemic has had a significant impact across the world, negatively affecting the lives of the Group's customers and its employees. Based on the magnitude of the pandemic and its potential impact on the financial statements, management has conducted a review of the possible financial effects the pandemic could have on the measurement, presentation and disclosure provided.

## Notes to the Financial Statements

for the year ended 28 February 2021

| Consideration | Assessment | Impact | Related note |
|---|---|---|---|
| Impairment of goodwill | The pandemic had an impact on the operational and valuation assumptions and inputs applied in the recoverability assessment in relation to the CGUs of the various investments in subsidiaries held within the Group. Management adopted a conservative approach in the assessment of the impairment models applied based on the long-term impact on the economy as a whole. It is important to note that, overall, the pandemic was not the sole contributing factor to the impairment recognised, but merely a contributing factor. Goodwill was impaired in the prior reporting period based on the forward-looking impact of the pandemic. | Low | 9 |
| Financial asset impairment | The financial impact of the crisis has put an increased level of pressure on customers throughout the economic landscape in South Africa and foreign countries in which the Group operates. The overall increased risk is mitigated by the Group in relation to the continuous enforcement of the strict credit approval process, historically applied. The overall recoverability of the customers did not deteriorate significantly and no customers indicated a level of financial difficulty or requested short-term payment relief. The Group adjusted the overall ECL ratings model for the impact of COVID-19 and other macro-economic factors and remained conservative in the application of the model based on the default indicators as set out in the accounting policies. | Low | 31 |
| | There was a potential impairment on cash balances due to the negative impact of the pandemic on financial institutions. The nature of the bank balances of the Group is largely short-term, comprising mainly current accounts. Given the significant actions taken by central banks to improve liquidity through monetary and fiscal interventions, the Group's ECLs on cash balances remained immaterial. | Insignificant | 31 |

## Notes to the Financial Statements

for the year ended 28 February 2021

| Consideration | Assessment | Impact | Related note |
|---|---|---|---|
| Non-financial asset impairment | The nature of the non-financial assets and the fact that the significant operational entity of the Group was classified as an essential service provider, resulted that the overall non-financial assets have been recovered through use in the normal course of business, albeit at a reduced operational level due to initial restrictions on elective medical procedures. In addition to this, the Group’s revenue-generating processes are not directly dependent on the non-financial assets of the Group. Only essential capital expenditure was incurred during the reporting period.<br><br>Future projections and underlying insured values still support the carrying amount of non-financial assets of the Group. | Insignificant | 8 |
| Foreign currency exchange rates | The foreign currency exposure of the Group is directly related to the importation of goods. The pandemic resulted in significant movements in currencies to which the Group is exposed. Although the Group renegotiated payment terms with certain suppliers in an attempt to mitigate the foreign currency risk these movements resulted in an increased foreign exchange loss in the current reporting period compared to the prior reporting period.<br><br>The Group does not currently utilise foreign exchange contracts to mitigate the Group's exposure to foreign creditors. The Group has, however, obtained a pre-settlement facility from its bankers to utilise foreign exchange contracts in future periods. | Moderate | 31 |

## Notes to the Financial Statements
for the year ended 28 February 2021

| Consideration | Assessment | Impact | Related note |
|---|---|---|---|
| Inventories | Although the overall pandemic resulted in a restriction on imports of certain inventory items during the national lockdown, the inventory levels of the Group remained fairly stable. The Group was able to fulfil all contracts with customers.<br><br>Reduced operating levels, brought about by the pandemic, resulted in the recognition of an allowance for obsolete inventory items in the current reporting period due to the strict regulations in terms of expired inventory items. The Group will continue to sell inventory items during the normal course of operations of the Group in the foreseeable future. | Low to moderate | 12 |
| Leases | There has been no impact on the accounting treatment of leases as a result of COVID-19. The Group did not receive rent concessions from the landlord during the reporting period. | Insignificant | 19 |
| Events after the reporting period | The pandemic did not result in any material adjusting events after the reporting period. | Insignificant | 37 |
| Going concern | The operations of the Group have stabilised and management anticipates normalised operating levels, with minimal disruptions, in the foreseeable future. The Group maintains a level of solvency and liquidity with effective management of the cash position of the Group. Furthermore, the Group did not utilise any Government implemented debt relief schemes, which are indicators of a reduced impact of COVID-19 on the going concern of the Group. As part of the implemented pandemic responses by management, the Group implemented pro-active cost-saving mechanisms.<br><br>The overall continuation of elective medical procedures towards the latter part of the reporting period, resulted in the working capital of the Group stabilising to more favourable conditions. | Insignificant | 38 |
| Onerous contracts | The nature of the Group's contracts with customers is not indicative of any likely significant onerous contract provisions. | Insignificant | 22 |

# Notes to the Financial Statements

for the year ended 28 February 2021

| Consideration | Assessment | Impact | Related note |
|---|---|---|---|
| Recoverability of deferred tax assets | A deferred tax asset is only recognised to the extent that the Group will have adequate future taxable income in relation to the unutilised estimated assessed losses. The pandemic lead to a reduced level of operations in the Group, which has since normalised towards the reporting date due to the classification of the significant operating entity as an essential service provider and the relaxation of economic restraints specifically with regards to the restriction of elective medical procedures. The Group will have adequate future taxable income in relation to unutilised estimated assessed losses. | Insignificant | 11 |

## 6. Significant Accounting Policies

### 6.1 Basis of consolidation

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in a business combination is measured as the aggregate of the fair values (at the date of exchange) of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Transaction costs are recognised as an expense as incurred.

#### Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and all investees controlled by the Company which are classified as subsidiaries. The results of subsidiaries are included in the consolidated financial statements from the effective date that control commences until the date on which control ceases.

The Company measures, in its separate financial statements, its investments in subsidiaries at cost less impairment, if any.

#### Non-controlling interests ('NCI')

NCI are initially measured at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a combination-by-combination basis.

Where there is a change in the interest in a subsidiary that does not result in a loss of control, the difference between the fair value of the consideration transferred or received and the amount by which the NCI is adjusted, is recognised as an equity transaction directly in equity.

#### Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

# Notes to the Financial Statements

for the year ended 28 February 2021

**Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

**Common control transactions**

For transactions in which combining entities are controlled by the same party or parties both before and after the transaction, and where that control is not transitory, are referred to as common control transactions. The Group's accounting policy for the acquiring entity would be to account for the transaction at book values as reflected in the financial statements of the selling entity. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired in common control transactions, will be allocated to the common control reserve in equity.

An acquiring entity accounts for a common control transaction at the book values reflected in the financial statements of the selling entity and there is no restatement of comparative information. The difference between any purchase consideration and the net asset value of the acquiree is recognised in equity in the common control reserve.

Common control transactions are eliminated on consolidation.

## 6.2 Goodwill

Goodwill arising on acquisition represents the excess of the cost of a business combination over the fair value of identifiable assets, liabilities and contingent liabilities acquired. Goodwill is recognised as an intangible asset with any impairment losses recognised in profit or loss.

## 6.3 Property and equipment

All items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The right-of-use asset represents property leased by the Group. The property comprises administrative and warehouse space. Demo units are classified as property and equipment. These units are usually utilised for a period exceeding one year and the Group has no intention of selling these units in the normal course of business.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is calculated to write-off the cost of all items of property and equipment over their estimated useful lives to their residual values, using the straight-line method. Depreciation is recognised in profit or loss. Right-of-use assets are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The estimated useful lives for current and comparative periods are as follow:

| Category | Useful live |
|---|---|
| Right-of-use asset: Building | Remaining lease term |
| Workshop equipment | 5 years |
| Fixtures and fittings | 6 years |
| Office equipment | 6 years |
| Computer equipment | 2-3 years |
| Demo units** | 6 years |

# Notes to the Financial Statements

for the year ended 28 February 2021

The residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted if appropriate.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

### 6.4 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as lessee**

The Group, as lessee, leases a property for administrative and warehouse purposes under a single lease agreement.

The Group has elected not to separate non-lease components and accounts for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is tested for impairment when appropriate, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and the type of asset subject to the lease.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease entered into by the Group does not have residual value guarantees or any purchase options.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a change in assessment of whether the Group will exercise an extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property and equipment' in the statement of financial position.

Short-term leases

The Group has elected not to recognise a right-of-use asset or lease liability for the short-term lease related to the exhibition space. The Group recognises the lease payments associated with this lease as an expense in profit or loss over the lease term.

# Notes to the Financial Statements

for the year ended 28 February 2021

### Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group, as lessor, has entered into a sub-lease over a portion of the property recognised as a right-of-use asset (included in property and equipment). The sub-lease has been classified as an operating lease with reference to the right-of-use asset. The rental income from the sub-lease is recognised in profit or loss on a straight-line basis over the lease term.

In addition, the Group, as lessor, has entered into a lease over equipment (included in property and equipment). The lease has been classified as an operating lease. The rental income from the lease in relation to equipment, is recognised in profit or loss on a straight-line basis over the lease term as part of revenue.

## 6.5 Inventories

Inventories consist of inventory on hand and goods in transit and are initially recognised at cost. Inventories are subsequently measured at the lower of cost and net realisable value. The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the Group.

When inventories are sold, the carrying amount is recognised as an expense and included in cost of sales in the period in which the related revenue is recognised.

An allowance for obsolete or damaged inventory is maintained by the Group. The level of the allowance for obsolete inventory is equivalent to the value of the difference between the cost of the inventory and its net realisable value or current replacement cost at the reporting date. Movements in this allowance are recognised in profit or loss.

## 6.6 Financial Instruments

### Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

**Financial assets**

Classification

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income ('FVOCI') – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's financial assets comprise only financial assets at amortised cost.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Group assessed its various financial assets in relation to the various considerations of the business model and concluded that all the financial assets are held by the Group with the main objective of collecting the contractual cash flows and that the contractual terms give rise to cash flows that are solely payments of principal and interest (if applicable). Other factors considered by the Group that support the assessment include the fact that the portfolios of these financial instruments are assessed on the collectability of the portfolio and the fact that the Group does not have a history of selling these types of financial instruments.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment losses are recognised in profit or loss.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Any gain or loss on derecognition is recognised in profit or loss.

**Financial liabilities**

Classification

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

The Group's financial liabilities comprise only financial liabilities at amortised cost.

Subsequent measurement

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

# Notes to the Financial Statements

for the year ended 28 February 2021

### 6.7 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Goodwill is tested annually for impairment.

The recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Where an impairment loss subsequently reverses, other than goodwill which never reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior reporting periods. A reversal of an impairment loss is recognised in profit or loss.

### 6.8 Impairment of financial assets

The Group recognises loss allowances for expected credit losses ('ECLs') on financial assets measured at amortised.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, which includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers any intergroup financial assets to have a low credit risk when the related Group company has the ability to settle the outstanding balance, has no default history, has no increased credit risk based on the review of financial performance, budgets and related forward-looking information of the Group company, and has financial support from the parent of the Group. Furthermore, the Group considers any loan with a senior level employee to have a low credit risk in based on the recovery of the loans by means of the payroll function as a salary deduction and the fact that the Group has no default history in relation to these loans.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

## Notes to the Financial Statements

for the year ended 28 February 2021

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL's

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective assets.

Write-off

The Group writes off the gross carrying amount of a financial asset when there is information and evidence indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 150 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice, where appropriate. Any recoveries made are recognised in profit or loss.

### 6.9 Stated capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of ordinary shares or share options are recognised in equity as a deduction, net of tax from the proceeds.

### 6.10 Foreign currency

**Foreign currency transactions**

Transactions in foreign currency are translated into ZAR at the exchange rates ruling when the transactions occur. Monetary assets and liabilities denominated in foreign currencies are translated into ZAR at the exchange rate at the reporting date. Foreign currency differences are recognised in profit or loss.

## 6.11 Contract liabilities

### Option to acquire additional goods

The Group, in certain cases, provides an option to customers to acquire additional goods. This option provides a material right to the customer to purchase equipment at a future date at a discounted price. The revenue that relates to this option is deferred and recognised when the customer exercises its option to purchase the new machines at the discounted prices or when the option lapses. Refer to note 18.

### Service contracts

Revenue that relates to service contracts contracted for a five-year period is deferred and recognised on a systematic basis over the remainder period of the contract in terms of services rendered. Refer to note 18.

## 6.12 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

### Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit;
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised  deferred tax assets are re-assessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured using the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The Group does not offset deferred tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable of prior periods.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

The Group does not offset current tax assets and liabilities unless it has a legally enforceable right to do so and intends to settle on a net basis.

# Notes to the Financial Statements

for the year ended 28 February 2021

## 6.13 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts to be collected on behalf of third parties. The Group recognises revenue when it transfers control over a good or service to a customer.

Revenue from goods is recognised at a point in time, which is generally on delivery of the goods and when no further performance obligations are required. Goods include consumable products, equipment and pharmaceutical products related to the ophthalmology industry.

Revenue relating to services is recognised over the period which the service is performed and when control is transferred. Services include service elements of equipment sold.

Revenue from leases related to equipment is recognised on a straight-line basis over the period of the leases.

Refer to note 22 for details on the Group's accounting policies relating to contracts with customers.

## 6.14 Finance income

Interest income on investments is accrued on a time basis, using the effective interest method, which is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to that asset's net carrying amount. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Interest and dividend income received in relation to investments held are classified as revenue in profit or loss for the Company, based on its primary activities.

## 6.15 Finance costs

All finance costs are recognised in profit or loss using the effective interest method in the period in which they are incurred. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the amortised cost of the financial liability.

## 6.16 Employee benefits

### Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense in profit or loss during the reporting period in which the employee renders the related service.

Liabilities for employee entitlements to wages, salaries and annual leave represent the amount which the Group has a present obligation to pay as a result of employee services provided during the reporting period.

### Share-based payment arrangements

The fair value of the amount payable to employees in respect of share-based payment arrangements, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the share-based payment arrangements. Any changes in the liability are recognised in profit or loss.

# Notes to the Financial Statements

for the year ended 28 February 2021

## 6.17 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes finance costs, finance income and income tax expense.

# Notes to the Financial Statements

for the year ended 28 February 2021

## 7. New Standards and Interpretations

### New and revised standards and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2021 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are applicable to the Group and are not expected to have a significant impact on the financial statements:

| Standard and/or Interpretation | Details of amendment | Effective date |
|---|---|---|
| COVID-19-Related Rent Concessions (Amendment to IFRS 16) | The amendment provides lessees with an exemption from assessing whether a COVID- 19-related rent concession is a lease modification. | Effective for periods beginning on or after 1 April 2021. |
| Reference to the Conceptual Framework (Amendments to IFRS 3) | The amendment updates an outdated reference to the Conceptual Framework in IFRS 3 without changing the requirements in the standard. | Effective for periods beginning on or after 1 January 2022. |
| Annual Improvements to IFRS Standards 2018–2020 | Makes amendments to the following standards:<br>- IFRS 9 – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. | Effective for periods beginning on or after 1 January 2022. |
| Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) | The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. | Effective for periods beginning on or after 1 January 2023. |
| Disclosure of Accounting Policies (Amendments to IAS 1) | The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies, with additional guidance added to the Standard to explain how an entity can identify material accounting policy information with examples of when accounting policy information is likely to be material. | Effective for periods beginning on or after 1 January 2023. |

## Notes to the Financial Statements

for the year ended 28 February 2021

| Standard and/or Interpretation | Details of amendment | Effective date |
|---|---|---|
| Definition of Accounting Estimates (Amendments to IAS 8) | The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The requirements or recognising the effect of change in accounting prospectively remain unchanged. | Effective for periods beginning on or after 1 January 2023. |

All applicable new and revised standards and interpretations will be adopted at the effective date as disclosed.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 8. Property and Equipment

### Reconciliation of movements within the carrying amounts of property, plant and equipment

| | Right-of-use asset: Buildings* | Machinery | Fixtures and fittings | Office equipment | Computer equipment | Demo units** | Total |
|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | |
| At cost | 1,813,102 | - | 219,883 | 18,100 | 140,196 | 4,354,538 | **6,545,819** |
| Accumulated depreciation and impairment losses | (988,965) | - | (22,900) | (4,098) | (67,641) | (280,844) | **(1,364,448)** |
| **Balance at 1 March 2020** | **824,137** | **-** | **196,983** | **14,002** | **72,555** | **4,073,694** | **5,181,371** |
| **Movements during the reporting period** | | | | | | | |
| Additions | 1,394,930 | 106,791 | 7,945 | 7,298 | 47,099 | 9,778 | **1,573,841** |
| Depreciation | (843,215) | (10,674) | (28,991) | (10,598) | (50,338) | (726,239) | **(1,670,055)** |
| Derecognised on early termination of lease (refer to note 19) | (329,655) | - | - | - | - | - | **(329,655)** |
| **Balance at 28 February 2021** | **1,046,197** | **96,117** | **175,937** | **10,702** | **69,316** | **3,357,233** | **4,755,502** |
| At cost | 1,394,929 | 106,791 | 227,828 | 25,398 | 187,295 | 4,364,316 | **6,306,557** |
| Accumulated depreciation and impairment losses | (348,732) | (10,674) | (51,891) | (14,696) | (117,979) | (1,007,083) | **(1,551,055)** |
| **Balance at 28 February 2021** | **1,046,197** | **96,117** | **175,937** | **10,702** | **69,316** | **3,357,233** | **4,755,502** |

**The Group leases a property for administrative and warehouse purposes.*

***The operating lease with the customer was cancelled during the current reporting period. Refer to note 19.*

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

| | Right-of-use asset: Buildings* | Fixtures and fittings | Office equipment | Computer equipment | Demo units** | Total |
|---|---|---|---|---|---|---|
| **Group** | | | | | | |
| **Movements during the reporting period** | | | | | | |
| Additions | - | - | 370 | 18,078 | 3,623,661 | **3,642,109** |
| Additions through common control transaction | 1,071,378 | 204,093 | 14,827 | 65,439 | 599,118 | **1,954,855** |
| Depreciation | (247,241) | (7,110) | (1,195) | (10,962) | (149,085) | **(415,593)** |
| **Balance at 29 February 2020** | **824,137** | **196,983** | **14,002** | **72,555** | **4,073,694** | **5,181,371** |
| | | | | | | |
| At cost | 1,813,102 | 219,883 | 18,100 | 140,196 | 4,354,538 | **6,545,819** |
| Accumulated depreciation and impairment losses | (988,965) | (22,900) | (4,098) | (67,641) | (280,844) | **(1,364,448)** |
| **Balance at 29 February 2020** | **824,137** | **196,983** | **14,002** | **72,555** | **4,073,694** | **5,181,371** |

**The Group leases a property for administrative and warehouse purposes.*

***Equipment with a carrying amount of R 125,343 was subject to an operating lease with a customer. Refer to note 19.*

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### Right-of-use assets

As lessee, the Group has entered into a lease in relation to a property. Property and equipment includes a right-of-use assets with a carrying amount of R 1,046,197 (2020: R 824,137), related to a leased property utilised for administrative and warehouse purposes. Refer to note 19.

### Demo units

In terms of the ophthalmology industry, it is standard practice for the Group to perform demonstrations to prospective clients in the form of either on-site demonstrations or placement of units at a customer's premises for an agreed-upon period. The sole purpose of these identified units are to facilitate demonstrations and none of these units have been sold to a customer.

### Useful lives and residual values

No changes to the useful lives or residual values of property and equipment were made based on the current period review.

### Impairment

No indicators of impairment were present based on the current period review and, therefore, no impairment loss was recognised.

### Contractual commitments

No current contractual commitments exist to purchase items of property and equipment.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 9. Goodwill

| | 2021 | 2020 |
|---|---|---|
| **Reconciliation of movements within the carrying amount of goodwill** | | |
| **Group** | | |
| At cost | 600,372 | - |
| Accumulated impairment losses | (600,372) | - |
| **Balance at 1 March** | - | - |
| **Movements during the reporting period** | | |
| Additions through common control transaction | - | 600,372 |
| Impairment loss | - | (600,372) |
| **Balance at 28/29 February** | - | - |
| At cost | 600,372 | 600,372 |
| Accumulated impairment losses | (600,372) | (600,372) |
| **Balance at 28/29 February** | - | - |

### Cash-generating unit and goodwill allocation

| Cash-generating unit | Segment | 2021 | 2020 |
|---|---|---|---|
| **Group** | | | |
| IsoPharm Proprietary Limited ('IsoPharm') | Ophthalmology | - | - |
| • Cost | | 600,372 | 600,372 |
| • Accumulated impairment losses | | (600,372) | (600,372) |
| | | - | - |

### Impairment

**Method of testing for impairment**

The Group calculated the recoverable amount using the value-in-use method. Discounted cash flow forecasts for a five-year period, with the application of a terminal growth rate, were used to determine the recoverability of the goodwill.

A strategic plan was implemented in the prior reporting period to move the operations of IsoPharm to a new operational location in Pretoria. Due to regulatory requirements the new premises took a period of time to be ready for use which resulted in no operational activity in IsoPharm during the prior reporting period. The Responsible Pharmacist resigned during the prior reporting period and the Board was in the process of filling the position. The company could not undertake operations without this appointment being finalised. This process was affected by the COVID-19 pandemic.

Due to the lack of operational activity and the coupled uncertainty of the readiness of the new premises in terms of regulations and inspections, management identified significant uncertainty in terms of the inputs of the value-in-use model. Due to management not being able to perform a reliable estimate of the recoverable amount, the goodwill was considered to be impaired.

An impairment loss of R 1,200,744 was recognised in profit or loss in the prior reporting period. At the reporting date, IsoPharm has still not commenced with any operational activities due to the outstanding licence approval although the regulatory inspection of the premises was finalised during the reporting period. The delay of this approval is a direct result of the COVID-19 pandemic.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 10. Investments in subsidiaries

| | 2021 | 2020 |
|---|---|---|
| **Company** | | |
| Investment held in iHealthcare Group Limited | 41,564,600 | 41,564,600 |
| | **41,564,600** | **41,564,600** |

**Direct and indirect interests in subsidiaries analysis**

| | | | | Issued share capital | | % of proportion of ownership interest | | % of voting rights held | |
|---|---|---|---|---|---|---|---|---|---|
| Subsidiary | Country of incorporation | Principle operating industry | Interest classification | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| iHealthcare Group Limited ('IHG') | South Africa | Investment holding | Direct | 4,313,996 | 3,599,396 | 65.26 | 66.09 | 65.26 | 66.09 |
| IsoClear Proprietary Limited | South Africa | Ophthalmology industry | Indirect | 2 | 2 | 100.00 | 100.00 | 100.00 | 100.00 |
| IsoOps Proprietary Limited | South Africa | Dormant* | Indirect | 120 | 120 | 100.00 | 100.00 | 100.00 | 100.00 |
| IsoPharm Proprietary Limited | South Africa | Dormant** | Indirect | 3 | 3 | 100.00 | 100.00 | 100.00 | 100.00 |
| IsoProp Proprietary Limited | South Africa | Dormant* | Indirect | 120 | 120 | 100.00 | 100.00 | 100.00 | 100.00 |

**These companies were dormant at the reporting date.*

***IsoPharm ceased operations during the prior reporting period. Refer to note 6.*

**Issue of shares to non-controlling interests ('NCI')**

Additional shares were issued to NCI during the reporting period which reduced the voting rights and proportionate share of ownership interest held as illustrated in the table above. Refer to note 17 of the financial statements.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 11. Deferred Tax

### Group

#### Deferred tax assets and liabilities

| | 2021 | 2020 |
|---|---|---|
| **Deferred tax asset based on nature of temporary difference** | | |
| Assessed loss available for future set-off against taxable income | 131,192 | 446,336 |
| Temporary differences | 1,139,963 | 702,105 |
| • Contract liabilities | 200,361 | 235,935 |
| • Loss allowance | 32,429 | 21,453 |
| • Accruals | 607,329 | 196,307 |
| • Lease liability | 299,844 | 248,410 |
| | 1,271,155 | 1,148,441 |
| **Deferred tax liabilities based on nature of temporary difference** | | |
| Temporary differences | (312,739) | (231,942) |
| • Prepayments | (19,804) | (1,183) |
| • Right-of-use asset | (292,935) | (230,759) |
| | **958,416** | **916,499** |

**Off-setting**

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. The deferred tax assets and deferred tax liabilities have therefore been off-set and presented in the statement of financial position as follows:

| | 2021 | 2020 |
|---|---|---|
| Deferred tax assets | 958,416 | 916,499 |
| | **958,416** | **916,499** |

#### Reconciliation of the movements in the carrying amounts of deferred tax

| | 2021 | 2020 |
|---|---|---|
| **Balance at 1 March** | 916,499 | - |
| Acquired through common control transaction | - | 651,328 |
| Assessed losses available for set-off against future taxable income | (315,144) | 300,494 |
| Temporary differences | 357,061 | (35,323) |
| • Contract liabilities | (35,574) | - |
| • Warranty provision | - | (13,860) |
| • Accruals | 411,022 | (12,975) |
| • Loss allowance | 10,976 | (10,309) |
| • Lease liability | 51,434 | (69,223) |
| • Prepayments | (18,621) | 1,815 |
| • Right-of-use asset | (62,176) | 69,229 |
| **Balance as at 28/29 February** | **958,416** | **916,499** |

#### Unrecognised deferred tax asset

| | 2021 | 2020 |
|---|---|---|
| Assessed losses available for set-off against future taxable income | 37,022 | 6,570 |
| Temporary differences | | |
| • Accruals | 5,064 | 8,400 |
| | **42,086** | **14,970** |

## Notes to the Financial Statements

for the year ended 28 February 2021

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| | 2021 | 2020 |
|---|---|---|

### Company

### Deferred tax assets and liabilities

| | 2021 | 2020 |
|---|---|---|
| **Deferred tax asset based on nature of temporary difference** | | |
| Assessed loss available for future set-off against taxable income | - | 51,868 |
| Temporary differences | | |
| • Accruals | 27,749 | - |
| | **27,749** | **51,868** |

**Off-setting**

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. The deferred tax assets and deferred tax liabilities have therefore been off-set and presented in the statement of financial position as follows:

| | 2021 | 2020 |
|---|---|---|
| Deferred tax assets | 27,749 | 51,868 |
| | **27,749** | **51,868** |

### Reconciliation of the movements in the carrying amounts of deferred tax

| | 2021 | 2020 |
|---|---|---|
| **Balance at 1 March** | 51,868 | - |
| Assessed losses available for set-off against future taxable income | (51,868) | 51,868 |
| Temporary differences | | |
| • Accruals | 27,749 | - |
| **Balance as at 28/29 February** | **27,749** | **51,868** |

### Recognition of deferred tax asset

Management expects sufficient future taxable income in the relevant subsidiaries to enable these companies to utilise the unutilised tax losses at the reporting date. Where there is an indication that the future taxable income will not be sufficient to utilise the unutilised tax losses at the reporting date, the Group does not recognise a deferred tax asset in relation to the unutilised tax losses. These unutilised tax losses are disclosed as unrecognised deferred tax assets.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 12. Inventories

| | 2021 | 2020 |
|---|---|---|
| **Group** | | |
| Finished goods | 14,206,582 | 14,270,660 |
| Goods in transit | 252,754 | 461,212 |
| Impairment of stock | (151,678) | - |
| | **14,307,658** | **14,731,872** |

During the current period there was an increase in the allowance for obsolete inventory of R 151,678 (2020: R nil) with a corresponding effect in cost of sales recognised in profit or loss.

The Group did not recognise a right to returned goods asset for the current or prior reporting periods.

### 13. Trade and other receivables

| | 2021 | 2020 |
|---|---|---|
| **Group** | | |
| Trade receivables | 3,919,592 | 5,493,821 |
| Loss allowance | (39,243) | (74,968) |
| | 3,880,349 | 5,418,853 |
| Prepayments | 181,101 | 6,532 |
| Deposits | 62,153 | 88,376 |
| Prepayments on inventory | 309,082 | - |
| Value-Added Tax receivable | - | 596,491 |
| | **4,432,685** | **6,110,252** |
| **Company** | | |
| Trade receivables | 100,000 | - |
| Prepayments | 25,000 | - |
| | **125,000** | **-** |

#### Financial risk

No loss allowance was recognised in terms of the trade receivables from a Company perspective as the associated credit risk is considered to be low due to the fact that the balance is representative of an intergroup balance.

Information about the Group's exposure to credit risk and impairment of trade receivables is included in note 31.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 14. Loans Receivable

| | 2021 | 2020 |
|---|---|---|
| **Group** | | |
| At amortised cost | | |
| **Shareholders** | | |
| **CD Landsberg** | - | 206,518 |
| This loan was settled during the current reporting period. The loan was unsecured, bore interest linked to prime and repaid was repayable in 10 monthly instalments. | | |
| **P de Witt** | 112,409 | - |
| This loan is unsecured. The loan will bear interest, linked to prime only after 6 months of the effective loan date. The loan is repayable within 6 months from the effective loan date. The effective date of the loan is 25 January 2020. | | |
| | **112,409** | **206,518** |

**Financial risk**

No loss allowance was recognised in terms of the loans receivable as the associated credit risk is considered to be low due to the fact that the balance is representative of loans with senior level employees.

Information about the Group's exposure to credit risk and impairment of loans receivable is included in note 31.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 15. Cash and cash equivalents

| | 2021 | 2020 |
|---|---|---|
| **Group** | | |
| Balances with banks | 4,994,093 | 2,844,911 |
| | **4,994,093** | **2,844,911** |
| **Company** | | |
| Balances with banks | 189,970 | - |
| | **189,970** | **-** |

All bank accounts are denominated in South African Rand.

### Banking facilities

The Group, through its subsidiary, IsoClear Proprietary Limited ('IsoClear') obtained the following banking facilities during the current reporting period:

| Description of facility | Limit |
|---|---|
| Short-term direct facility (overdraft and card) | 1,100,000 |
| Pre-settlement facility (forward exchange contracts) | 500,000 |
| Guarantee facility | 3,000,000 |

The following security and conditions are applicable to the banking facilities:

- the cession of accounts with favourable balances of IsoClear up to a maximum amount of R 3,000,000, held by the bankers; and
- the direct facility to be covered by a deed of cession, whereby IsoClear cedes all of its rights, title and interest of 50% of its good ceded debtors book up to a maximum amount of R 2,000,000.

The following imposed covenant is directly linked to the facilities:

- The total equity of IsoClear will not reduce to below R 6,000,000. If this requirement is not met, the facilities will be reduced in line with the equity.

### Credit rating

All cash resources are placed with reputable financial institutions. The credit ratings in terms of Standard and Poor's rating agency for First National Bank, a division of FirstRand Bank Limited were za.AA in terms of the long-term outlook and za.A-1+ in terms of the short-term outlook for the local currency division within South Africa. The financial institution had an overall stable rating.

### Financial risk

Information about the Group’s exposure to credit and market risks, and impairment of cash and cash equivalents is included in note 31.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 16. Stated Capital

| | Group | | Company | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| **Authorised share capital** | | | | |
| 500,000,000 ordinary no par value shares | | | | |
| **Issued share capital** | | | | |
| 1,547,278 ordinary no par value shares (2020: 1,540,120 ordinary par value shares) | 41,731,736 | 41,564,720 | 41,731,736 | 41,564,720 |
| | **41,731,736** | **41,564,720** | **41,731,736** | **41,564,720** |

### Reconciliation of issued shares

| Description of transaction | Group Number of shares 2021 | Group Number of shares 2020 | Company Number of shares 2021 | Company Number of shares 2020 |
|---|---|---|---|---|
| Balance at 1 March | 1,540,120 | - | 1,540,120 | - |
| Issue of shares for cash | 7,158 | 120 | 7,158 | 120 |
| Issue of shares in terms of common control transaction | - | 1,540,000 | - | 1,540,000 |
| **Balance at 28/29 February** | **1,547,278** | **1,540,120** | **1,547,278** | **1,540,120** |

On 3 December 2020 the Company issued 7,158 ordinary shares with no par value at R 23.33 per share to selected private investors who were invited to submit offers to subscribe for iHealthcare Holdings shares. The aggregate subscription consideration was R 167,016. The listed share price at the date of the transaction was R 26.99. Proceeds of the placement were utilised by the Company for working capital purposes.

During the prior reporting period, the Company issued 120 ordinary shares with no par value for a total consideration amounting to R 120.

During the prior reporting period, the Company issued 1,540,000 ordinary shares with no par value in terms of the common control transaction amounting to R 41,564,600.

The above transactions were executed in terms of specific and general authorities granted by shareholders at the AGM.

## 17. Non-controlling Interests

| | **2021** | **2020*** |
|---|---|---|
| **Reconciliation of non-controlling interests ('NCI')** | | |
| Balance at 1 March | 7,420,950 | - |
| Acquired through common control transaction | - | 7,323,297 |
| Issue of additional shares to NCI (refer to table below) | 436,406 | - |
| Profit allocated to NCI* | 571,704 | 97,653 |
| **Balance at 28/29 February** | **8,429,060** | **7,420,950** |

**The prior period error relates specifically to the prior period profit attributable to non-controlling interests. Refer to note 39 of the financial statements.*

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### Issue of shares to non-controlling interests ('NCI')

In December 2020, iHealthcare Group Limited ('IHG') issued an additional 29,675 ordinary shares for a total consideration of R 714,600 which increased the NCI of the Group from 33.91% to 34.74%. The issue of these additional shares did not result in a change in control.

The carrying amount of IHG's net assets in the Group's consolidated financial statements on the date of the issue of shares amounted to R 22,669,479.

| | Group Impact on NCI |
|---|---|
| Increase in NCI due to issue of additional shares | 248,252 |
| Increase in NCI carrying amount due to issue of additional shares | 188,154 |
| Decrease in equity attributable to Owners of the Company | 436,406 |

### Summary of financial information of subsidiary with material NCI

The following table summarises the information relating to subsidiaries that have material NCI's before any intergroup eliminations:

| | iHealthcare Group Limited | |
|---|---|---|
| | 2021 | 2020** |
| **Non-controlling percentage (%)** | **34.74** | **33.91** |
| Non-current assets | 312,826 | 291,605 |
| Current assets | 5,063,244 | 4,014,512 |
| Non-current liabilities | - | - |
| Current liabilities | (1,226,811) | (843,103) |
| **Net assets** | **4,149,259** | **3,463,014** |
| **Net assets attributable to NCI** | **1,441,453** | **1,174,308** |
| Revenue | 4,051,273 | 2 |
| Loss for the period | (28,355) | (3,736,179) |
| **Total comprehensive loss for the period** | **(28,355)** | **(3,736,179)** |
| **Total comprehensive loss attributable to NCI for the period** | **(9,851)** | **(1,266,938)** |
| Cash flows used in operating activities | (41,440) | (2,015,853) |
| Cash flows from investing activities | 531,721 | 2,234,113 |
| Cash flows from/(used in) financing activities | 714,360 | (291,405) |
| **Net movements in cash and equivalents** | **1,204,641** | **(73,145)** |

**The prior reporting period information is presented for a 12-month period although the Group only controlled the subsidiary for a shorter period.*

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 18. Contract Liabilities

| | 2021 | 2020 |
|---|---|---|
| **Group** | | |
| Option to acquire additional goods | 525,000 | 525,000 |
| Service contracts | 190,575 | 254,100 |
| | **715,575** | **779,100** |
| | | |
| Non-current liabilities | 652,050 | 715,575 |
| Current liabilities | 63,525 | 63,525 |
| | **715,575** | **779,100** |

#### Option to acquire additional goods

The Group provided a customer with the option to acquire additional goods in the form of a material right to purchase equipment at a discounted price in the future. The option is exercisable after 60 months from the contract date (which was concluded in a prior reporting period) and management estimated and continues to estimate, that this option will be exercised by the specific customer. Refer to note 22.

#### Service contracts

In certain contracts, the Group sells a service element to customers. The service element was purchased by a single customer in a prior reporting period and the service period is 60 months from contract date. The customer paid in advance for the service element. Refer to note 22.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 19. Leases

| | 2021 | 2020 |
|---|---|---|
| **Group** | | |
| **Leases as lessee** | | |
| Lease liability | 1,070,871 | 887,179 |
| | **1,070,871** | **887,179** |
| Non-current liabilities | 374,113 | - |
| Current liabilities | 696,758 | 887,179 |
| | **1,070,871** | **887,179** |

The Group, through its subsidiary, IsoClear Proprietary Limited ('IsoClear') leases buildings for administrative and warehouse space purposes.

#### Active lease

The lease was entered into on 1 September 2020.

**Terms**

The lease payments amounted to R 62,153 per month at the commencement date and escalate annually based on the Producer Price Index ('PPI'). The lease term was determined as 24 months based on a non-cancellable period of 12 months and a renewal period of an additional 12 months. Management was reasonably certain, at commencement date, to exercise the renewal option.

In terms of the lease agreement, the lessor reserves the right to relocate the Group to a similar sized and equipped premises upon reasonable notice. Management confirmed that the lessor has no operational reason, strategic plan or intent to relocate the Group in the foreseeable future.

#### Terminated lease

The lease was entered into on 1 January 2019 and terminated early effectively 31 August 2020. At the date of early termination, the right-of-use asset and lease liability amounted to R 329,655 and R 363,951 respectively. This resulted in a derecognition gain of R 34,296 recognised in profit or loss in the current reporting period. The lease was early terminated as management identified the need for less administrative and warehouse space.

**Terms**

The lease payments amounted to R 88,358 per month at the transition date with an annual escalation. The non-cancellable lease term of the contract was 12 months. At transition date, management confirmed their intention to exercise the renewal option of an additional 12 months. The remaining lease term of 22 months was used in determining the lease liability at transition date.

In terms of the lease agreement, the lessor reserved the right to relocate the Group to a similar sized and equipped premises upon reasonable notice. Management confirmed that the lessor had no operational reason, strategic plan or intent to relocate the Group in the foreseeable future.

## Notes to the Financial Statements
for the year ended 28 February 2021

**Figures in R**

### Right-of-use-asset

The right-of-use asset for the building is included in property and equipment as disclosed in note 8.

In addition, the Group, through its subsidiary, IsoClear Proprietary Limited leases storage space for exhibition materials on a month-to-month basis. This lease is a short-term lease, for which the Group has elected not to recognise a right-of-use asset or lease liability.

### Leases as lessor

The Group, through its subsidiary IsoClear sub-leases a portion of its right-of-use asset over buildings on a monthly basis to third parties. The lease is classified as an operating lease.

In addition, the Group entered into a lease with a single customer in respect of certain equipment on a month-to-month basis. This lease was cancelled during the current reporting period. The lease is classified as an operating lease.

### Maturity analysis of lease payments

The Group's specific maturity analysis of the lease liability, based on contractual undiscounted cash flows, at the reporting date, is as follows:

| 2021 | Less than 3 months | Between 3 to 12 months | 1-2 years | Total |
|---|---|---|---|---|
| Lease liability | 186,459 | 570,566 | 384,106 | 1,141,131 |
| **2020** | | | | |
| Lease liability | 278,817 | 650,573 | - | 929,390 |

### Amounts recognised in statement of cash flows

| | Group | |
|---|---|---|
| | 2021 | 2020 |
| Interest on lease liabilities (included in net cash flows from operating activities) | 83,266 | 27,008 |
| Repayment of capital portion of lease liabilities (included in net cash flows from financing activities) | 847,287 | 247,227 |
| Total cash outflow for leases | **930,553** | **274,235** |

### Amounts recognised in profit or loss

| | Group | |
|---|---|---|
| | 2021 | 2020 |
| Short-term lease expense (included in other expenses) | (17,234) | (6,235) |
| Interest on lease liabilities (included in finance costs) | (83,266) | (27,008) |
| Sub-lease rental income (included in other income) | 96,386 | 100,980 |
| Operating lease income (included in revenue) | 72,554 | 27,208 |
| Depreciation: right-of-use asset (included in other expenses) | (843,215) | (247,241) |
| Gain on derecognition of lease (included in other income) | 34,296 | - |
| | **(740,479)** | **(152,296)** |

# Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 20. Trade and other payables

| | 2021 | 2020 |
|---|---|---|
| **Group** | | |
| Trade creditors | 1,803,233 | 5,040,428 |
| Leave pay accrual | 200,157 | 94,166 |
| Bonus accrual | 505,646 | 100,948 |
| Employee-related accruals | 182,360 | 124,826 |
| Accrued audit fee | 1,184,000 | 1,100,000 |
| Operating cost accruals | 349,259 | 215,892 |
| Other payables* | - | 12,230 |
| Value-Added Tax payable | 198,304 | - |
| | **4,422,959** | **6,688,490** |

**The other payables represents a payment received from a customer which was incorrectly paid to the Group. The customer was refunded during the current reporting period.*

| | 2021 | 2020 |
|---|---|---|
| **Company** | | |
| Trade creditors | 15,512 | 22,833 |
| Accrued audit fee | 57,500 | 50,000 |
| Operating cost accruals | 50,485 | 24,429 |
| | **123,497** | **97,262** |

**The other payables represents a payment received from a customer which was incorrectly paid to the Company. The customer was refunded during the current reporting period.*

### Leave pay accrual

An accrual is recognised for leave pay due to the employees based on the accumulated leave days multiplied by the daily remuneration rate.

### Bonus accrual

Accrued bonuses are determined annually at the reporting date for qualifying employees.

### Financial risk

Information about the Group's exposure to liquidity risk for trade payables is included in note 31.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 21. Loan from Group Company

| | 2021 | 2020 |
|---|---|---|
| **Company** | | |
| At amortised cost | | |
| **Subsidiaries** | | |
| **iHealthcare Group Limited** | 1,278,371 | 1,190,743 |
| This loan is unsecured, bears no interest and is repayable on demand. | | |
| | **1,278,371** | **1,190,743** |

**Financial risk**

Information about the Group's exposure to liquidity risk for loans from group companies is included in note 31.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 22. Revenue

The Group generates revenue primarily from the sale of consumable products, equipment sales and pharmaceutical products related to the ophthalmology industry. Other sources of revenue for the Group include rental income from operating leases entered into with customers.

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Revenue from contracts with customers | 28,337,392 | 8,190,972 | - | - |
| Other revenue | 72,554 | 27,208 | 453,000 | - |
| • Management fees | - | - | 453,000 | - |
| • Revenue related to leases | 72,554 | 27,208 | - | - |
| **Total revenue** | **28,409,946** | **8,218,180** | **453,000** | **-** |

#### Disaggregation of revenue

In the following tables, revenue from contracts with customers is disaggregated by timing of revenue recognition and major service offering. The tables also include a reconciliation of the disaggregated revenue with the Group's reportable segments (refer note 35).

| | Group | |
|---|---|---|
| | Ophthalmology segment | |
| | 2021 | 2020 |
| **Timing of revenue recognition** | | |
| At a point in time | 28,273,867 | 8,127,447 |
| Over a period of time | 63,525 | 63,525 |
| Revenue from contracts with customers | 28,337,392 | 8,190,972 |
| Other revenue | 72,554 | 27,208 |
| **Total revenue** | **28,409,946** | **8,218,180** |
| **Major service offering** | | |
| Consumable product sales | 28,273,867 | 8,127,447 |
| Services of equipment | 63,525 | 63,525 |
| Revenue from contracts with customers | 28,337,392 | 8,190,972 |
| Other revenue | 72,554 | 27,208 |
| **Total revenue** | **28,409,946** | **8,218,180** |

During the reporting period, the Group recognised revenue amounting to R 247,532 (2020: R 79,342) in respect of customers in Namibia. All other revenue from contracts with customers originated in South Africa.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### Contract balances

| | Group 2021 | Group 2020 |
|---|---|---|
| **Receivables** | | |
| The following table provides information about receivables from contracts with customers. Refer to note 13. | | |
| Receivables classified as trade receivables | 3,919,592 | 5,493,821 |
| Loss allowance | (39,243) | (74,968) |
| | **3,880,349** | **5,418,853** |

**Contract liabilities**

The contract liabilities relate to payments received in advance for service contracts (applicable to some equipment) and the option which gives a customer the material right to purchase equipment at a discounted price in the future. Refer to note 18.

| | 2021 | 2020 |
|---|---|---|
| Revenue recognised in respect of service contracts | **63,525** | **63,525** |

The remaining performance obligations for the service element that have an expected duration of one year or less amounts to R 63,525 (2020: R 63,525). The remaining performance obligations for the service element that have an expected duration of more than one year amounts to R 127,050 (2020: R 190,575). The Group did not have any other remaining performance obligations at the current or prior reporting dates.

### Major customers

Information regarding the major customers of the Group is set out below:

**Contribution to revenue**

| | Group | | Group | |
|---|---|---|---|---|
| | Contribution to revenue in value | | Contribution to revenue % | |
| Major customer | 2021 | 2020 | 2021 | 2020 |
| Customer A* | 7,733,261 | 6,069,900 | 27.29 | 74.10 |
| Customer B* | 12,759,860 | 884,194 | 45.03 | 10.79 |
| | **20,493,121** | **6,954,094** | **72.32** | **84.89** |

**Receivable balances**

| | Group | | Group | |
|---|---|---|---|---|
| | Balance in trade receivables | | Balance of trade receivables % | |
| Major customer | 2021 | 2020 | 2021 | 2020 |
| Customer A* | - | 3,783,888 | - | 68.88 |
| Customer B* | 2,920,422 | 548,722 | 74.51 | 9.99 |
| | **2,920,422** | **4,332,610** | **74.51** | **78.87** |

**The identification of the customers is considered to be confidential competitive information.*

There is no indication that these customers will not transact with the Group in future periods.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

| Type of product/ service offering | Nature and timing of satisfaction of performance obligations, including significant payment terms | Revenue recognition policies |
|---|---|---|
| Consumable product sales | The Group sells consumables related to the ophthalmology industry. These goods include general surgical and equipment consumables. These products may only be sold to a hospital, pharmacy or medical practitioners in terms of applicable regulations under the license agreement held.<br><br>Customers obtain control of these products when the goods are delivered to and have been accepted at their premises.<br><br>Invoices are generated at that point in time. Invoices are usually payable within 30-60 days which indicates that no financing is provided to customers. | Revenue is recognised at a point in time when control passes to the specific customer. Revenue is recognised when the goods are delivered and have been accepted by the customers at their premises. |
| | The Group provides discounts on specific deals and contracts but not as a standard term or condition. | Where a discount is provided, revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Accumulated experience is used to estimate the discounts and the probability, leading to a significant reversal of revenue. At the end of the current and prior reporting periods, management estimated that no reversal of revenue will be recognised in relation to discounts provided. |
| | Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods, i.e., no cash refunds are offered except under very exceptional circumstances. The return policy is rarely exercised by customers. | A refund liability (included in trade and other payables) and a right to the returned goods (included in inventories) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed and updated at each reporting date. At the end of the current and prior reporting period, no refund liability or right to the returned goods was recognised. |

**Figures in R**

| | | |
|---|---|---|
| Equipment sales | The Group sells equipment and peripherals related to the ophthalmology industry. | Revenue is recognised at a point in time when control passes to the specific customer. |
| | Customers obtain control of these products when the goods are delivered to and have been accepted at their premises and in some instances the on-boarding element (which is integral to certain equipment) has been completed. The turnaround time for the on-boarding element is not considered to be significant. | Revenue is recognised when the goods are delivered and have been accepted by the customers at their premises, the customer has full discretion over the directed use of the products and there is no unfulfilled obligation that could affect the customer's acceptance of the products. |
| | Invoices are generated at that point in time. Invoices are usually payable within 30 days which indicates that no financing is provided to customers. | |
| Services in relation to equipment | The Group sells a separately identified service contract to certain customers to perform an annual service of the equipment over a contractually determined period. Invoices in this regard is generated at the point in time as described above with the same payment terms as described above. | Revenue is recognised over time as the customer receives and consumes the service when delivered. The output method is used to recognise the service element over a period of time whereby a completed services in comparison to remaining services are used as the basis. |
| | The customer pays in advance for the service contract. | Payments received in advance are included in contract liabilities. |

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 23. Operating Profit/(Loss)

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Operating profit/(loss) includes: | | | | |
| Sub-lease rental income (refer note 19) | 96,386 | 100,980 | - | - |
| Gain on early termination of lease (refer note 19) | 34,296 | - | - | - |
| Reversal of accrual for operating lease expense* | 92,939 | 120,183 | - | - |
| Recoupment of internet expenses | 5,714 | 618 | - | - |
| Reversal of impairment loss on trade receivables | 35,725 | 38,467 | - | - |
| Recovery of trade receivables written off | 1,349 | - | - | - |
| Gain on foreign exchange on trade payables | - | 53,543 | | |
| Reversal of share-based payment expense | 80,600 | - | - | - |
| Employee benefit expense | (6,985,033) | (342,907) | (30,100) | - |
| Share-based payment expense | (56,220) | - | - | - |
| Impairment loss on goodwill | - | (600,372) | - | - |
| Impairment loss on trade receivables | - | - | - | - |
| Write-off of trade receivables | - | (14,551) | - | - |
| Loss on foreign exchange on trade payables | (844,416) | - | - | - |
| Included in administrative expenses | | | | |
| Auditor's remuneration | (1,196,500) | (727,787) | (65,000) | (50,000) |
| • Audit services | (1,196,500) | (727,787) | (65,000) | (50,000) |
| Secretarial fees | (499,397) | (278,036) | (12,221) | (46,559) |
| Included in other expenses | | | | |
| Consulting fees | (711,887) | (437,845) | (32,129) | (186,898) |
| Depreciation | (1,670,055) | (415,593) | - | - |
| • Right-of-use asset: Buildings | (843,215) | (247,241) | - | - |
| • Workshop equipment | (10,674) | - | - | - |
| • Fixtures and furniture | (28,991) | (7,110) | - | - |
| • Office equipment | (10,598) | (1,195) | - | - |
| • Computer equipment | (50,338) | (10,962) | - | - |
| • Demo units | (726,239) | (149,085) | - | - |
| Legal expenses | (117,082) | (789,979) | - | (296,805) |
| Listing fees | (82,929) | (1,104,040) | (38,224) | (579,547) |
| Corporate advisor fee | (43,043) | (92,385) | - | (92,385) |
| Leases (refer note 19) | | | | |
| • Short term lease expense | (17,234) | (6,235) | | |

**The reversal related to lease expenses accrued in the prior reporting period which was not incurred during the prior reporting period.*

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 24. Finance Income

| | Group 2021 | Group 2020 | Company 2021 | Company 2020 |
|---|---|---|---|---|
| Banks | 64,740 | 45,529 | - | - |

## 25. Finance Costs

| | Group 2021 | Group 2020 | Company 2021 | Company 2020 |
|---|---|---|---|---|
| Lease liability (refer note 19) | 83,266 | 27,008 | - | - |
| Current tax liabilities | 11,046 | 11,801 | - | - |
| Banks | 148 | 13 | - | - |
| | **94,460** | **38,822** | **-** | **-** |

## 26. Income Tax (Expense)/Benefit

| | Group 2021 | Group 2020 | Company 2021 | Company 2020 |
|---|---|---|---|---|
| **Recognised in profit or loss** | | | | |
| **Current tax** | | | | |
| Current year | (907,576) | (1,049,726) | (29,144) | - |
| Changes in estimates related to prior years | (76,237) | - | - | - |
| | (983,813) | (1,049,726) | (29,144) | - |
| **Deferred tax** | | | | |
| Originating and reversing temporary differences | 81,391 | 265,171 | 1,714 | 51,868 |
| Recognition of previously unrecognised deductible temporary differences | (39,474) | - | (25,833) | - |
| | 41,917 | 265,171 | (24,119) | 51,868 |
| | **(941,896)** | **(784,555)** | **(53,263)** | **51,868** |

### Reconciliation of income tax expense

| | Group 2021 | Group 2020 | Company 2021 | Company 2020 |
|---|---|---|---|---|
| Profit /(loss) before tax | 2,693,399 | (163,725) | 59,740 | (1,288,125) |
| Income tax expense/(benefit) calculated at 28.0% (2020: 28.0%) | 754,152 | (45,843) | 16,727 | (360,675) |
| Tax effect of: | | | | |
| Non-deductible expenses | | | | |
| • Legal expenses | 18,422 | 88,754 | 10,703 | 83,105 |
| • Penalties paid | 3,275 | 10,654 | - | 5,327 |
| • Listing expenses | 23,220 | 554,218 | - | 220,375 |
| • Share-based payment expense | - | - | - | - |
| • Impairment losses on investments/goodwill | - | 168,104 | - | - |
| Deferred tax not previously recognised | 27,116 | 8,668 | - | - |
| Prior period adjustments | 115,711 | - | 25,833 | - |
| | **941,896** | **784,555** | **53,263** | **(51,868)** |
| Effective tax rate for the period (%) | 34.97 | -479.19 | 89.16 | 4.03 |

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### Substantively exacted tax rate

The Minister of Finance announced the change in the corporate tax rate from 28% to 27% for years of assessment commencing on or after 1 April 2022 in the Budget Speech on 24 February 2021. As announced by the Minister of Finance, the changes to tax rates and tax laws are intended to be done in a tax revenue-neutral manner. Thus, any benefit derived from the reduction in the corporate tax rate is intended to be offset by limitations placed on interest deductions and the use of assessed income tax losses and other proposed changes.

The following was considered by management in determining whether the new tax rate has been substantively enacted at reporting date:

- the impact of the changes in these tax laws are not known and the effects on taxable income are unclear;
- the time between the announcement and application of the new rate is unusually long;
- a change in tax rate as well as the broadening of the tax base was mentioned in the 2021 budget speech, but not addressed further;
- the tax rate change was mentioned in the Budget Speech but not addressed in the Budget Review, whereas previous rate changes were addressed in both the Budget Speech and the Budget Review; and
- the Budget Speech referred to the changes as proposals, thereby inferring that these changes were not yet final and subject to an approval process or possibly further consideration.

Therefore, a significant degree of uncertainty exists as to whether the announcement of the change in tax rate from 28% to 27% can be considered substantively enacted.

Based on the above, management considers the change in tax rate to be inextricably linked to other tax law changes that have not been clarified by the Minister of Finance. Therefore, the new tax rate is not considered to be substantively enacted at the reporting date.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 27. Earnings/(Loss) and Headline Earnings/(Loss) per Share and Dividends Paid

| | Group 2021 | Group 2020* |
|---|---|---|
| **Earnings/(loss) and headline earnings/(loss) per ordinary share** | | |
| **Basic and diluted earnings/(loss) per ordinary share** | | |
| Basic and diluted earnings/(loss) per ordinary share have been calculated using the following: | | |
| Profit/(loss) for the period | 1,751,503 | (948,280) |
| Non-controlling interests | (571,704) | (97,653) |
| Earnings/(loss) attributable to ordinary shareholders | 1,179,799 | (1,045,933) |
| Weighted number of ordinary shares in issue | 1,541,827 | 385,110 |
| Weighted number of ordinary shares in issue for purpose of dilution | 1,541,827 | 385,110 |
| **Basic earnings/(loss) per ordinary shares (cents)** | **76.5** | **(271.6)** |
| **Diluted earnings/(loss) per ordinary share (cents)** | **76.5** | **(271.6)** |
| **Headline and diluted headline earnings/(loss) per ordinary share**** | | |
| Headline and diluted headline earnings/(loss) per ordinary share have been calculated using the following: | | |
| Earnings/(loss) attributable to ordinary shareholders | 1,179,799 | (1,045,933) |
| Impairment loss on goodwill net of tax*** | - | 600,372 |
| Headline earnings/(loss) for the period | 1,179,799 | (445,561) |
| Weighted number of ordinary shares in issue | 1,541,827 | 385,110 |
| Weighted number of ordinary shares in issue for purpose of dilution | 1,541,827 | 385,110 |
| **Headline earnings/(loss) per ordinary shares (cents)** | **76.5** | **(115.7)** |
| **Diluted headline earnings/(loss) per ordinary share (cents)** | **76.5** | **(115.7)** |

**The prior period error relates specifically to the prior period loss attributable to non-controlling interests. Refer to note 39 of the financial statements.*

***Although headline earnings is not required by the 4AX Listing Requirements this represents a measure reviewed by management and is based on the requirements of the SAICA Circular 1/2019.*

****This item is considered a permanent difference and thus has no tax impact.*

### Reconciliation of weighted average number of shares in issue

| | 2021 Actual | 2021 Weighted | 2020 Actual | 2020 Weighted |
|---|---|---|---|---|
| Shares in issue at 1 March | 1,540,120 | 1,540,120 | - | - |
| Shares issued | 7,158 | 1,707 | 120 | 110 |
| Shares issued - common control transaction | - | - | 1,540,000 | 385,000 |
| | 1,547,278 | 1,541,827 | 1,540,120 | 385,110 |
| Dilutionary effect of share-based payment arrangement | - | - | - | - |
| **Weighted number of ordinary shares in issue for purpose of dilution at 28/29 February** | **1,547,278** | **1,541,827** | **1,540,120** | **385,110** |

### Dividends paid

The Group did not declare any dividends in the current or prior reporting periods.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 28. Cash Generated from Operations

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Profit /(loss) before tax** | **2,693,399** | **(163,725)** | **59,740** | **(1,288,125)** |
| Adjusted for | | | | |
| Finance income | (64,740) | (45,529) | - | - |
| Finance costs | 94,460 | 38,822 | - | - |
| Non-cash items | | | | |
| Depreciation | 1,670,056 | 415,593 | - | - |
| Gain on early termination of lease | (34,296) | - | - | - |
| Reversal of share-based payment expense | (80,600) | - | - | - |
| Share-based payment expense | 56,220 | - | - | - |
| Impairment reversal on trade receivables | (35,725) | (38,467) | - | - |
| Write-off trade receivables | - | 14,551 | - | - |
| Losses on foreign exchange | 2,111 | - | - | - |
| Impairment loss on goodwill | - | 600,372 | - | - |
| Reversal of accrual for operating lease expense | (92,939) | (120,183) | - | - |
| Changes in working capital | | | | |
| Decrease/(increase) in inventories | 424,214 | 40,298 | - | - |
| Decrease/(increase) in trade and other receivables | 1,713,292 | (1,581,109) | (125,000) | - |
| Increase/(decrease) in trade and other payables | (2,174,705) | 556,390 | 26,235 | 97,262 |
| Decrease in contract liabilities | (63,525) | (63,525) | - | - |
| Adjustments for provisions | - | (49,500) | - | - |
| **Net cash flows from operations** | **4,107,222** | **(396,012)** | **(39,025)** | **(1,190,863)** |

## 29. Income Tax Paid

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| Net tax (payable)1 March | (482,558) | - | - | - |
| Net tax payable at 28/29 February | 70,124 | 482,558 | 3,495 | - |
| Income tax expense recognised in profit or loss | (941,896) | (784,555) | (53,263) | 51,868 |
| Less: deferred tax included in income tax expense | (41,917) | (265,171) | 24,119 | (51,868) |
| Acquired through common control transaction | - | (1,146,155) | - | - |
| | **(1,396,247)** | **(1,713,323)** | **(25,649)** | **-** |

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### 30. Cash Flows from Financing Activities Analysis

The changes in the Group's cash flows from financing activities can be categorised as follows:

| | Group | | |
|---|---|---|---|
| 2021 | Non-cash movements | Cash movements | Total |
| Proceeds from issue of ordinary shares | - | 167,016 | 167,016 |
| Proceeds from issue of shares to non-controlling interests | - | 714,600 | 714,600 |
| Repayment of lease liability | - | (847,287) | (847,287) |
| Payment of cash-settled share-based liability | - | (481,600) | (481,600) |
| | **-** | **(447,271)** | **(447,271)** |
| **2020** | | | |
| Proceeds from issue of ordinary shares | - | 120 | 120 |
| Repayment of lease liability | - | (247,227) | (247,227) |
| Payment of cash-settled share-based liability | - | (874,033) | (874,033) |
| | **-** | **(1,121,140)** | **(1,121,140)** |

The changes in the Company's cash flows from financing activities can be categorised as follows:

| | Company | | |
|---|---|---|---|
| 2021 | Non-cash movements | Cash movements | Total |
| Proceeds from issue of ordinary shares | - | 167,016 | 167,016 |
| Proceeds from loans from group companies | - | 87,628 | 87,628 |
| | **-** | **254,644** | **254,644** |
| **2020** | | | |
| Proceeds from issue of ordinary shares | - | 120 | 120 |
| Proceeds from loans from group companies | - | 1,190,743 | 1,190,743 |
| | **-** | **1,190,863** | **1,190,863** |

**Figures in R**

## 31. Financial Instruments - Fair Value and Risk Management

### Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. In order to maintain or adjust the capital structure of the Group, the Board may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. This strategy has remained unchanged from the prior reporting period.

The Group is only exposed to externally imposed capital requirements in respect of the banking facilities as set out in note 15.

The debt to equity ratio of the Group is 36.99% (2020: 61.09%). Total debt for the Group excludes contract liabilities, deferred tax and current tax liabilities when performing this calculation. The main contributing factor to the change of this ratio is attributable to the decrease in trade and other payables. Total comprehensive income for the period resulted in an increase in equity.

### Classification and fair values of financial instruments

The following summarises the valuation methods and assumptions used in estimating the fair values of financial instruments reflected in the tables below.

#### Financial assets at amortised cost

The carrying amount of financial assets at amortised cost with a remaining life of less than 12 months reasonably approximates fair value due to the short-term period to maturity.

#### Financial liabilities at amortised cost

The carrying amount of financial liabilities with a maturity of less than 12 months reasonably approximates fair value due to their short-term nature.

#### Fair value hierarchy

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

None of the financial assets or financial liabilities of the Group are recognised at fair value.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

The following table shows the fair values of financial assets and financial liabilities, where applicable. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**Financial assets - Group**

| 2021 | At amortised cost | Total |
|---|---|---|
| Trade and other receivables | 3,880,349 | 3,880,349 |
| Loans receivable | 112,409 | 112,409 |
| Cash and cash equivalents | 4,994,093 | 4,994,093 |
| | **8,986,851** | **8,986,851** |

| 2020 | | |
|---|---|---|
| Trade and other receivables | 5,418,853 | 5,418,853 |
| Loans receivable | 206,518 | 206,518 |
| Cash and cash equivalents | 2,844,911 | 2,844,911 |
| | **8,470,282** | **8,470,282** |

**Financial liabilities - Group**

| 2021 | At amortised cost | Total |
|---|---|---|
| Trade and other payables | 3,336,492 | 3,336,492 |
| | **3,336,492** | **3,336,492** |

| 2020 | | |
|---|---|---|
| Trade and other payables | 6,368,550 | 6,368,550 |
| | **6,368,550** | **6,368,550** |

The carrying amount of all financial instruments is a reasonable approximation of fair value. The financial instruments represent financial instruments which are not measured at fair value on a recurring basis.

## Notes to the Financial Statements

for the year ended 28 February 2021

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**Financial assets - Company**

| 2021 | At amortised cost | Total |
|---|---|---|
| Trade and other receivables | 100,000 | 100,000 |
| Cash and cash equivalents | 189,970 | 189,970 |
| | **289,970** | **289,970** |

**Financial liabilities - Company**

| 2021 | At amortised cost | Total |
|---|---|---|
| Trade and other payables | 123,497 | 123,497 |
| Loan from group company | 1,278,371 | 1,278,371 |
| | **1,401,868** | **1,401,868** |
| **2020** | | |
| Trade and other payables | 97,262 | 97,262 |
| Loan from group company | 1,190,743 | 1,190,743 |
| | **1,288,005** | **1,288,005** |

The carrying amount of all financial instruments is a reasonable approximation of fair value. The financial instruments represent financial instruments which are not measured at fair value on a recurring basis.

Amounts disclosed in the tables above are exclusive of all statutory amounts payable or refundable from a legislative nature in relation to Value-Added Tax receivables or payables, prepayments and accruals that are not considered to be financial instruments.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

### Financial risk management objectives

Risks and related mitigating procedures are assessed by executives with assistance from line managers and employees on a continuous basis to ensure the safeguarding of the Group, its people, its assets and its businesses.

The Group has exposure to the following risks from its financial instruments:

- market risk (including interest rate and currency risk);
- credit risk; and
- liquidity risk.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and procedures for measuring and managing risk. Further quantitative disclosures are included in the note relating to the relevant financial instrument.

The Group’s objective is to effectively manage each of the above risks associated with its financial instruments, in order to limit the Group’s exposure as far as possible to any financial loss associated with these risks.

The Board is ultimately responsible and accountable for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor key business risks. The Board has established the Audit and Risk Committee, which is responsible for monitoring the Group’s risk management policies.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s business activities. The Group, through training and management standards and procedures, aims to develop a disciplined and structured control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

### Market risk

The Group's activities expose it primarily to the financial risks of changes in interest rates and foreign exchange rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

#### Interest rate risk management

The Group's exposure to interest rate risk is on a floating rate basis. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is set out in the table below. The Group's exposure to the fluctuations in interest rates is closely monitored and instruments will be utilised when appropriate to mitigate this risk.

| | Group | |
|---|---|---|
| | 2021 | 2020 |
| Cash and cash equivalents | 4,994,093 | 2,844,911 |
| | **4,994,093** | **2,844,911** |

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

Cash flow sensitivity linked to interest rate risk

An increase of 150 (2020: 200) basis points in interest rates at the reporting date would have increased profit or loss by the amounts shown below. This analysis assumes that the other variables remain constant and is based on closing balances compounded annually.

| | Group | |
|---|---|---|
| | 2021 | 2020 |
| Impact on profit or loss for the reporting period* | 74,911 | 56,898 |

**Effect on equity is equal to the effect on profit or loss (excluding tax effects thereon).*

The Company's exposure to interest rate risk is on a floating rate basis. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is set out in the table below. The Company's exposure to the fluctuations in interest rates is closely monitored and instruments will be utilised when appropriate to mitigate this risk.

| | Company | |
|---|---|---|
| | 2021 | 2020 |
| Cash and cash equivalents | 189,970 | - |
| | **189,970** | **-** |

Cash flow sensitivity linked to interest rate risk

A change of 150 (2020: 200) basis points in interest rates at the reporting date would have increased profit or loss by the amounts shown below. This analysis assumes that the other variables remain constant and is based on closing balances compounded annually.

| | | |
|---|---|---|
| Impact on profit or loss for the reporting period* | 2,850 | - |

**Effect on equity is equal to the effect on profit or loss (excluding tax effects thereon).*

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**Figures in R**

#### Foreign currency risk management

The Group is exposed to foreign currency risk through the importation of products and equipment. The Group's exposure to the fluctuations in foreign currency is closely monitored and instruments will be utilised when appropriate to mitigate this risk.

The Group did not utilise forward exchange contracts during the current reporting period to mitigate the risk of the significant movements in foreign currency during the COVID-19 pandemic. The Group has however obtained a pre-settling facility (refer to note 15) from its bankers to utilise forward exchange contracts in future periods to mitigate the Group's exposure to foreign currency risk.

The foreign currencies to which the Group is exposed are the US Dollar and Euro.

Foreign currency sensitivity analysis

The following table indicates the Group's sensitivity at reporting date to the indicated movements in foreign exchange on financial instruments. The rates of sensitivity are the rates used when reporting the currency risk to the Group and represents management's assessment of the possible change in reporting foreign currency exchange rates. Based on the risk profile of the Group at the reporting date, the foreign currency sensitivity is performed only in relation to the Euro as this is the main foreign currency to which the Group has significant exposure.

| | | | Group | |
|---|---|---|---|---|
| **2021** | **EUR 1:** | **R 16.20** | **R 18.20** | **R 20.70** |
| Impact on profit or loss in relation to foreign exchange* | | (751,623) | (844,416) | (960,407) |

| | | | Group | |
|---|---|---|---|---|
| **2020** | **EUR 1:** | **R 16.28** | **R 17.28** | **R 19.28** |
| Impact on profit or loss in relation to foreign exchange* | | 50,444 | 53,543 | 59,740 |

**Effect on equity is equal to the effect on profit or loss (excluding tax effects thereon).*

## Notes to the Financial Statements

for the year ended 28 February 2021

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### Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The credit risk is concentrated in the Group's trade receivables, loans receivable (including loans to group companies) and cash and equivalents.

The carrying amounts of financial assets represent the maximum credit exposure.

#### Summary of impairment losses and write-offs recognised in profit or loss

The following table provides a summary of the impairment losses and write-offs recognised in profit or loss during the reporting period:

| | Group | |
|---|---|---|
| | 2021 | 2020 |
| Reversal of impairment loss on trade receivables | (35,725) | (38,467) |
| Write-off of trade receivables | - | 14,551 |
| Recovery of trade receivables written off | 1,349 | - |
| | **(34,376)** | **(23,916)** |

The Group did not recognise any impairment losses on other financial assets in the current or prior reporting periods owing to low credit risk.

#### Trade receivables

The Group's exposure to credit risk is influenced mainly by the default risk associated with the industry of the customer.

New customers are analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes financial statements, credit agency information and in some cases bank references. Sale limits are established for each customer and reviewed regularly by management. Any sales exceeding those limits require approval in relation to the delegation of authority policy established by the Group.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of between 30 and 60 days for customers. In limited instances, the standard payment period may be extended with specific approval.

The Group has a history of limited exposure to write-offs in relation to customer accounts. More so, although the Group is continuously expanding its footprint and client base, the Group has credit histories for many of the significant customers dealing with the Group on a recurring basis. Based on the limited exposure to historical write-offs, the Group does not insure its debtors.

The Group transacts with customers in Namibia and South Africa. The Namibian economy is not considered to be volatile or unstable.

The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Based on the Group's credit approval process, the Group does not have any trade receivables which are regarded to have been credit-impaired on initial recognition.

The Company considers all of the indicators within the ECL model when determining the credit risk associated with intergroup debtors. The assessment indicated that these debtors generally have a low credit risk based on the financial performance of the related Group company, the financial performance and ability of the related Group company to settle the outstanding balance, the historical default information as well as forward-looking information such as budgets and forecasts. Based on the assessment, the likelihood of default in respective of the intergroup debtor is considered to be insignificant.

## Notes to the Financial Statements

for the year ended 28 February 2021

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Expected credit loss ('ECL') assessment

The Group allocates a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are internally defined using qualitative and quantitative factors that are indicative of the risk of default.

Due to the fact that the majority of the Group's customers fall within the South African ophthalmology medical industry, exposures within each credit risk grade are assigned by the customer ageing. An ECL rate is calculated for each ageing based on delinquency status and actual credit loss experience of that specific ageing.

ECL rates are based on actual credit loss experience over the past two years in combination with similar key role-players within the ophthalmology medical industry. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following tables present the ECL rates of the Group having applied all factors as discussed above.

*Loss ratings model 2021*

| | Ageing | | | |
|---|---|---|---|---|
| | 0 - 30 days ECL rate % | 31 - 60 days ECL rate % | 61 - 90 days ECL rate % | In excess of 90 days ECL rate % |
| ECL rates at 29 February 2020 | 0.80 | 2.13 | 4.26 | 37.30 |
| Forward-looking adjustment | 0.01 | 0.02 | 0.04 | 0.28 |
| **ECL rates as at 28 February 2021** | **0.81** | **2.15** | **4.30** | **37.58** |

The loss ratings at the previous reporting date were adjusted for forward-looking information by increasing these ratios with a factor of 0.77%. This factor was determined using macro-economic factors and a weighting as indicated below.

*Macro-economic factors considered*

| Factors considered | Weighting assigned | Weighted adjustment |
|---|---|---|
| Inflation* | 28.00 | ( 2.20) |
| Interest rates* | 28.00 | ( 10.00) |
| Moody's ratings** | 15.00 | 5.00 |
| GDP growth** | 15.00 | 2.40 |
| COVID-19 pandemic*** | 15.00 | 20.00 |
| **Forward-looking factor** | | **0.77** |

**Direct impact on operations in terms of product prices and spend of customers.*

***Indirect impact as this is representative of the economy as a whole.*

****Adjusted indirect impact as a result of the COVID-19 pandemic.*

## Notes to the Financial Statements

for the year ended 28 February 2021

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*Loss ratings model 2020*

| | Ageing | | | |
|---|---|---|---|---|
| | 0 - 30 days ECL rate % | 31 - 60 days ECL rate % | 61 - 90 days ECL rate % | In excess of 90 days ECL rate % |
| ECL rates at 28 February 2019 | 0.77 | 2.06 | 4.12 | 36.01 |
| Forward-looking adjustment | 0.03 | 0.07 | 0.14 | 1.29 |
| **ECL rates as at 29 February 2020** | **0.80** | **2.13** | **4.26** | **37.30** |

The loss ratings at the previous reporting date were adjusted for forward-looking information by increasing these ratios with a factor of 3.57%. This factor was determined using macro-economic factors and a weighting as indicated below.

*Macro-economic factors considered*

| Factors considered | Weighting assigned | Weighted adjustment |
|---|---|---|
| Inflation* | 30.00 | 12.20 |
| Interest rates* | 30.00 | ( 4.88) |
| Moody's ratings** | 15.00 | 5.00 |
| GDP growth** | 15.00 | 0.50 |
| COVID-19 pandemic*** | 10.00 | 5.50 |
| **Forward-looking factor** | | **3.57** |

**Direct impact on operations in terms of product prices and spend of customers.*

***Indirect impact as this is representative of the economy as a whole.*

****Adjusted indirect impact as the COVID-19 pandemic was evident, but not yet significant, in South Africa at the reporting date.*

Summary of applied ECL ratings to trade receivables

| | Group 2021 | | | |
|---|---|---|---|---|
| Ageing | Weighted average loss rate % | Gross carrying amount | Loss allowance | Credit-impaired |
| Current | 0.80 | 3,888,416 | 31,197 | No |
| 31 - 60 days beyond terms | 2.14 | 10,358 | 222 | No |
| 61 - 90 days beyond terms | 0.00 | - | - | No |
| 90 days + beyond terms | 37.58 | 20,818 | 7,824 | Yes |
| | | **3,919,592** | **39,243** | |

| | 2020 | | | |
|---|---|---|---|---|
| Ageing | Weighted average loss rate % | Gross carrying amount | Loss allowance | Credit-impaired |
| Current | 0.80 | 5,242,988 | 41,903 | No |
| 31 - 60 days beyond terms | 2.13 | 172,011 | 3,666 | No |
| 61 - 90 days beyond terms | 0.00 | - | - | No |
| 90 days + beyond terms | 37.30 | 78,822 | 29,399 | Yes |
| | | **5,493,821** | **74,968** | |

Based on the ageing, 99% (2020: 95%) of the trade receivable balances are current and within terms. This supports the effectiveness of the credit approval policy implemented by the Group.

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

Movements in the loss allowance

The movement in the allowance for impairment in respect of trade receivables during the reporting period was as follows:

| | Group | |
|---|---|---|
| **Description** | **2021** | **2020** |
| Balance as at 1 March | 74,968 | - |
| Acquired through common control transaction | - | 113,435 |
| Amounts written-off | - | - |
| Net remeasurement of loss allowance | (35,725) | (38,467) |
| **Balance as at 28/29 February** | **39,243** | **74,968** |

The decrease in the loss allowance is attributable to the decrease in the gross amount of trade receivables at the reporting date compared to the previous reporting date.

**Loans to group companies and loans receivable ('loans')**

Impairment of the loans has been measured using lifetime ECLs.

The Group considers all of the indicators within the ECL model when determining the credit risk associated with any loans. The Group's assessment indicated that the loans generally have a low credit risk based on the financial performance of the related Group company or shareholder as well as the financial performance and ability of the related Group company or shareholder to settle the outstanding balance. The Group also considers the historical default information as well as forward-looking information such as budgets and forecasts.

Due to the considerations above and the application of these considerations in the ECL model, the Group did not recognise an impairment loss on the loans in the current or prior reporting periods. The Company, after applying the same considerations, did not recognise an impairment loss on the loans at the reporting dates, as the Group will provide financial support to the subsidiaries when and as needed.

**Cash and cash equivalents**

ECLs of cash and cash equivalents has been measured on a 12-month ECL basis and reflects the short maturities of the exposures in terms of the general approach adopted by management. The Group considers all of the indicators within the ECL model when determining the credit risk associated with cash and cash equivalents.

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the relevant financial institution combined with the fact that the institution is reputable within the economic environment (refer to note 15) and the fact that none of the other indicators, considered in terms of the ECL model indicated an increased credit risk. For this reason, no loss allowance has been recognised in relation to cash and cash equivalents at the current or prior reporting dates.

## Notes to the Financial Statements

for the year ended 28 February 2021

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### Liquidity risk

The liquidity risk of the Group is managed by the Audit and Risk Committee which monitors the repayment and settlement terms of all internally and externally funded debt. From a Group perspective, financial assistance is available to Group companies to ensure that all repayment terms outside of the Group are adhered to by each company. Any internal funding is repayable to the intergroup lender only when funds are available.

The maturity analysis of financial liabilities at each reporting date is set out in the table below. These amounts are gross and undiscounted, and include contractual interest payments. The Group, as indicated below, has no liabilities for which the maturity analysis exceeds 12 months.

| | Group | | | |
|---|---|---|---|---|
| **2021** | **Total** | **Up to 3 months** | **Between 3 to 12 months** | **Carrying amount** |
| Trade and other payables* | 3,336,492 | 3,336,492 | - | 3,336,492 |
| | **3,336,492** | **3,336,492** | **-** | **3,336,492** |
| **2020** | | | | |
| Trade and other payables* | 6,368,550 | 6,368,550 | - | 6,368,550 |
| | **6,368,550** | **6,368,550** | **-** | **6,368,550** |

| | Company | | | |
|---|---|---|---|---|
| **2021** | **Total** | **Up to 3 months** | **Between 3 to 12 months** | **Carrying amount** |
| Trade and other payables* | 123,497 | 123,497 | - | 123,497 |
| Loan from group company | 1,278,371 | - | 1,278,371 | 1,278,371 |
| | **1,401,868** | **123,497** | **1,278,371** | **1,401,868** |
| **2020** | | | | |
| Trade and other payables* | 97,262 | 97,262 | - | 97,262 |
| Loan from group company | 1,190,743 | - | 1,190,743 | 1,190,743 |
| | **1,288,005** | **97,262** | **1,190,743** | **1,288,005** |

The maturity analysis of lease liabilities is disclosed in note 19.

**Accrued expenses that are not financial liabilities are not included.*

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 32. Directors and Prescribed Officer

### Directors' interest in the share capital of the Company

| 2021 | Direct number | Indirect number | Total number | Total % |
|---|---|---|---|---|
| **Executive directors** | | | | |
| Dr A Jacobsz | - | 70,000 | 70,000 | 4.52 |
| Dr PJL Odendaal | 70,120 | - | 70,120 | 4.53 |
| **Non-executive directors** | | | | |
| AP Coetzee | - | - | - | - |
| K Fleischhauer | - | - | - | - |
| Dr HD Hoffman | - | - | - | - |
| KJM Moja | - | - | - | - |
| **Prescribed officer** | | | | |
| JH Visser | - | - | - | - |
| | **70,120** | **70,000** | **140,120** | **9.05** |

| 2020 | Direct number | Indirect number | Total number | Total % |
|---|---|---|---|---|
| **Executive directors** | | | | |
| Dr A Jacobsz | - | 70,000 | 70,000 | 4.55 |
| Dr PJL Odendaal | 70,120 | - | 70,120 | 4.55 |
| **Non-executive directors** | | | | |
| AP Coetzee* | - | - | - | - |
| K Fleischhauer* | - | - | - | - |
| Dr HD Hoffman* | | | | |
| KJM Moja* | | | | |
| **Prescribed officer** | | | | |
| JH Visser** | - | - | - | - |
| | **70,120** | **70,000** | **140,120** | **9.10** |

**Appointed on 10 October 2019.*
***Appointed on 1 March 2020.*

There have been no changes between the reporting date and the date of this report. The directors have no non-beneficial shareholdings.

## Notes to the Financial Statements
for the year ended 28 February 2021

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### Remuneration

| 2021 | Directors' fees | Basic salary | Bonuses | Allowances and contributions* | Total |
|---|---|---|---|---|---|
| **Executive directors** | | | | | |
| Dr A Jacobsz | - | - | - | - | - |
| Dr PJL Odendaal | - | - | - | - | - |
| **Non-executive directors**** | | | | | |
| AP Coetzee | 7,000 | - | - | - | 7,000 |
| K Fleischhauer | 8,050 | - | - | - | 8,050 |
| Dr HD Hoffman | 7,000 | - | - | - | 7,000 |
| KJM Moja | 8,050 | - | - | - | 8,050 |
| **Prescribed officer** | | | | | |
| JH Visser*** | - | 1,143,375 | 71,910 | 135,157 | 1,350,442 |
| | **30,100** | **1,143,375** | **71,910** | **135,157** | **1,380,542** |

**Allowances include cellphone and other similar allowances.*

***The reason for the variances in the fees paid to directors is a result of the VAT status of the specific director.*

***The remuneration of the prescribed officer was paid by a subsidiary, iHealthcare Group Limited.*

No form of remuneration was paid to any of the Board members in the prior reporting period. The Group did not have an appointed prescribed officer during the previous reporting period.

## Notes to the Financial Statements

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### Share-based payment arrangements

During the 2017 reporting period, two employees of IsoClear Proprietary Limited ('IsoClear'), were granted long-term incentives in the form of shares in the Company. The shares awarded were subject to both a service and performance condition and would vest in two tranches. The details of the incentive awards are as follows:

| | P de Witt (Financial manager) | CD Landsberg (CEO and executive director) |
|---|---|---|
| Number of shares | 30,000 ordinary shares in iHealthcare | 50,000 ordinary shares in iHealthcare |
| Date of issue | 20 November 2017 | 1 February 2017 |
| Vesting - Tranche 1 | 20,000 ordinary shares after 2.5 years in service (service condition) and upon all bi-annual performance agreements met (performance condition) | 30,000 ordinary shares after 2.5 years in service (service condition) and upon all bi-annual performance agreements met (performance condition) |
| Vesting - Tranche 2 | 10,000 ordinary shares after a further 2.5 years in service (service condition) and upon all bi-annual performance agreements met (performance condition) | 20,000 ordinary shares after a further 2.5 years in service (service condition) and upon all bi-annual performance agreements met (performance condition) |
| Dividends | Dividends are accrued and paid out at the vesting dates adjusted for interest foregone after taking Dividend Tax into effect. | Dividends are accrued and paid out at the vesting dates adjusted for interest foregone after taking Dividend Tax into effect. |
| Other | All non-dilution mechanisms enjoyed by existing shareholders are available to the participant. | All non-dilution mechanisms enjoyed by existing shareholders are available to the participant. |

#### Valuation method

At the reporting date, management could not reliably estimate the fair value of the services received due to the short historical information related to the listing of the Company on 4AX. The valuation of the share-based payment scheme is estimated with reference to the fair value of the quoted market price of the ordinary shares of the Company. The inputs used in calculating the value of the scheme are as follows:

| | Group | |
|---|---|---|
| | 2021 | 2020* |
| • Number of shares applicable for vesting period | 3,000 | 18,000 |
| • Share price as at 28/29 February | R 26.99 | R 26.99 |
| • Dividend Tax rate | 20% | 20% |
| • Accrued net dividend per share | R - | R 1.12 |
| **Cash-settled share-based payment liability as at 28/29 February** | **-** | **505,980** |

**Due to the uncertainty in respect of the performance obligations, Tranche 2 was excluded from the valuation in the prior reporting period.*

## Notes to the Financial Statements

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Management is of the opinion, based on detailed forecasts and budgets, that the non-market performance condition in relation to Tranche 2 shares, will not be met. Applying all of the inputs into the valuation model, with reference to the fair value of the quoted market price of the ordinary shares of the Company, the estimate amounts to R nil. Based on this estimate, no cumulative share-based payment cost has been recognised in profit or loss in relation to Tranche 2.

Vesting of Tranche 1: P de Witt

During the reporting period, Tranche 1 of the share-based payment scheme vested to this participant. The participant received 20,000 ordinary shares. IsoClear purchased these shares and the shares were issued at the management determined price of a Company share of R 24.08. This resulted in an increase in the non-controlling interests of the Group amounting to R 481,600 as set out in note 17 .

The total amount in relation to the vesting of Tranche 1 is recognised as a decrease in the cash-settled share-based payment liability. The remaining cash-settled share-based payment liability amounting to R 80,600 was recognised in profit or loss on vesting date.

In addition to the shares received, the participant received a cash-settled bonus to the equivalent of the accrued dividend inputs as disclosed. The bonus amounted to R 48,508.

Resignation and vesting of Tranche 1: CD Landsberg

CD Landsberg resigned during the prior reporting period. The shares in relation to Tranche 1 were issued to this participant on the date of resignation as the service and performance condition was satisfied.

The participant received 30,000 ordinary shares. IsoClear purchased these shares and the shares were issued at the fair value market price of the Company's shares of R 26,99.

The amount awarded to this participant amounted to R 878,487 during the prior reporting period and was recognised as part of the employee cost of the Group.

This participant forfeited Tranche 2 of the scheme and this portion of the incentive was cancelled.

## Notes to the Financial Statements

for the year ended 28 February 2021

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## 33. Related Parties

### Identification

The subsidiaries of the Company are set out in note 10. The directors of the Company are set out in note 32.

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Related party balances** | | | | |
| Loans to/(from) related parties | | | | |
| **Subsidiary** | | | | |
| iHealthcare Group Limited | - | - | (1,278,371) | (1,190,743) |
| | **-** | **-** | **(1,278,371)** | **(1,190,743)** |
| Trade receivables - related parties | | | | |
| **Subsidiaries** | | | | |
| iHealthcare Group Limited | - | - | 100,000 | - |
| **Directors** | | | | |
| Dr A Jacobsz | 2,047 | - | - | - |
| Dr PJL Odendaal | 5,324 | 6,115 | - | - |
| **Entity related to PJL Odendaal*** | | | | |
| Club Surgical Centre Proprietary Limited | - | 234,715 | - | - |
| | **7,371** | **240,830** | **100,000** | **-** |

All outstanding balances will be settled with cash resources.

| | Group | | Company | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Related party transactions** | | | | |
| Revenue from related parties | | | | |
| **Directors** | | | | |
| Dr A Jacobsz | 27,771 | 6,095 | - | - |
| Dr PJL Odendaal | 48,747 | 63,083 | - | - |
| **Entity related to PJL Odendaal*** | | | | |
| Club Surgical Centre Proprietary Limited | 402,353 | 580,014 | - | - |
| | **478,871** | **649,192** | **-** | **-** |

**PJL Odendaal resigned as a director of the related party effectively on 11 November 2020. The related party information is presented until the effective date of resignation.*

## Notes to the Financial Statements

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| | Group | | Company | |
|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** |
| **Management fees received from related parties** | | | | |
| **Subsidiaries** | | | | |
| iHealthcare Group Limited | - | - | 453,000 | - |
| | **-** | **-** | **453,000** | **-** |

### Key management personnel

All key management personnel are considered to be the directors and prescribed officer of the Group. Refer to note 32.

All related party transactions are conducted on an arm's length basis and any outstanding balances are no more or less favourable than any other supplier or customer of a similar size.

## 34. Contingent Liabilities

The directors are not aware of any contingent liabilities of a material nature.

## 35. Segment Analysis

A segment is a distinguishable component of the Group that is engaged in activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the chief operating decision-maker (which by delegation by the Board of Directors, is the CEO under advice from his senior executive team) and for which discrete financial information is available. Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision-maker.

The segments of the Group have not changed from the prior reporting period. The Group primarily operates in South Africa and due to the immaterial foreign revenue (refer to note 22), the Group does not report information based on geographical regions.

All inter-segment transactions are priced on an arm's length basis.

The Group has the following two business units as strategic divisions, which are reportable segments. These divisions offer different products and services, and are managed separately because they require different strategies.

| Reportable segments | Operations |
|---|---|
| Ophthalmology | The ophthalmology segment provides a service offering specialising within the ophthalmology medical field to hospitals, pharmacies and medical practitioners. The service offering includes the sale of consumables, equipment and pharmaceutical products to customers in South Africa and Namibia. |
| Group services | Group Central Services provides strategic direction and shared services to the Group. |

## Notes to the Financial Statements

for the year ended 28 February 2021

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| | Group 2021 | Group 2020 |
|---|---|---|
| **Revenue analysis** | | |
| Business unit | External revenue | |
| Ophthalmology | 28,409,946 | 8,218,180 |
| | **28,409,946** | **8,218,180** |

**Profit after tax analysis**

| Business unit | Operating profit after tax | |
|---|---|---|
| **Operating profit before tax** | **2,693,399** | **(163,725)** |
| • Ophthalmology | 2,633,659 | 1,124,400 |
| • Group services | 59,740 | (1,288,125) |
| Income tax expense | (941,896) | (784,555) |
| • Ophthalmology | (888,633) | (836,423) |
| • Group services | (53,263) | 51,868 |
| **Profit for the period** | **1,751,503** | **(948,280)** |
| • Ophthalmology | 1,745,026 | 287,977 |
| • Group services | 6,477 | (1,236,257) |

The following items are included in the operating profit before tax:

| | | |
|---|---|---|
| Depreciation | | |
| • Ophthalmology | (1,670,055) | (415,593) |
| Finance income | 64,740 | 45,529 |
| • Ophthalmology | 64,740 | 45,529 |
| • Group services | - | - |
| Finance costs | (94,460) | (38,822) |
| • Ophthalmology | (94,460) | (38,822) |
| • Group services | - | - |

**Net operating assets analysis**

| Business unit | Net operating assets | |
|---|---|---|
| Ophthalmology | (17,220,722) | (19,680,347) |
| Group services | 40,501,956 | 40,328,463 |
| | **23,281,234** | **20,648,116** |

During the reporting period, the Group acquired property equipment (excluding right-of-use assets) amounting to R 178,912 (2020: R 3,642,109).

**Figures in R**

## 36. COVID-19 Pandemic

Widespread local and global uncertainty associated with the COVID-19 pandemic was, and remains, prevalent after the reporting date. On 15 March 2020 a National State of Disaster was declared in South Africa due to the COVID-19 pandemic and subsequently, on 26 March 2020, a national lockdown became effective for all South African citizens and businesses. This national lockdown was extended until 30 April 2020. On 1 May 2020 a risk-adjusted phased-in approach of economic activity was implemented and promulgated in terms of the Disaster Management Act of South Africa, 2002 (Act 57 of 2002).

The significant operating subsidiary of the Group, IsoClear, was classified as an essential services provider during the risk-adjusted phased-in approach which impacted the operations of the Group as follows:

- There was a significant disruption in the operations of the company, being the supply of consumables to customers, as most of the consumables are utilised during elective medical procedures. These elective medical procedures were initially restricted to emergency elective procedures and then allowed during the national lockdown period and the risk-adjusted phased-in approach;
- Limited importation of consumables relating to the elective procedures during the national lockdown period and during the risk-adjusted phased-in approach;
- The Group was impacted by the deterioration of the Rand (ZAR) in respect of the imported goods;
- All staff were encouraged to work remotely, where possible;
- The implementation of all required regulations in relation to the various operating premises and staff members present at these premises, resulted in an immaterial increase in costs; and
- Financial budgets in relation to the 2021 and 2022 reporting periods were revised accordingly and pro-active cost saving measures were implemented where possible.

The Board is of the opinion that the pandemic will not have a material impact on the financial stability of the Group or the Company in the foreseeable future based on the fact that neither the Group or Company utilised any relief measures implemented by Government; customers did not request any extended terms or relief in terms of outstanding accounts; and the Group continued operations since the implementation of the risk-adjusted approach. The prohibition of elective procedures has been relaxed during the risk-adjusted phased-in approach further supporting the Group's ability to operate at full capacity.

Going forward, the extent of the impact of COVID-19 remains uncertain and cannot be predicted. The financial position and operating results of the Group and Company may, to a certain extent, depend on future developments.

## 37. Events After the Reporting Date

Changes to the Board

As announced on the 4AX news services on the 16th of April 2021, Mr D Prinsloo has been appointed as the new Chief Executive Officer and executive director of the Company with effect from 1 June 2021. Dr A Jacobsz and Dr PJL Odendaal have resigned as Joint Chief Executive Officers and will remain in office until 31 May 2021.

The Board is not aware of any other events material to the understanding of the financial statements that occurred after the reporting date and the authorisation date of the financial statements, except the continuation of the risk-adjusted approach implemented by the South African Government in relation to the COVID-19 pandemic.

## 38. Going Concern

The directors have considered the liquidity, solvency and working capital requirements of the Group for the foreseeable future, taking into account the effect of the COVID-19 pandemic, from the date of authorisation of the financial statements, and have no reason to believe the Group or Company will not be a going concern in the reporting period ahead.

However, as discussed in note 36, the extent of the impact of the COVID-19 pandemic remains uncertain and cannot be predicted by the directors.

## Notes to the Financial Statements

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## 39. Correction of Prior Period Error

As announced on the 4AX news services on the 15th of April 2021, management identified an error in respect of the allocation of the loss and total comprehensive loss attributable to NCI for the prior reporting period. The error is a direct result of a calculation error in respect of the internally prepared NCI calculation. The adjustment amounts to an increase of R 419,217 in the loss and total comprehensive loss attributable to Owners of the Company.

The impact of the adjustment on the loss per share and headline loss per share for the 11-month period ended 29 February 2020 is an increase in loss and headline loss per share of 108.9 cents.

The Company was incorporated in the prior reporting period, therefore, there is no third statement of financial position presented in addition to the comparative reporting period.

The total net asset value of the Group remains unchanged.

### Reporting period ending 29 February 2020

The impact of the error relating to the 2020 reporting period is set out below:

| Statement of financial position - Group | As previously reported 2020 | Adjustment | Restated 2020 |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Stated capital | 41,564,720 | - | 41,564,720 |
| Retained earnings | (27,918,337) | (419,217) | (28,337,554) |
| **Total equity attributable to owners of parent** | **13,646,383** | **(419,217)** | **13,227,166** |
| Non-controlling interests | 7,001,733 | 419,217 | 7,420,950 |
| **Total equity** | **20,648,116** | **-** | **20,648,116** |

| Statement of profit or loss and other comprehensive income - Group | | | |
|---|---|---|---|
| **Loss and total comprehensive loss for the period attributable to:** | | | |
| Owners of the Company | (626,716) | (419,217) | (1,045,933) |
| Non-controlling interests | (321,564) | 419,217 | 97,653 |
| | **(948,280)** | **-** | **(948,280)** |
| **Earnings/(loss) per ordinary share** | | | |
| -Basic loss per ordinary share (cents) | (162.7) | (108.9) | (271.6) |
| -Diluted loss per ordinary share (cents) | (162.7) | (108.9) | (271.6) |

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

| Notes to the financial statements | As previously reported 2020 | Adjustment | Restated 2020 |
|---|---|---|---|
| **Loss and headline loss per ordinary share** | | | |
| Basic and diluted loss per ordinary share | | | |
| Basic and diluted loss per ordinary share have been calculated using the following: | | | |
| Loss for the period | (948,280) | - | (948,280) |
| Non-controlling interests | 321,564 | (419,217) | (97,653) |
| Loss attributable to ordinary shareholders | (626,716) | (419,217) | (1,045,933) |
| Weighted number of ordinary shares in issue | 385,110 | - | 385,110 |
| Weighted number of ordinary shares in issue for purpose of dilution | 385,110 | - | 385,110 |
| **Basic loss per ordinary shares (cents)** | **(162.7)** | **(108.9)** | **(271.6)** |
| **Diluted loss per ordinary share (cents)** | **(162.7)** | **(108.9)** | **(271.6)** |
| Headline and diluted headline loss per ordinary share | | | |
| Headline and diluted headline loss per ordinary share have been calculated using the following: | | | |
| Loss attributable to ordinary shareholders | (626,716) | (419,217) | (1,045,933) |
| Impairment loss on goodwill net of tax | 600,372 | - | 600,372 |
| Headline loss for the period | (26,344) | (419,217) | (445,561) |
| Weighted number of ordinary shares in issue | 385,110 | - | 385,110 |
| Weighted number of ordinary shares in issue for purpose of dilution | 385,110 | - | 385,110 |
| **Headline loss per ordinary shares (cents)** | **(6.8)** | **(108.9)** | **(115.7)** |
| **Diluted headline loss per ordinary share (cents)** | **(6.8)** | **(108.9)** | **(115.7)** |

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

## 40. Analysis of Shareholding

| | Group 2021 | | | |
|---|---|---|---|---|
| | Shareholders | | Shares in issue | |
| Range of shares held | Number | Percentage | Number | Percentage |
| 1 - 20,000 | 2 | 8.33 | 7,158 | 0.46 |
| 20,001 - 30,000 | - | - | - | - |
| 30,001 - 50,000 | - | - | - | - |
| 50,001 - 250,000 | 22 | 91.67 | 1,540,120 | 99.54 |
| 250,001 - 1,000,000 | - | - | - | - |
| Over 1,000,000 | - | - | - | - |
| | **24** | **100.00** | **1,547,278** | **100.00** |

| | Group 2021 | | | |
|---|---|---|---|---|
| | Shareholders | | Shares in issue | |
| Shareholder type | Number | Percentage | Number | Percentage |
| **Non-public shareholders** | 2 | 8.33 | 140,120 | 9.06 |
| Directors and Prescribed Officer | 2 | 8.33 | 140,120 | 9.06 |
| Other Employees | - | - | - | - |
| **Public shareholders** | 22 | 91.67 | 1,407,158 | 90.94 |
| | **24** | **100.00** | **1,547,278** | **100.00** |

## Notes to the Financial Statements

for the year ended 28 February 2021

**Figures in R**

| Range of shares held | Group 2020 Shareholders Number | Group 2020 Shareholders Percentage | Group 2020 Shares in issue Number | Group 2020 Shares in issue Percentage |
|---|---|---|---|---|
| 1 - 20,000 | - | - | - | - |
| 20,001 - 30,000 | - | - | - | - |
| 30,001 - 50,000 | - | - | - | - |
| 50,001 - 250,000 | 22 | 100.00 | 1,540,120 | 100.00 |
| 250,001 - 1,000,000 | - | - | - | - |
| Over 1,000,000 | - | - | - | - |
| | **22** | **100.00** | **1,540,120** | **100.00** |

| Shareholder type | Group 2020 Shareholders Number | Group 2020 Shareholders Percentage | Group 2020 Shares in issue Number | Group 2020 Shares in issue Percentage |
|---|---|---|---|---|
| **Non-public shareholders** | 2 | 9.09 | 140,120 | 9.10 |
| Directors and Prescribed Officer | 2 | 9.09 | 140,120 | 9.10 |
| Other Employees | - | - | - | - |
| **Public shareholders** | 20 | 90.91 | 1,400,000 | 90.90 |
| | **22** | **100.00** | **1,540,120** | **100.00** |

### Beneficial shareholdings with a holding greater than 5% of issued shares

None of the shareholders holds a beneficial interest of greater than 5% of the issued shares.

## Corporate Information

### iHealthcare Group Holdings Limited

Incorporated in the Republic of South Africa
Company registration number: 2019/155531/06
('iHealthcare Holdings' or 'the Company' or the Group')

**Business address**
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0020

**Postal address**
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Pretoria
0102

### Company Secretary

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0181

### Corporate Advisors

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Waterkloof
Pretoria
0145

### Transfer Secretaries

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16 Empire Road
Parktown
2193

### 4 Africa Exchange

Share code: 4AIHGH
ISIN: ZAE400000077

Industry: Healthcare

### Auditors

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Menlyn
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### Attorneys

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iHealthcare

Group Holdings Ltd

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