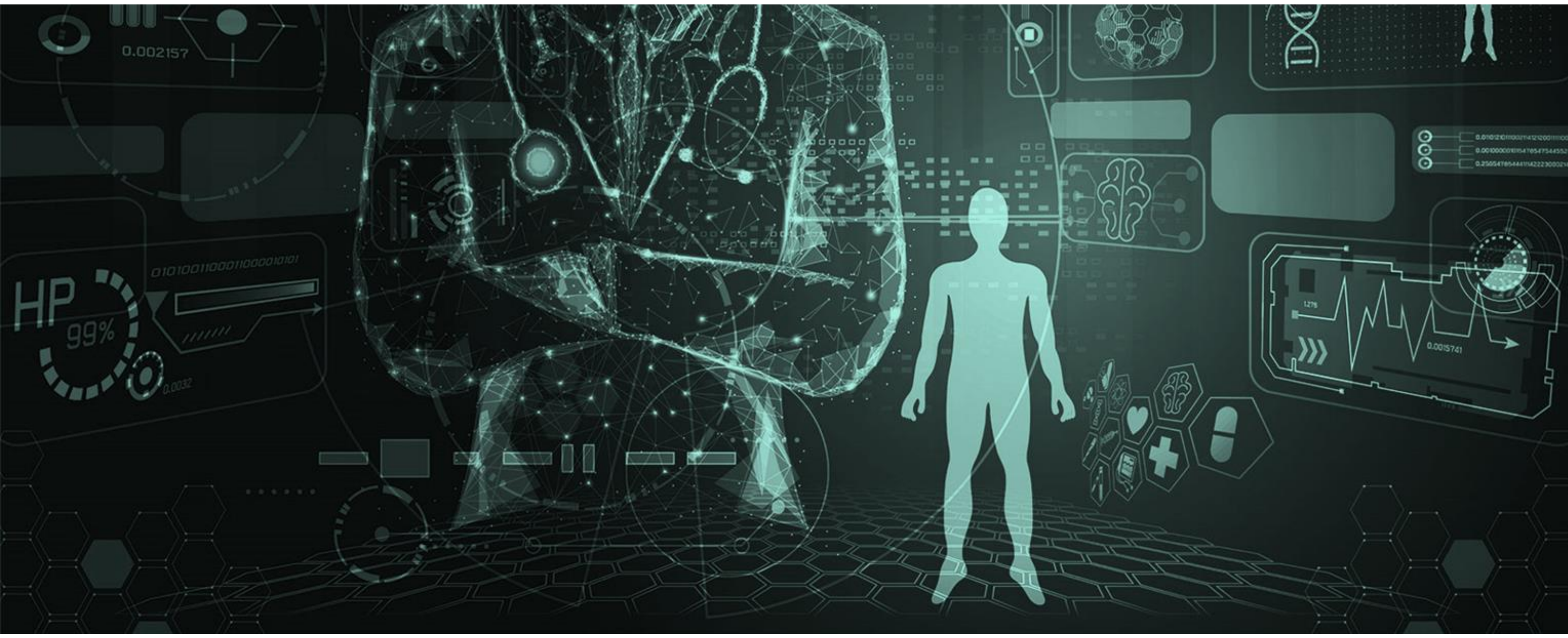
iHealthcare
Group Holdings Ltd

2023

ANNUAL REPORT



Contents

Overview

Overview

Profile

iHealthcare Group Holdings Limited ('iHealthcare Holdings' or 'Company') and its subsidiaries ('iHealthcare Group' or 'Group') is invested entirely in the healthcare industry with a major 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 pharmaceutical products to hospitals and medical practices specialising in ophthalmology across Southern 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 CTSE Registry Services Proprietary Limited, in the Healthcare industry, on 17 January 2020. This is the fourth 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');
- CTSE Listing Requirements; and
- Companies Act of South Africa (Act 71 of 2008) ('Companies Act').

Reporting Philosophy

This is our fourth 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 2023 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 2023. 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.

Feedback

The Board welcomes feedback on iHealthcare Holdings' annual report for the 2023 reporting period from stakeholders. Please contact FluidRock Co Sec Proprietary Limited (represented by Keira-lea Sandilands), Company Secretary, on email address keira-lea@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 CTSE Listings Requirements and complies with the CTSE Listings Requirements, save for the following:

Securities in public hands

iHealthcare currently has approximately 27 (2022: 26) public shareholders, which is less than the prescribed number of 100 public shareholders in accordance with paragraph 6.26 of the CTSE Listing Requirements. At listing, iHealthcare Holdings obtained dispensation from CTSE 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 the changes to the Board and the staff compliment during the reporting period.

Overview

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.

The annual report has been prepared in line with best practice to the extent possible for the reporting period under review. On 25 May 2023, the Board authorised the annual report for release on 29 May 2023.

For and behalf of the Board

DS Prinsloo
CEO

Group Structure

Group Structure as at 28 February 2023

Distribution of Assets - Restructuring of Internal Holding Structure

iHealthcare Group Limited ('IHG')

During the reporting period, the Company decided to simplify the Group structure by collapsing the double listing organisation structure through the delisting of the Company's wholly-owned intermediate holding company, IHG, from CTSE. It was determined that this would alleviate the corporate burden of management's time and costs being spent on the managing of the double listing organisational structure.

As part of the revised Group strategy, the Company, in simplifying the Group structure, implemented a Section 47 transaction in terms of the Income Tax Act (Act 58 of 1962) of South Africa where the assets held in IHG were distributed to the Company with the intention of liquidating and deregistering IHG, IsoOps and IsoProp in the next reporting period. The distribution was approved by the Board of IHG in terms of Section 46 of the Companies Act.

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.

IsoPharm Proprietary Limited ('IsoPharm')

During the current reporting period, the strategic plan to move the operation of IsoPharm to a new operational location in Pretoria was implemented. IsoPharm commenced with trading towards the latter part of the reporting period.

Group Structure

Dormant Subsidiaries

iHealthcare Group Limited ('IHG')

The company is in the process of applying for voluntary liquidation and deregistration with the Companies and Intellectual Property Commission. The application should be finalised during the next reporting period.

IsoOps Proprietary Limited ('IsoOps')

The company is in the process of applying for voluntary liquidation and deregistration with the Companies and Intellectual Property Commission. The application should be finalised during the next reporting period.

IsoProp Proprietary Limited ('IsoProp')

The company is in the process of applying for voluntary liquidation and deregistration with the Companies and Intellectual Property Commission. The application should be finalised during the next reporting period.

Report to Shareholders

We are pleased to present the report to the shareholders of iHealthcare Holdings ('shareholders') for the 2023 reporting period.

Overview

This has been an extraordinary year for the South African economy, but also the global economy, as a result of the continued international uncertainty and economic instability. iHealthcare Holdings has been unable to avoid the economic fall-out that has ensued as a direct result of this instability.

Furthermore, the economy is under pressure as a direct result of the continuation of the energy and product supply crisis.

Global Health Pandemic

The widespread local and global uncertainty associated with the COVID-19 pandemic eased during the reporting period.

The material operational entities within the Group maintained normalized operational activity levels throughout the reporting period.

Distribution of Assets - Restructuring of Internal Holding Structure

During the reporting period, the Company decided to simplify the Group structure by collapsing the double listing organisation structure through the delisting of the Company's wholly-owned intermediate holding company, IHG, from CTSE. It was determined that this would alleviate the corporate burden of management's time and costs being spent on the managing of the double listing organisational structure.

As part of the revised Group strategy, the Company, in simplifying the Group structure, implemented a Section 47 transaction in terms of the Income Tax Act (Act 58 of 1962) of South Africa where the assets held in IHG were distributed to the Company with the intention of liquidating and deregistering IHG, IsoOps and IsoProp in the next reporting period. The distribution was approved by the Board of IHG in terms of Section 46 of the Companies Act.

Details of the transaction is set out in note 37 of the financial statements.

Segment Performance

Ophthalmology

The segment increased revenue by 6.12% and the operating profit before tax decreased by 78.35%.

Although the revenue increased, the operating profit before tax decreased due to a number of factors including the volatility of the foreign exchange rates to which the Group is exposed to, the onboarding of additional staff members and resources as a result of future distribution contracts and the write-off of expired inventory items recognised in profit or loss.

Report to Shareholders

Financial Results

Direct economic value generated and distributed

Value-added is the measure of wealth created by the Group in its operations by 'adding value' to the cost of raw materials, products and services purchased. The statement below summarises the total wealth created and shows how it was shared by employees and other stakeholders that contributed to its creation.

Also set out below is the amount retained and reinvested in the Group for the replacement of assets and the further development of operations.

	2023		2022	
Value added statement	ZAR	%	ZAR	%
Revenue	41,369,196		38,982,168	
Cost of materials and services	(19,139,347)		(15,727,026)	
Value added by operations	22,229,849	99.25	23,255,142	99.38
Finance income	168,125	0.75	145,083	0.62
Gross value added	22,397,974	100.00	23,400,225	100.00
Depreciation	(1,810,507)		(1,385,785)	
Net value added	**20,587,467**		**22,014,440**	
Applied as follows:				
Employees' salaries, wages and benefits	11,527,607	55.99	9,360,399	42.52
Government tax	579,316	2.81	1,884,087	8.56
Providers of debt	-	0.00	26,708	0.12
Shareholders	3,000,000	14.57	-	0.00
Retained in the Group	5,480,544	26.62	10,743,246	48.80
Net value added	**20,587,467**	**100.00**	**22,014,440**	**100.00**

Statement of profit or loss

The Group generated revenue amounting to R41,369,196 (2022: R38,982,168) (2021: R28,409,946). Revenue increased by 6.12% during the current reporting period.

The overall exposure of the Group to the volatility of foreign currencies, caused by the instability in the international economy, resulted in an increase in the loss on foreign exchange amounting to R290,847 (2022: R83,231) being recognised in profit or loss during the current reporting period.

The average weighted number of shares, from which earnings per share and headline earnings per share are derived, was 2,462,770 (2022: 1,582,726) shares at the reporting date. The increase in the average weighted number of shares is as a direct result of the finalisation of the Scheme of Arrangement during February 2022.

Earnings per share decreased by 97.49% to 4.4 cents per share (cps) (2022: 175.5 cps) and headline earnings per share decreased by 97.21% to 4.9 cents per share (cps) (2022: 175.7 cps).

Statement of financial position

During the reporting period the Group acquired equipment amounting to R1,164,841 (2022: R3,113,507). Items amounting to R812,241 (2022: R2,976,997) which were originally acquired and classified as inventory were transferred to equipment.

The working capital[1] of the Group stabilised at R12,783,629 (2022: R13,101,345).

[1]The working capital includes inventories, trade and other receivables and trade and other payables.

Report to Shareholders

Statement of cash flows

The total cash resources of the Group decreased by 25.50% to R6,308,995 (2022: R8,468,352). It is important to note that the Company declared a cash dividend to ordinary shareholders amounting to R3,000,000 during the reporting period.

Cash generated by operations decreased to R1,772,978 (2022: R5,569,287) due to the additional required inventory levels to enable the demand of additional signed distribution agreements towards the end of the reporting period coupled with the increase in staff members and resources, as mentioned above.

Correction of Prior Period Error

The Board and management identified an error in respect of the share-based payment liability recognised in the prior reporting period. This error has been corrected in the financial statements presented. Refer to note 38 of the financial statements.

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 and value creation, effective control and legitimacy.

Composition of the Board

The Board comprised 6 (six) directors, 1 (one) executive director and 5 (five) non-executive directors at the reporting date. The executive director is the CEO of the Group.

The Board

Director	Classification	Date appointed	Gender	Race
Dr B Khantsi[1]	Independent non-executive director	01 Sept 2022	Male	Black
AP Coetzee	Independent non-executive director	10 Oct 2019	Male	White
Dr TB Maleka	Independent non-executive director	20 Oct 2021	Male	Black
KJM Moja (Chairperson)	Independent non-executive director	10 Oct 2019	Male	Black
Dr PJL Odendaal	Non-executive director	03 Apr 2019	Male	White
DS Prinsloo (CEO)	Executive director	01 Jun 2021	Male	White

[1]The director was confirmed as an independent non-executive director at the Board meeting on 14 March 2023.

Dr A Jacobsz and Dr FJ Potgieter resigned from the Board effectively on 07 April 2022 and 09 February 2023, respectively.

The Board would like to express its gratitude to these directors for their commitment and contribution to the Group.

Dr B Khantsi was appointed as a non-executive director with effect from 01 September 2022.

Report to Shareholders

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 Company declared and paid a dividend amounting to R3,000,000 during the current reporting period.

Prospects

The outlook for the year to 28 February 2024 remains uncertain. The overall international economic instability coupled with an economy that is facing increased energy costs and rising interest rates, will make it difficult to maintain earnings at the level of those recorded in the prior reporting period. Notwithstanding, the Group is well-positioned to take advantage of any economic upturn through its product and service offerings.

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.

KJM Moja (Chairperson)
Chairperson

DS Prinsloo (CEO)
CEO

JH Visser
CFO

iHealthcare Group Holdings Ltd

Board of Directors

Board of Directors

Board Members

The members of the Board of Directors at the reporting date were as follows:

Dr B Khantsi

Non-executive director[1]
FC Ophth, Mmed Ophth, MBChB
Appointed: 01 September 2022

On completion of his community service, Dr Khantsi worked at the United Kingdom's National Health Service and practised as a General Practitioner in the Private Sector in Auckland, New Zealand. Dr Khantsi also spent time in the corporate world, where he worked for major pharmaceutical companies. His journey in Ophthalmology started in 2011, at the Charlotte Maxeke Academic Hospital in Johannesburg. He currently holds a master's degree in Ophthalmology from Wits University, and he is a member of the College of Ophthalmology, which is a part of the Colleges of Medicine of South Africa.

In addition to his work in private practice, Dr Khantsi acted as a consultant in the retinal unit at Helen Joseph Hospital in Johannesburg, where he was actively involved in teaching trainee Ophthalmologists and Medical Officers. Dr Khantsi is currently in full-time private practice.

[1]The director was confirmed as an independent non-executive director at the Board meeting on 14 March 2023. Furthermore, the director was appointed as a member of the Audit and Risk Committee on the same date.

AP Coetzee

Chairperson of the Audit and Risk Committee
Chairperson of the Remuneration and Nominations Committee
Member of the Social and Ethics Committee
Independent non-executive director
CA(SA)
Appointed: 10 October 2019

Abrie is a qualified Chartered Accountant. Abrie has 26 years of Financial Services experience of which 24 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.

Dr TB Maleka

Chairperson of the Social and Ethics Committee
Independent non-executive director
MBChB, Dip Ophth, FC Ophth
Appointed: 20 October 2021

Dr Maleka obtained his MBCHB at the University of Natal in 1997 and his Diploma in Ophthalmology from the College of Medicine of South Africa (CMSA) in 2002. In 2006 he became a fellow of the College of Ophthalmologists at the CMSA. Dr Maleka was a consultant at the WITS Ophthalmology department and specialist ophthalmologist in the Retinal Clinic from 2006 to 2017. He lectured ophthalmology to undergraduates, post graduate doctors and registrars. He worked part time at the Centre of Advanced Medicine as a Specialist Ophthalmologist, which position became full time from 2018. In business, Dr Maleka is a founder and director of several medical facilities. He also holds active memberships with several councils and societies.

Board of Directors

KJM Moja

Chairperson of the Board
Member of the Audit and Risk Committee
Member of the Remuneration and Nominations Committee
Independent non-executive director
LLB, LLM
Appointed: 10 October 2019

Kabelo Moja is a seasoned deal maker, with significant experience in deal origination and execution. 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 a 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 an executive director with Ascension Capital Partners, a private equity fund management business that specializes in making equity investments in various unlisted companies and a non-executive director of the Southern Africa Venture Capital Association.

Dr PJL Odendaal

Member of the Remuneration and Nominations Committee
Non-executive director
MBChB, FCP
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 and Specialised Hospital Management Groups Board of Directors where he was responsible for business development.

DS Prinsloo

Member of the Social and Ethics Committee
Executive director
BMil, BA(Hons), MBA
Appointed: 01 June 2021

Dawie Prinsloo is an MBA graduate from the University of the Free State. He has spent 10 years in the SANDF as a senior officer before entering the private sector. He has more than 20 years' experience in the healthcare industry. Dawie has excelled in various sales, marketing, and managerial roles in both the pharmaceutical and medical device industries. He has enjoyed successes in representing multinational companies at business Unit level across various therapeutic areas as well as successfully overseeing distribution operations in South Africa and the rest of Sub-Saharan Africa.

Board of Directors

Meeting Attendance

Board of Directors

		Meeting date							
Members	**Description of change**	**07 Mar 2022**	**13 Apr 2022**	**18 May 2022**	**23 June 2022**	**22 Sept 2022**	**24 Nov 2022**	**14 Mar 2023**	**25 May 2023**
Dr B Khantsi	Appointed 01 Sept 2022	N/A	N/A	√	N/A	N/A[1]	Apology	√	√
AP Coetzee	No change	√	√	√	√	√	√	√	√
Dr A Jacobsz	Resigned 07 April 2022	Apology	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Dr TB Maleka	No change	Apology	Apology	√	√	√	Apology	√	Apology
KJM Moja	No change	√	√	√	√	√	√	√	√
Dr PJL Odendaal	No change	√	√	√	√	√	√	√	√
Dr FJ Potgieter	Resigned 09 Feb 2023	Apology	Apology	√	√	√	√	N/A	N/A
DS Prinsloo	No change	√	√	√	√	√	√	√	√
Invitees									
JH Visser		√	√	√	√	√	Apology	√	√
Company Secretary									
FluidRock Co Sec Proprietary Limited representative			√	√	√	√	√	√	√

[1] Appointment approved at the AGM held on 29 September 2022. For this reason, although appointed effectively on 01 September 2022, the director was not invited to attend the meeting.

Board of Directors

Remuneration and Nominations Committee

During the reporting period, the Board resolved to constitute a Remuneration and Nominations Committee. The first meeting of the committee will be held subsequent to the reporting period on 18 April 2023.

The Committee is tasked with ensuring that the Company's remuneration is fair, in line with good corporate governance and best market practice. The Committee ensures that the Policy supports the Company's strategy in relation to fair and responsible remuneration and has full control over all matters relating to remuneration (including the accurate, complete and transparent disclosure of executive director, prescribed officer and non-executive director remuneration). The Committee approves a remuneration strategy and policy, which is then confirmed by the Board.

Composition of the Committee

The composition of the Committee at the date of the publication of the annual report was as follows:

Member	Defined roles as per the Board	Date appointed	Date resigned
AP Coetzee (Chairperson)	Independent non-executive director	23 Jun 2022	N/A
KJM Moja	Independent non-executive director	23 Jun 2022	N/A
Dr PJL Odendaal	Non-executive director	23 Jun 2022	N/A
Dr FJ Potgieter	Independent non-executive director	23 Jun 2022	09 Feb 2022

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 CTSE Listing requirements, and reports in compliance with section 72(4) of the Companies Act read together with regulation 43 of the Companies Regulation, 2011.

The Social and Ethics Committee fulfils the statutory duties as set out in section 72(4)(a) of the Companies Act read with Regulation 43 as well as assists the Board in monitoring and overseeing matters that include organisational ethics, corporate citizenship, stakeholder relationships and sustainable development of the Group.

The Committee operates independently of management and is free of any organisational impairment. The Committee is governed by formal terms of reference that include the Committee's responsibilities in terms of the Companies Act, the CTSE Listing Requirements, King IV™ and its duties as delegated 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 TOR and included the following key actions:

- social and economic development, including iHealthcare's standing in terms of the goals and purposes of the United Nations Global Compact Principles, the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act, and the Broad-Based Black Economic Empowerment ('B-BBEE') Act;
- good corporate citizenship, including iHealthcare's efforts in the promotion of equality, preventing unfair discrimination and reduction of corruption;
- the contribution to the development of communities in which its activities are predominantly conducted as well as recording sponsorships, donations, and other charitable giving;
- the environment, health and public safety, including the impact of iHealthcare Holdings' activities;
- consumer relationships, including advertising, public relations, and compliance with consumer protection laws;
- labour and unemployment, including the Group's standing relative to the International Labour Organisation Protocol on decent work and working conditions;
- the Group's employment relationship and its contribution toward the educational development of its employees;
- corporate governance matters related to the management of ethics, stakeholder engagement, sustainable development and transformation.

The Committee evaluates the matters within its mandate and recommends matters to the Board for consideration and approval.

Committee Activities and Decisions Taken During the Reporting Period

The Committee has met periodically 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.

Social and Economic Development

iHealthcare adopts the Ten United Nations Global Compact Principles, which have been incorporated into the Code of Conduct. The ten principles are derived from the Universal Declaration of Human rights, the International Labour Organizations' Declaration on Fundamental Principles and Rights at Work the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

Pursuing B-BBEE Government initiatives and ensuring compliance with the B-BBEE Codes of Good Practice is a strategic objective for isoClear Proprietary Limited ('IsoClear') and will be of key importance for ongoing business growth and customer compliance. To this end, isoClear achieved a level 7 (seven) B-BBEE rating during the reporting period, which will now enable the Group to be considered for public-sector work and more specifically to conduct business with the three main hospital groups in SA namely, Mediclinic, Life Healthcare and Netcare.

Report of the Social and Ethics Committee

isoClear strives to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment as per the requirements contained Employment Equity Act. As a result, the Department of Labour duly approved the Group's employment equality plan submitted in August 2022.

Good Corporate Citizenship

The Committee supports the Board in monitoring the Group's performance as a good and responsible corporate citizen.

Fair treatment and strong relationships with iHealthcare's core stakeholders are key to the long-term profit and success of the Group. Regular, formal engagement with material stakeholders is a key focus area for the Group. In an effort to be more proactive in managing stakeholder relationships, the Board duly considered and approved the stakeholder engagement policy, on the Committee's recommendation, on September 21, 2022. Stakeholder interactions will continue to be a key area of focus for the Committee in the 2024 reporting period.

The Group subscribes to the fair treatment of all service providers which would continue to be enforced and formalised through the development of a procurement policy.

The Group is aware of the serious damage that unethical behaviour, fraud, and corruption can cause to any business. Illegal behaviour may jeopardize iHealthcare's financial security and could damage its reputation and/or social standing. As a result, on September 21, 2022, the Board approved a whistle-blowing policy on the Committee's recommendation to give employees a framework to voice concerns about misbehaviour or any illegal activity. The Committee will continue to review any whistle-blowing incidents or reports that may arise in future reporting periods.

Ethical responsibility to customers and giving back to communities through community involvement, charitable involvement and charitable donations are practised by the Group. To illustrate this view, the Group participated in the Right to Sight initiative, an annual event organised by the Ophthalmology Society of South Africa. To ultimately improve their quality of life, the Group assisted more than 120 patients who underwent cataract surgery. The Group has made a commitment to continue supporting the Right to Sight initiative.

The Environment, Health and Public Safety

The Group was compliant with the relevant legislation in relation to the environment, health and safety.

Consumer Relations

The Group strives to focus on integrity, empathy, clarity and simplicity in all its dealings with customers.

The development of a company culture that prioritises value-added selling and customer solutions is a key focus area for the Group.

The Group is compliant with the relevant consumer protection laws, including but not limited to, the Protection of Personal Information Act.

Labour and Employment

The Group subscribes to the principles of the International Labour Organisation and complies with all relevant labour laws.

The Group is committed to the growth and upliftment of its employees and the communities in which it operates. The Group continues to actively support and drive all facets of staff training and development, fostering a culture that is career-driven. In order to achieve this, the Committee carefully considered the following policies, which the Board approved on 21 September 2022:

- Human Resource Policy;
- Recruitment Policy; and
- Employment Training and Development Policy.

Report of the Social and Ethics Committee

Plan and Terms of Reference

The Committee has fulfilled its mandate as prescribed by the Companies Act and the Companies Regulations, 2011, and there was no instance of material non-compliance to disclose.

The Committee's terms of reference and annual work plan will be reviewed by the Committee in the next reporting period.

Composition of the Committee

The composition of the Committee at the date of the publication of the annual report was as follows:

Member	Defined roles as per the Board	Date appointed
AP Coetzee	Independent non-executive director	10 Oct 2019
Dr TB Maleka (Chairperson)	Independent non-executive director	20 Oct 2021
DS Prinsloo	Executive director	01 Jun 2021

A brief biography of each of the directors is disclosed on pages 13 to 14 of the annual report.

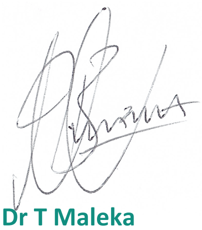
Meeting Attendance

Members	Meeting date 12 Apr 2022	20 Sept 2022	11 Apr 2023
AP Coetzee	√	√	√
Dr TB Maleka	Apology	√	√
DS Prinsloo	√	√	√

Conclusion and Approval

The Committee believes that iHealthcare addresses the key matters requiring monitoring under the Companies Act and King IV™. To maintain high standards of corporate citizenship among internal and external stakeholders, appropriate policies and programs have been implemented.

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 T Maleka
Chairperson of the Social and Ethics Committee

11 April 2023

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 (Act 71 of 2008) ('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

29 May 2023

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 2023.

FluidRock Co Sec Proprietary Limited
Company Secretary

25 May 2023

Postal address
P O Box 25160
Monument Park
Pretoria
0105

Physical address
Unit 5
Berkley Office Park
8 Bauhinia Street
Highveld Technopark
Centurion
0169

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 CTSE 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 or 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.

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 37 to 41.

Approval

The consolidated and separate financial statements for the year ended 28 February 2023, as set out on pages 42 to 107, which have been prepared on the going concern basis, were approved by the Board on 25 May 2023 and are signed on their behalf by:

KJM Moja
Chairperson

DS Prinsloo
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 CTSE 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 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 CTSE 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 auditor, for appointment for the 2023 audit. This appointment was approved by shareholders at the Annual General Meeting ('AGM') on 29 September 2022. 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 2023 reporting period. The budgeted fee was considered for appropriateness and then approved. Audit fees are disclosed in note 21 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 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;
- 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 CTSE, and was satisfied with the quality of the external audit.

Significant matters that the Committee considered included:

- the impact of the distribution of assets between the Company and iHealthcare Group Limited;
- the prior period error; and
- the lasting economic 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. The only additional accounting policy during the reporting period is limited to the 'return of investments'.

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 2023 for approval to the Board. The Board approved the financial statements on 25 May 2023 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 34 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 has 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 Whistleblowing

The Committee is satisfied that management's anti-fraud management and controls are sufficient. During the reporting period, no instances of whistleblowing 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 2023, 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 2023 for approval to the Board on 23 May 2023.

Composition of the Committee

The composition of the Committee at the date of the publication of the annual report was as follows:

Member	Defined roles as per the Board	Date appointed	Date resigned
AP Coetzee (Chairperson)	Independent non-executive director	10 Oct 2019	N/A
Dr B Khantsi	Independent non-executive director	14 Mar 2023	N/A
KJM Moja	Independent non-executive director	10 Oct 2019	N/A
Dr FJ Potgieter	Independent non-executive director	20 Oct 2021	09 Feb 2023

Dr B Khantsi was appointed as a member of the committee subsequent to the reporting date on 14 March 2023.

A brief biography of each of the directors is disclosed on pages 13 to 14 of the annual report.

Report of the Audit and Risk Committee

Meeting Attendance

	Meeting date				
Members	17 May 2022	21 Jun 2022	22 Nov 2022	21 Feb 2023	23 May 2023
AP Coetzee	√	√	√	√	√
Dr B Khantsi	N/A	N/A	N/A	N/A	√
KJM Moja	√	√	√	√	√
Dr FJ Potgieter	√	√	√	N/A	N/A

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 25 May 2023 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

23 May 2023

Directors' Report

The directors take pleasure in presenting their report for the reporting period ended 28 February 2023.

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 is listed on the CTSE in the Healthcare industry. 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 R108,383 (2022: R3,868,455). The financial statements on pages 42 to 107 details the Group's and the Company's financial performance, position and cash flow for the reporting period.

Segment Analysis

A detailed segment analysis of the Group's performance is disclosed in note 33 of the financial statements.

Stated Capital

On 10 October 2022, the Company repurchased 22,500 ordinary shares with no par value.

A detailed analysis of the movements in stated capital is set out in note 15 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 CTSE 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.

Any issue of iHealthcare Holdings shares is subject to shareholder approval.

Directors and Prescribed Officer's Interest and Shareholding

Directors' and the prescribed officer's interests and shareholding as at 28 February 2023 are included in note 30 of the financial statements.

There has been no change in directors' interests from the reporting date until the approval of the iHealthcare Holdings annual report on 25 May 2023. The directors have no non-beneficial shareholdings.

Directors' Report

Shareholders other than Directors

An analysis of shareholders is set out in note 39 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 Company declared and paid a dividend amounting to R3,000,000 during the current 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 the Board 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 2023 amounts to R1,200,000 (2022: R1,054,750).

Composition of the Board

The Board comprised 6 (six) directors, 1 (one) executive director and 5 (five) non-executive directors at the reporting date. The executive director is the CEO of the Group.

The Board

Director	Description of change	Date appointed	Date of resignation
Dr B Khantsi[1 2]	Appointment as non-executive director	01 Sept 2022	N/A
AP Coetzee[1]	None	10 Oct 2019	N/A
Dr A Jacobsz	Resigned from the Board	10 Oct 2019	07 Apr 2022
Dr TB Maleka[1]	None	20 Oct 2021	N/A
KJM Moja[1]	None	10 Oct 2019	N/A
Dr PJL Odendaal	None	03 Apr2019	N/A
DS Prinsloo	None	01 Jun 2021	N/A
Dr FJ Potgieter[1]	Resigned from the Board	20 Oct 2021	09 Feb 2023

[1]Independent non-executive director.

[2]The director was confirmed as an independent non-executive director at the Board meeting on 14 March 2023.

Audit and Risk Committee

Director	Description of change	Date appointed	Date of resignation
AP Coetzee	None	10 Oct 2019	N/A
KJM Moja	None	10 Oct 2019	N/A
Dr B Khantsi	Appointed to the Committee	14 Mar 2023	N/A
Dr FJ Potgieter	Resigned from the Committee	20 Oct 2021	09 Feb 2023

Dr B Khantsi was appointed as a member of the committee subsequent to the reporting date on 14 March 2023.

Social and Ethics Committee

Director	Description of change	Date appointed
AP Coetzee	None	10 Oct 2019
Dr TB Maleka	None	20 Oct 2021
DS Prinsloo	None	01 Jun 2021

Directors' Report

Remuneration and Nominations Committee

Director	Description of change	Date appointed	Date of resignation
AP Coetzee	Appointed to committee	23 Jun 2022	N/A
KJM Moja	Appointed to committee	23 Jun 2022	N/A
Dr PJL Odendaal	Appointed to committee	23 Jun 2022	N/A
Dr FJ Potgieter	Appointed to and resigned from the Committee	23 Jun 2022	09 Feb 2023

A brief biography of each of the directors is disclosed on pages 13 to 14 of the annual 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.

Distribution of assets - restructuring of internal holding structure

During the reporting period, the Company decided to simplify the Group structure by collapsing the double listing organisation structure through the delisting of the Company's wholly-owned intermediate holding company, IHG, from CTSE. It was determined that this would alleviate the corporate burden of management’s time and costs being spent on the managing of the double listing organisational structure.

As part of the revised Group strategy, the Company, in simplifying the Group structure, implemented a Section 47 transaction in terms of the Income Tax Act (Act 58 of 1962) of South Africa where the assets held in IHG were distributed to the Company with the intention of liquidating and deregistering IHG, IsoOps and IsoProp in the next reporting period. The distribution was approved by the Board of IHG in terms of Section 46 of the Companies Act.

Details of the transaction is set out in note 37 of the financial statements.

Investments in subsidiaries

Details of interests in subsidiaries held are disclosed in note 9 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 2023, 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 31 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.

Directors' Report

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. On 05 April 2022, the South African government has lifted South Africa’s national state of disaster. 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 0 of the financial statements.

Correction of Prior Period Error

The Board and management identified an error in respect of the share-based payment liability recognised in the prior reporting period. This error has been corrected in the financial statements presented. Refer to note 38 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.

Events After the Reporting Period

Other than as disclosed in note 36 of the financial statements, there were no events material to the understanding of the financial statements that occurred after the reporting date and the authorisation date of the financial statements.

SNG Grant Thornton
An instinct for growth

Independent Auditor's Report

To the Shareholders of iHealthcare Group Holdings Limited

Report on the Audit of consolidated and Separate Financial Statements

Opinion

We have audited the financial statements of iHealthcare Group Holdings Limited (the group and company) set out on pages 42 to 105, which comprise the consolidated and separate statements of financial position as 28 February 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the 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 2023, and its consolidated and separate financial performance and consolidated and separate cash flows for the year ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis 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 Financial Statements* section of our report. We are independent of the 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 out 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**.**

Identified Key Audit Matters	Audit Response
<u>1.Restructuring of the group (Deregistration/Winding up of IHGH.</u> During the reporting period IHG finalised their deregistration/winding process. IHG distributed all its remaining cash and assets to IHGH. This transaction was concluded by virtue of a dividend in specie.	• We obtained an understanding of the methodology applied by management and whether said methodology was in line with the accounting policies and IFRS. • The verification of the approval processes undertaken to facilitate the execution of the transaction. • The independent tax consultation performed for the group were assessed in line with the Income Tax Act of South Africa. • The assessment and review of the accounting treatment of the transaction given the facts that transaction of this nature does not occur frequently. • Verification of the mathematical accuracy of the transaction.

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 2023”, and in the document titled “iHealthcare Group Holdings Limited Annual Financial Statements 2023”, 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 does not include the consolidated and separate financial statements and our auditor’s report thereon.

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 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 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 company'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 company 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 company'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 company'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 company 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 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 financial statements. We 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, among 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 the 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, actions taken to eliminate threats or safeguards applied.

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 periods and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulations precluded 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.

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Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that SizweNtsalubaGobodo Grant Thornton Inc. has been the auditor of iHealthcare Group Holding Limited for four years.

Alex Philippou
SizweNtsalubaGobodo Grant Thornton Inc.
Engagement Director
Registered Auditor
29 May 2023

221 Garstfontein Road
De Beers
Pretoria
Gauteng
0181

Statements of Financial Position

as at 28 February 2023

Figures in R	Notes	Group 2023	Restated† Group 2022	Company 2023	Company 2022
Assets					
Non-current assets					
Property and equipment	7	4,629,084	5,753,912	78,929	-
Investments in subsidiaries	9	-	-	67,700,526	67,700,524
Deferred tax assets	10	1,407,778	1,001,846	542,443	27,359
Total non-current assets		**6,036,862**	**6,755,758**	**68,321,898**	**67,727,883**
Current assets					
Inventories	11	15,248,138	10,476,774	-	-
Trade and other receivables	12	6,955,393	6,078,917	90,936	30,000
Loan to group company	13	-	-	1,188,786	-
Cash and cash equivalents	14	6,308,995	8,468,352	2,261,835	3,269,204
Total current assets		**28,512,526**	**25,024,043**	**3,541,557**	**3,299,204**
Total assets		**34,549,388**	**31,779,801**	**71,863,455**	**71,027,087**
Equity and liabilities					
Equity					
Stated capital	15	67,706,202	67,867,660	67,706,202	67,867,660
Retained earnings		(43,609,588)	(40,717,971)	1,895,417	1,776,963
Total equity		**24,096,614**	**27,149,689**	**69,601,619**	**69,644,623**
Liabilities					
Non-current liabilities					
Share-based payment liability	30	926,830	370,732	852,680	-
Contract liabilities	17	12,000	588,525	-	-
Total non-current liabilities		**938,830**	**959,257**	**852,680**	**-**
Current liabilities					
Trade and other payables	18	9,419,902	3,454,346	1,384,135	98,334
Current tax liabilities	27	88,042	152,984	25,021	5,759
Loan from group company	19	-	-	-	1,278,371
Contract liabilities	17	6,000	63,525	-	-
Total current liabilities		**9,513,944**	**3,670,855**	**1,409,156**	**1,382,464**
Total liabilities		**10,452,774**	**4,630,112**	**2,261,836**	**1,382,464**
Total equity and liabilities		**34,549,388**	**31,779,801**	**71,863,455**	**71,027,087**

†Refer to note 38 of the financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 28 February 2023

Figures in R	Notes	Group 2023	Restated† Group 2022	Company 2023	Company 2022
Revenue	20	41,369,196	38,982,168	9,459,182	3,531,942
Cost of sales		(19,139,347)	(15,727,026)	-	-
Gross profit		**22,229,849**	**23,255,142**	**9,459,182**	**3,531,942**
Operating expenses		**(21,710,275)**	**(17,620,975)**	**(6,460,596)**	**(488,586)**
Impairment loss on trade receivables	29	(93,113)	(17,149)	-	-
Loss on disposal of property and equipment		(15,373)	(3,087)	-	-
Loss on foreign exchange		(290,847)	(83,231)	-	-
Employee benefit expense		(10,971,509)	(8,989,667)	(3,620,843)	(74,200)
Share-based payment expense	30	(556,098)	(370,732)	(852,680)	-
Administrative expenses[1]		(2,414,043)	(2,255,982)	(1,275,898)	(110,931)
Other expenses[1]		(7,369,292)	(5,901,127)	(711,175)	(303,455)
Operating profit	**21**	**519,574**	**5,634,167**	**2,998,586**	**3,043,356**
Finance income	22	168,125	145,083	-	-
Finance costs	23	-	(26,708)	-	-
Profit before tax		**687,699**	**5,752,542**	**2,998,586**	**3,043,356**
Income tax (expense)/benefit	24	(579,316)	(1,884,087)	119,868	(36,615)
Profit for the period		**108,383**	**3,868,455**	**3,118,454**	**3,006,741**
Other comprehensive income		**-**	**-**	**-**	**-**
Total comprehensive income for the period		**108,383**	**3,868,455**	**3,118,454**	**3,006,741**
Profit and total comprehensive income for the period attributable to:					
Owners of the Company		108,383	2,778,061		
Non-controlling interests[2]		-	1,090,394		
		108,383	**3,868,455**		
Earnings per ordinary share	25				
Basic earnings per ordinary share (cents)		4.4	175.5		
Diluted earnings per ordinary share (cents)		4.4	175.5		

†Refer to note 38 of the financial statements.

[1]Refer to note 21 of the financial statements for significant contributing expenses to this category.

[2]The profit attributable to the NCI is included for the prior period until the date on which the share-for-share transaction was concluded (refer to notes 15 and 16).

Statements of Changes in Equity - Group

for the year ended 28 February 2023

Figures in R	Notes	Stated capital	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
Balance at 1 March 2021		41,731,736	(26,879,562)	14,852,174	8,429,060	23,281,234
Total comprehensive income						
Profit for the period		-	2,778,061	2,778,061	1,090,394	3,868,455
Total comprehensive income for the period		-	2,778,061	2,778,061	1,090,394	3,868,455
Transactions with owners of the Company						
Issue of ordinary shares		26,135,924	-	26,135,924	-	26,135,924
Transaction with NCI without a change in control		-	(16,616,470)	(16,616,470)	(9,519,454)	(26,135,924)
Balance at 28 February 2022 - restated†		**67,867,660**	**(40,717,971)**	**27,149,689**	**-**	**27,149,689**
Balance at 1 March 2022 - restated†		67,867,660	(40,717,971)	27,149,689	-	27,149,689
Total comprehensive income						
Profit for the period		-	108,383	108,383	-	108,383
Total comprehensive income for the period		-	108,383	108,383	-	108,383
Transactions with owners of the Company						
Dividend paid		-	(3,000,000)	(3,000,000)	-	(3,000,000)
Repurchase of ordinary shares		(161,458)	-	(161,458)	-	(161,458)
Balance at 28 February 2023		**67,706,202**	**(43,609,588)**	**24,096,614**	**-**	**24,096,614**
	Notes	**15**			**16**	

†Refer to note 38 of the financial statements.

Statements of Changes in Equity - Company

for the year ended 28 February 2023

Figures in R		Stated capital	Retained earnings	Total
Balance at 1 March 2021		41,731,736	(1,229,778)	40,501,958
Total comprehensive income				
Profit for the period		-	3,006,741	3,006,741
Total comprehensive income for the period		-	3,006,741	3,006,741
Transactions with owners of the Company				
Issue of ordinary shares		26,135,924	-	26,135,924
Balance at 28 February 2022		**67,867,660**	**1,776,963**	**69,644,623**
Balance at 1 March 2022		**67,867,660**	**1,776,963**	**69,644,623**
Transactions with owners of the Company				
Profit for the period		-	3,118,454	3,118,454
Total comprehensive income for the period		-	3,118,454	3,118,454
Transactions with owners of the Company				
Dividend paid		-	(3,000,000)	(3,000,000)
Repurchase of ordinary shares		(161,458)	-	(161,458)
Balance at 28 February 2023		**67,706,202**	**1,895,417**	**69,601,619**
	Note	**15**		

Statements of Cash Flows
for the year ended 28 February 2023

Figures in R	Notes	Group 2023	Group 2022	Company 2023	Company 2022
Cash flows from operating activities					
Cash generated from operations	**26**	**1,772,978**	**5,569,287**	**1,556,350**	**113,196**
Dividends received		-	-	2,358,238	3,000,000
Finance cost paid	23	-	(26,708)	-	-
Finance income received	22	168,125	145,083	-	-
Income tax (paid)/refunded	27	(1,050,191)	(1,844,657)	(375,954)	(33,962)
Net cash (used in)/from operating activities		**890,912**	**3,843,005**	**3,538,634**	**3,079,234**
Cash flows from investing activities					
Proceeds from disposal of property and equipment		463,789	1,565	-	-
Acquisition of property and equipment	7	(352,600)	(136,510)	(106,174)	-
Repayment of loan receivable		-	112,409	-	-
Net cash used in investing activities		**111,189**	**(22,536)**	**(106,174)**	**-**
Cash flows from financing activities					
Repurchase of ordinary shares	15	(161,458)	-	(161,458)	-
Repayment of lease liability		-	(346,210)	-	-
Repayment of loan from group company	19	-	-	(1,278,371)	-
Dividends paid	25	(3,000,000)	-	(3,000,000)	-
Net cash used in financing activities	28	**(3,161,458)**	**(346,210)**	**(4,439,829)**	**-**
Net (decrease)/increase in cash and cash equivalents		**(2,159,357)**	**3,474,259**	**(1,007,369)**	**3,079,234**
Cash and cash equivalents at 1 March	14	8,468,352	4,994,093	3,269,204	189,970
Cash and cash equivalents at 28 February	**14**	**6,308,995**	**8,468,352**	**2,261,835**	**3,269,204**

Notes to the Financial Statements

for the year ended 28 February 2023

1. Reporting Entity

iHealthcare Group Holdings Limited ('iHealthcare Holdings') 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 2023 comprise the Company and its subsidiaries (together referred to as the Group).

The principal operations of the Group have been disclosed in the Directors' Report on page 32.

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 CTSE Listings Requirements and the Companies Act of South Africa (Act 71 of 2008) ('Companies Act').

The financial statements were authorised for issue by the Board on 25 May 2023 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 except for the cash-settled share-based payment liability, which is stated at fair value, as applicable. 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 ('ZAR'), which is the functional currency of the Company. Amounts are rounded to the nearest South African Rand, except where another rounding measure has been indicated in the financial statements.

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.

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
Distribution of assets: recognition and measurement of distribution of investments in subsidiaries received	37

Notes to the Financial Statements
for the year ended 28 February 2023

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
Deferred tax: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilised	10
Measurement of expected credit losses: key assumptions in determining the loss rates and credit ratings	29
Share-based payment arrangement: key inputs into the appropriate valuation model	30
Distribution of assets: key assumptions in determining the cost of the investments in subsidiaries	37

5. Significant Accounting Policies

5.1 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

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

Investments in subsidiaries

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

Return of an investment

The Company accounts for a return of an investment by derecognising the original investment at its carrying amount, and by recognising the investment being received at either fair value or the carrying amount of the original investment, depending on whether the transaction is considered to have economic substance or not. A return of investment is considered to have substance when there is a change in expected cash flows from the underlying investment.

When a return of investment has substance, the investment received is recognised at fair value, with any difference between the fair value and the original investment's carrying amount recognised as dividend income in profit or loss (refer to 5.14).

When a return of investment does not have substance, the investment received is recognised at the carrying amount of the original investment.

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. Generally, the Group measures NCI at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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.

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.

5.2 Goodwill

Goodwill arising on acquisition of a business 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.

5.3 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 if the lease transfers ownership of the underlying asset to the Group or, over the term of the relevant lease.

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

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

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.

Notes to the Financial Statements

for the year ended 28 February 2023

5.4 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, leased a property for administrative and warehouse purposes under a single lease agreement.

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

The Group recognised a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset was initially measured at cost, which comprised 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 was 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 was tested for impairment when appropriate, and adjusted for certain remeasurements of the lease liability.

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

The Group determined its incremental borrowing rate by obtaining interest rates from various external financing sources and made 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 comprised the following:

- fixed payments, including in-substance fixed payments; and
- 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 was reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group was reasonably certain not to terminate early.

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

Subsequent to initial measurement, the liability was reduced by lease payments that were allocated between repayments of principal and finance costs. The finance cost was the amount that produced a constant periodic rate of interest on the remaining balance of the lease liability. It was remeasured if there was a change in assessment of whether the Group will exercise an extension or termination option or if there was a revised in-substance fixed lease payment. When the lease liability was remeasured in this way, a corresponding adjustment was made to the carrying amount of the right-of-use asset, or was recognised in profit or loss if the carrying amount of the right-of-use asset had been reduced to zero.

The Group presented 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 leases related to the property leased for administrative and warehouse purposes and 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 2023

5.5 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.

5.6 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 or minus, 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 subsequently 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 financial assets in determining the business model objective and concluded that all 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. Other factors considered by the Group that support the assessment include the fact that the portfolios of these financial assets 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 assets.

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 subsequently 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.

Notes to the Financial Statements

for the year ended 28 February 2023

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.

5.7 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 in profit or loss 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, limited to 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.

5.8 Impairment of financial assets

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

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.

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

Notes to the Financial Statements

for the year ended 28 February 2023

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; or
- 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.

5.9 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.

5.10 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.

5.11 Contract liabilities

Option to acquire additional goods

The Group, in certain cases, provided an option to customers to acquire additional goods. This option provided a material right to the customer to purchase equipment at a future date at a discounted price. The revenue that related to this option was deferred and recognised due to the lapsing of the option before the customer exercised the option to purchase new machines at discounted prices.

Service contracts

Revenue that relates to service contracts contracted for a fixed period is deferred and recognised on a systematic basis over the remainder period of the contract in terms of services rendered.

5.12 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 for financial reporting purposes 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.

5.13 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 and equipment 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 to customers.

Refer to note 20 for details on the Group's accounting policies relating to contracts with customers.

5.14 Finance income and finance costs

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 from investments held are classified as revenue in profit or loss for the Company, based on its primary activities.

All finance costs are recognised in profit or loss using the effective interest method in the period in which they are incurred.

5.15 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, bonuses 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 the liability, 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.

5.16 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 2023

6. 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 2023 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
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.	Annual reporting 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.	Annual reporting periods beginning on or after 1 January 2023
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.	Annual reporting 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 2023

Figures in R

7. Property and Equipment

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

	Machinery	Fixtures and fittings	Office equipment	Computer equipment	Demo units	Total
Group						
At cost	170,131	273,885	18,109	230,182	7,297,746	**7,990,053**
Accumulated depreciation and impairment losses	(33,078)	(83,115)	(10,621)	(149,772)	(1,959,555)	**(2,236,141)**
Balance at 1 March 2022	**137,053**	**190,770**	**7,488**	**80,410**	**5,338,191**	**5,753,912**
Movements during the reporting period						
Additions	32,240	64,752	11,299	244,310	812,240	**1,164,841**
Depreciation	(38,862)	(40,470)	(4,200)	(94,737)	(1,632,238)	**(1,810,507)**
Disposals	-	-	-	(10,898)	(468,264)	**(479,162)**
Balance at 28 February 2023	**130,431**	**215,052**	**14,587**	**219,085**	**4,049,929**	**4,629,084**
At cost	202,371	338,636	29,408	412,996	7,628,345	**8,611,756**
Accumulated depreciation and impairment losses	(71,940)	(123,584)	(14,821)	(193,911)	(3,578,416)	**(3,982,672)**
Balance at 28 February 2023	**130,431**	**215,052**	**14,587**	**219,085**	**4,049,929**	**4,629,084**

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

	Right-of-use asset: Building[1]	Machinery	Fixtures and fittings	Office equipment	Computer equipment	Demo units	Total
Group							
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 1 March 2021	**1,046,197**	**96,117**	**175,937**	**10,702**	**69,316**	**3,357,233**	**4,755,502**
Movements during the reporting period							
Additions	-	63,340	52,649	-	64,089	2,933,430	**3,113,508**
Depreciation	(321,536)	(22,404)	(33,198)	(3,214)	(52,961)	(952,472)	**(1,385,785)**
Disposals	-	-	(4,618)	-	(34)	-	**(4,652)**
Reassessment of lease liability	(724,661)	-	-	-	-	-	**(724,661)**
Balance at 28 February 2022	**-**	**137,053**	**190,770**	**7,488**	**80,410**	**5,338,191**	**5,753,912**
At cost	-	170,131	273,885	18,109	230,182	7,297,746	**7,990,053**
Accumulated depreciation and impairment losses	-	(33,078)	(83,115)	(10,621)	(149,772)	(1,959,555)	**(2,236,141)**
Balance at 28 February 2022	**-**	**137,053**	**190,770**	**7,488**	**80,410**	**5,338,191**	**5,753,912**

[1]The Group leased a property for administrative and warehouse purposes. This lease was terminated in the prior reporting period and replaced with a new lease which has been classified as a short-term lease. Refer to note 21.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

	Computer equipment	Total
Company		
At cost	-	-
Accumulated depreciation and impairment losses	-	-
Balance at 1 March 2022	-	-
Movements during the reporting period		
Additions	106,174	106,174
Depreciation	(27,245)	(27,245)
Balance at 28 February 2023	78,929	78,929
At cost	106,174	106,174
Accumulated depreciation and impairment losses	(27,245)	(27,245)
Balance at 28 February 2023	78,929	78,929

Demo units

It is standard practice in the ophthalmology industry for the Group to perform demonstrations to prospective clients in the form of either on-site demonstrations or through the 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 or equipment.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

8. Goodwill

	2023	2022
Reconciliation of movements within the carrying amount of goodwill		
Group		
At cost	600,372	600,372
Accumulated impairment losses	(600,372)	(600,372)
Balance at 1 March	-	-
At cost	600,372	600,372
Accumulated impairment losses	(600,372)	(600,372)
Balance at 28 February	-	-

Cash-generating unit and goodwill allocation

Cash-generating unit	Segment	2023	2022
Group			
IsoPharm Proprietary Limited ('IsoPharm')	Ophthalmology	-	-
• Cost		600,372	600,372
• Accumulated impairment losses		(600,372)	(600,372)
		-	-

Impairment

During the current reporting period, the strategic plan to move the operation of IsoPharm to a new operational location in Pretoria was implemented. IsoPharm commenced with trading towards the latter part of the reporting period.

Albeit that IsoPharm commenced operational activities during the reporting period, the impairment of goodwill has not been reversed as it is not permitted by IFRS.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

9. Investments in subsidiaries

	2023	2022
Company		
Direct investment		
iHealthcare Group Limited ('IHG')	-	67,700,524
• Investment at cost	67,700,524	67,700,524
• Derecognition on liquidation of investment	(67,700,524)	-
IsoClear Proprietary Limited ('IsoClear')	67,700,526	-
• Investment at cost	-	-
• Recognition of investment at cost (return of investment)	67,700,526	-
IsoOps Proprietary Limited ('IsoOps')	-	-
• Investment at cost	-	-
• Recognition of investment at cost (return of investment)	-	-
IsoPharm Proprietary Limited ('IsoPharm')	-	-
• Investment at cost	-	-
• Recognition of investment at cost (return of investment)	-	-
IsoProp Proprietary Limited ('IsoProp')	-	-
• Investment at cost	-	-
• Recognition of investment at cost (return of investment)	-	-
	67,700,526	**67,700,524**

All investments in subsidiaries represent wholly-owned subsidiaries.

Return of investment - restructuring of internal holding structure

During the reporting period, the Company's wholly-owned intermediate holding company, IHG, returned its investments in underlying subsidiaries to the Company as part of a distribution of assets. The Company implemented the restructuring in order to simplify its internal holding structure in advance of the voluntary liquidation and deregistration of IHG. The Company held all of the ownership interest and voting rights of IHG at the reporting date. Refer to note 37.

Voting rights and ownership interest

	% of proportionate ownership interest		% of voting rights held	
Name of subsidiary	2023	2022	2023	2022
iHealthcare Group Limited	100.00	100.00	100.00	100.00
IsoClear Proprietary Limited[1]	100.00	100.00	100.00	100.00
IsoOps Proprietary Limited[1]	100.00	100.00	100.00	100.00
IsoPharm Proprietary Limited[1]	100.00	100.00	100.00	100.00
IsoProp Proprietary Limited[1]	100.00	100.00	100.00	100.00

[1]Indirectly controlled subsidiary at the prior reporting date.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Corporate information

Name of subsidiary	Country of incorporation	Principal operating industry	Issued share capital 2023	Issued share capital 2022
iHealthcare Group Limited[2]	South Africa	Dormant	4,313,996	4,313,996
IsoClear Proprietary Limited	South Africa	Ophthalmology	2	2
IsoOps Proprietary Limited[2]	South Africa	Dormant	120	120
IsoPharm Proprietary Limited	South Africa	Ophthalmology	3	3
IsoProp Proprietary Limited[2]	South Africa	Dormant	120	120

[2]The company is in the process of applying for voluntary liquidation and deregistration with the Companies and Intellectual Property Commission.

Acquisition of NCI

All of the NCI of the directly held subsidiary, IHG, was acquired during the prior reporting period which resulted in IHG becoming a wholly owned subsidiary. Refer to note 16.

Impairment assessment

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

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

10. Deferred Tax

	Group 2023	Group 2022†	Company 2023	Company 2022
Deferred tax assets				
Deferred tax assets based on nature of temporary difference				
Assessed loss available for future set-off against taxable income	394,338	251,946	-	-
Temporary differences	1,050,870	830,392	542,443	27,359
• Contract liabilities	4,860	182,574	-	-
• Equipment	110,229	8,053	-	-
• Loss allowance	24,190	5,533	-	-
• Accruals	859,203	634,232	542,443	27,359
• Donations limitation	52,388	-	-	-
	1,445,208	1,082,338	542,443	27,359
Deferred tax liabilities				
Deferred tax liabilities based on nature of temporary difference				
Temporary differences				
• Prepayments	(37,430)	(80,492)	-	-
	(37,430)	(80,492)	-	-
	1,407,778	**1,001,846**	**542,443**	**27,359**

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:

	Group 2023	Group 2022†	Company 2023	Company 2022
Deferred tax assets	1,407,778	1,001,846	542,443	27,359
	1,407,778	**1,001,846**	**542,443**	**27,359**

Reconciliation of the movements in the carrying amounts of deferred tax

	Group 2023	Group 2022†	Company 2023	Company 2022
Balance at 1 March	1,001,846	958,416	27,359	27,749
Assessed losses available for set-off against future taxable income	156,997	120,754	-	-
Temporary differences	248,935	(77,324)	515,084	(390)
• Contract liabilities	(177,534)	(17,787)	-	-
• Equipment	106,259	8,053	-	-
• Accruals	256,794	26,903	535,174	(390)
• Loss allowance	19,553	(26,896)	-	-
• Donations limitation	54,328	(299,844)	-	-
• Prepayments	41,674	(60,688)	-	-
• Right-of-use asset	-	292,935	-	-
• Change in tax rate	(52,139)	-	(20,090)	-
Balance as at 28 February	**1,407,778**	**1,001,846**	**542,443**	**27,359**

†Refer to note 38 of the financial statements.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

Recognition of deferred tax asset

Medium-term forecasts are prepared and reviewed by management on a bi-annual basis which include estimates and assumptions regarding economic growth, interest rates, inflation and applicable factors. Management exercises judgement in determining whether forecasts are likely to be achieved and in turn whether the deferred tax assets will be recoverable. Management expects sufficient future taxable income in from the relevant operations to utilise the unutilised tax losses and deductible temporary differences as at the reporting date.

However, 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 respect of the unutilised tax losses. These unutilised tax losses are disclosed as unrecognised deferred tax assets.

	Group		Company	
	2023	**2022**	**2023**	**2022**
Unrecognised deferred tax asset				
Assessed losses available for set-off against future taxable income	295,148	60,062	-	-
Temporary differences				
• Accruals	-	5,066	-	-
	295,148	**65,128**	**-**	**-**

Substantively enacted tax rate

The Minister of Finance announced the change in the corporate tax rate from 28% to 27% for years of assessment ending on or after 31 March 2023 in the Budget Speech on 23 February 2022. 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 the prior reporting period in determining whether the new tax rate had been substantively enacted at reporting date:

- the tax base broadening measures were addressed in detail and enacted into law during January 2022 and the impact of the changes in these tax laws and the corresponding effects on taxable income were clear;
- the announcement of the reduced corporate income tax rate was considered by Parliament and incorporated in the 2022 Draft Rates and Monetary Amounts and Amendment of Revenue Laws Bill;
- there was an expectation that the announced changes would be promulgated in a substantially unchanged manner.

Management considered the change in tax rate to be substantively enacted at the prior reporting date as any uncertainty that existed from the previous year's Budget Speech announcement relating to the reduction in the corporate tax rate and other changes to tax law was clarified during the 2022 Budget Speech announcement which was expected to be promulgated in an unchanged manner.

At the prior reporting date, the Group applied 28% as the applicable tax rate in calculating its deferred tax as the assets would be realised and the liabilities settled predominantly by the next reporting date with 28% as the applicable tax rate.

The change in tax rate will be effective for the next reporting period ending 28 February 2024 and, therefore, management applied 27% in determining the Group's deferred tax amounts at the current reporting date.

Future period assessed losses: amendment to the Income Tax Act No 58 of 1962 of South Africa

Assessed losses brought forward from a previous year of assessment can only be offset against the higher of R1,000,000 or a maximum of 80% of taxable income for the tax period. This is only applicable for years of assessment ending on or after 31 March 2023.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

11. Inventories

	Group 2023	Group 2022
Finished goods	15,244,103	10,476,774
Goods in transit	4,035	-
	15,248,138	**10,476,774**

Right to returned goods

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

12. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
Financial assets				
Trade receivables	6,614,709	5,083,534	-	-
Loss allowance	(149,505)	(56,392)	-	-
	6,465,204	5,027,142	-	-
Non-financial assets				
Prepayments - operating expenses	205,476	505,133	90,936	30,000
Deposits	82,988	63,241	-	-
Prepayments - inventory	201,725	483,401	-	-
	6,955,393	**6,078,917**	**90,936**	**30,000**

Financial risk

Information about the Group's exposure to credit risk and impairment of trade receivables is included in note 29.

13. Loan to Group Company

	Company 2023	Company 2022
At amortised cost		
Subsidiary		
IsoPharm Proprietary Limited	1,188,786	-
This loan is unsecured, bears no interest and is repayable on demand.		
	1,188,786	**-**

Distribution of assets - restructuring of internal holding structure

During the reporting period, the Company's wholly-owned intermediate holding company, IHG, distributed assets to the Company in terms of a restructuring transaction. The Company implemented the restructuring in order to simplify its internal holding structure in advance of the voluntary liquidation and deregistration of IHG. This loan to an underlying subsidiary formed part of the distribution and was recognised at fair value. Refer to note 37.

Financial risk

Information about the Group's exposure to credit risk and impairment of the loan to group company is included in note 29.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

14. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
Group				
Balances with banks	6,308,995	8,468,352	2,261,835	3,269,204
	6,308,995	**8,468,352**	**2,261,835**	**3,269,204**

All bank accounts are denominated in South African Rand.

Banking facilities

The Group, through its subsidiary, IsoClear Proprietary Limited ('IsoClear'), has the following banking facilities:

Description of facility	Limit
Short-term direct facility (overdraft and card)	1,000,000
Pre-settlement facility (foreign denominated balances)	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 of First National Bank, a division of FirstRand Bank Limited were zaAA in terms of the long-term outlook and zaA-1+ in terms of the short-term outlook for the local currency division within South Africa. The financial institution had an overall stable rating. (Source: S&P Global Ratings)

Financial risk

Information about the Group’s exposure to credit and market risks, and impairment of cash and cash equivalents is included in note 29.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

15. Stated Capital

	Group 2023	Group 2022	Company 2023	Company 2022
Authorised share capital				
500,000,000 ordinary no par value shares				
Issued share capital				
2,448,962 ordinary no par value shares (2022: 2,471,462)	67,706,202	67,867,660	67,706,202	67,867,660
	67,706,202	**67,867,660**	**67,706,202**	**67,867,660**

Reconciliation of issued shares

	Group Number of shares		Company Number of shares	
Description of transaction	2023	2022	2023	2022
Balance at 1 March	2,471,462	1,547,278	2,471,462	1,547,278
Issue of shares in respect of acquisition of NCI of iHealthcare Group Limited	-	924,184	-	924,184
Repurchase of shares for cash	(22,500)	-	(22,500)	
Balance at 28 February	**2,448,962**	**2,471,462**	**2,448,962**	**2,471,462**

On 10 October 2022, the Company repurchased 22,500 ordinary shares with no par value for a total consideration of R161,458. The transaction was executed in terms of specific authorities granted by shareholders at the Annual General Meeting held on 29 September 2022. These ordinary shares were cancelled and delisted.

During the prior reporting period, the Company issued 924,184 ordinary shares with no par value at R28,28 per share in respect of the Scheme of Arrangement to acquire the non-controlling interests of iHealthcare Group Limited. The aggregate subscription consideration, in the form of the share-for-share transaction, amounted to R26,135,924. As a result of the Scheme of Arrangement, iHealthcare Group Limited became a wholly owned subsidiary at the prior reporting date. Refer to note 9.

This transaction was executed in terms of specific authorities granted by shareholders at the Special General Meeting held on 13 January 2022.

Figures in R

16. Non-controlling Interests

	Group	
	2023	**2022**
Reconciliation of NCI		
Balance at 1 March	-	8,429,060
Profit allocated to NCI	-	1,090,394
Acquisition of NCI without a change in control - transfer to retained earnings	-	(9,519,454)
Balance at 28 February	**-**	**-**

Transactions with NCI

Acquisition of NCI without a change in control

During the prior reporting period, the Company acquired the entire NCI from shareholders in terms of a Scheme of Arrangement. The effective date of the transaction was 14 February 2022. Refer to note 15.

17. Contract Liabilities

	Group	
	2023	**2022**
Option to acquire additional goods	-	525,000
Service contracts	18,000	127,050
	18,000	**652,050**
Non-current liabilities	12,000	588,525
Current liabilities	6,000	63,525
	18,000	**652,050**
Reconciliation of contract liabilities		
Balance at 1 March	652,050	715,575
Recognised as revenue	(652,050)	(63,525)
Contracts entered into	18,000	-
Balance at 28 February	**18,000**	**652,050**

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 was exercisable after 60 months from the contract date (which was concluded in a prior reporting period) and during the current reporting period, the customer option lapsed without the customer exercising the option. Refer to note 20.

Service contracts

In certain contracts, the Group sells a service element to customers. A single customer purchased a service element in a prior reporting period which expired during the current reporting period. A 36 month service element contract was sold to a new customer during the current reporting period. The customer paid in advance for this contract. Refer to note 20.

Figures in R

18. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
Financial liabilities				
Trade creditors	6,835,818	963,254	13,475	623
Accrued audit fee	1,200,000	1,054,750	650,000	50,000
Operating cost accruals	369,093	250,970	274,789	47,711
Non-financial liabilities				
Leave pay accrual	105,646	205,867	105,646	-
Bonus accrual	300,778	413,740	125,932	-
Employee-related accruals	532,860	275,198	90,013	-
Value-Added Tax payable	75,707	290,567	124,280	-
	9,419,902	**3,454,346**	**1,384,135**	**98,334**

Currency

The trade payables are denominated in ZAR, the US Dollar and the Euro.

Leave pay accrual

An accrual is recognised for leave pay owing 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.

Refund liability

The Group did not recognise a refund liability for the current or prior reporting periods.

Financial risk

Information about the Group's exposure to market and liquidity risks for trade payables is included in note 29.

19. Loan from Group Company

	Company	
	2023	2022
At amortised cost		
Subsidiary		
iHealthcare Group Limited ('IHG')	-	1,278,371
This loan is unsecured, bears no interest and is repayable on demand. The loan was settled during the current reporting period.		
	-	**1,278,371**

Financial risk

Information about the Group's exposure to liquidity risk for the loan from a group company is included in note 29.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

20. Revenue

The Group generates revenue primarily from the sale of consumable products and equipment related to the ophthalmology industry and the servicing of equipment. The Company earns revenue from management fees and dividend income.

	Group		Company	
	2023	2022	2023	2022
Revenue from contracts with customers	41,369,196	38,982,168	-	-
Other revenue	-	-	9,459,182	3,531,942
• Dividend income	-	-	3,547,024	3,000,000
• Management fees	-	-	5,912,158	531,942
Total revenue	**41,369,196**	**38,982,168**	**9,459,182**	**3,531,942**

Distribution of assets - restructuring of internal holding structure

During the reporting period, the Company's wholly-owned intermediate holding company, IHG, distributed its assets to the Company in terms of a restructuring transaction. The dividend income for 2023 was recognised in respect of the distribution of the assets comprising cash and a loan receivable from an underlying subsidiary (refer to note 13). Refer to note 37.

Disaggregation of revenue

In the following tables, revenue from contracts with customers is disaggregated by timing of revenue recognition and major service offering. All revenue is earned in Southern Africa. The tables also include a reconciliation of the disaggregated revenue with the Group's reportable segments (refer to note 33).

	Group	
	Ophthalmology segment	
	2023	2022
Timing of revenue recognition		
At a point in time	41,046,479	38,918,643
Over a period of time	322,717	63,525
Total revenue	**41,369,196**	**38,982,168**
Major service offering		
Consumable products	40,019,479	38,918,643
Sale of equipment	1,027,000	-
Servicing of equipment	322,717	63,525
Total revenue	**41,369,196**	**38,982,168**

The Group recognised revenue amounting to R15,061 (2022: R2,820) from 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 2023

Figures in R

Contract balances

Receivables

The following table provides information about receivables from contracts with customers. Refer to note 12.

	Group 2023	Group 2022
Receivables classified as trade receivables	6,614,709	5,083,534
Loss allowance	(149,505)	(56,392)
	6,465,204	**5,027,142**

Contract liabilities

The contract liabilities relate to payments received in advance for service contracts (applicable to some equipment) and the option which gave a customer the material right to purchase equipment at a discounted price in the future which lapsed during the current reporting period. Refer to note 17.

The remaining performance obligations for the service element that have an expected duration of one year or less amount to R6,000 (2022: R63,525). The remaining performance obligations for the service element that have an expected duration of more than one year amount to R12,000 (2022: R63,525). 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		Contribution to revenue %	
Major customer[1]	2023	2022	2023	2022
Customer A	73,569	16,625,937	0.18	42.65
Customer B	23,839,366	14,752,339	57.63	37.84
	23,912,935	**31,378,276**	**57.80**	**80.49**

Receivable balances

	Group		Group	
	Balance of trade receivables		Balance of trade receivables %	
Major customer[1]	2023	2022	2023	2022
Customer A	-	-	-	-
Customer B	1,951,204	4,194,014	29.50	82.50
	1,951,204	**4,194,014**	**29.50**	**82.50**

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

During the reporting period, Customer A ceased trading operations and the operational activities in respect of items sold to this customer, collapsed into the trading operations of Customer B. This resulted in the increase in sales for Customer B during the reporting period.

Notes to the Financial Statements

for the year ended 28 February 2023

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 products	The Group sells consumables for 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. Customers obtain control of these products when the goods are delivered to and have been accepted at their premises. 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 each reporting date, management estimated that no reversal of revenue will be recognised in respect of 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. No refund liability or right to the returned goods asset was recognised at the reporting date.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Type of product/ service offering	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Equipment	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 30-60 days which indicates that no financing is provided to customers.	
Servicing of 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 are generated at the point in time when the equipment is sold, with the same payment terms applicable.	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 2023

Figures in R

21. Operating Profit

	Group		Company	
	2023	2022	2023	2022
Operating profit includes:				
Employee benefit expense	(10,971,509)	(8,989,667)	(3,620,843)	(74,200)
Share-based payment expense	(556,098)	(370,732)	(852,680)	-
Impairment loss on trade receivables	(93,113)	(17,149)	-	-
Loss on foreign exchange on trade payables	(290,847)	(83,231)	-	-
Included in administrative expenses				
Auditor's remuneration	(1,201,726)	(892,952)	(650,000)	(50,000)
• Audit services	(1,201,726)	(892,952)	(650,000)	(50,000)
Secretarial fees	(497,454)	(494,920)	(456,000)	(11,149)
Included in other expenses				
Consulting fees	(1,005,075)	(1,094,179)	(202,803)	(24,288)
Depreciation	(1,810,507)	(1,385,785)	(27,245)	-
• Right-of-use asset: Building	-	(321,536)	-	-
• Workshop equipment	(38,862)	(22,404)	-	-
• Fixtures and furniture	(40,470)	(33,198)	-	-
• Office equipment	(4,200)	(3,214)	-	-
• Computer equipment	(94,737)	(52,961)	(27,245)	-
• Demo units	(1,632,238)	(952,472)	-	-
Legal expenses	(15,500)	(172,481)	-	-
Listing fees	(79,658)	(157,786)	(79,547)	(96,613)
Corporate advisor fee	(173,701)	(108,001)	-	-
Leases				
• Short-term lease expense	(1,042,950)	(400,039)		

Short-term lease

The Group leases administrative and warehouse space. In terms of the lease agreement, the lessor and lessee reserve the unconditional right to terminate the lease with a notice period of 3 months. Management assessed the penalties associated with such a cancellation to be insignificant. The lease is not considered to be enforceable beyond the date on which the contract can be terminated. This lease is a short-term lease for which the Group has elected not to recognise a right-of-use asset and lease liability.

Furthermore, the Group entered into a lease for additional storage space during the reporting period to accommodate additional inventory items. The terms of the lease agreement is similar as set out above. This lease is a short-term lease for which the Group has elected not to recognise a right-of-use asset.

The annualised contractual short-term lease commitment amounts to R1,221,467 per annum.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

22. Finance Income

	Group 2023	Group 2022	Company 2023	Company 2022
Banks	168,125	145,083	-	-
	168,125	**145,083**	**-**	**-**

23. Finance Costs

	Group 2023	Group 2022	Company 2023	Company 2022
Lease liability	-	26,708	-	-
	-	**26,708**	**-**	**-**

24. Income Tax (Expense)/Benefit

	Group 2023	Group 2022†	Company 2023	Company 2022
Recognised in profit or loss				
Income tax expense				
Current period	940,736	1,933,195	395,216	36,226
Changes in estimates related to prior periods	44,513	(5,678)	-	-
Deferred tax				
Current period - originating and reversing	(458,072)	(5,873)	(535,174)	389
Recognition of previously unrecognised taxable and deductible temporary differences	-	(37,557)	-	-
Change in tax rate	52,139	-	20,090	-
	579,316	**1,884,087**	**(119,868)**	**36,615**
Reconciliation of income tax expense				
Profit before tax	687,699	5,752,542	2,998,586	3,043,356
Income tax expense calculated at 28.0% (2022: 28.0%)	192,556	1,610,712	839,604	852,140
Tax effect of:				
Exempt income				
• Dividend income	-	-	(993,167)	(840,000)
Non-deductible expenses				
• Listing and legal expenses - capital nature	21,980	292,704	13,605	24,475
• Write-off of loans[1]	22,804	-	-	-
• Loss on disposal of equipment	4,304	864	-	-
Unrecognised deferred tax asset	241,020	23,042	-	-
Prior period adjustments	44,513	(43,235)	-	-
Change in tax rate	52,139	-	20,090	-
	579,316	**1,884,087**	**(119,868)**	**36,615**
Effective tax rate for the period (%)	(84.24)	(32.75)	4.00	(1.20)

†Refer to note 38 of the financial statements.

[1]This reconciling item refers to an intra-group adjustment in respect of a loss allowance in respect on intra-group loans.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

25. Earnings and Headline Earnings per Share and Dividends Paid

	Group 2023	Group 2022†
Earnings and headline earnings per ordinary share		
Basic and diluted earnings per ordinary share		
Basic and diluted earnings per ordinary share have been calculated using the following:		
Profit for the period	108,383	3,868,455
NCI[1]	-	(1,090,394)
Earnings attributable to ordinary shareholders	108,383	2,778,061
Weighted number of ordinary shares in issue	2,462,770	1,582,726
Weighted number of ordinary shares in issue for purpose of dilution	2,462,770	1,582,726
Basic earnings per ordinary shares (cents)	**4.4**	**175.5**
Diluted earnings per ordinary share (cents)	**4.4**	**175.5**

Headline and diluted headline earnings per ordinary share[2]

Headline and diluted headline earnings per ordinary share have been calculated using the following:

	2023	2022†
Earnings/(loss) attributable to ordinary shareholders	108,383	2,778,061
Loss on disposal of property and equipment	11,069	2,223
• Loss on disposal of equipment	15,373	3,087
• Tax impact	(4,304)	(864)
Headline earnings for the period	119,452	2,780,284
Weighted number of ordinary shares in issue	2,462,770	1,582,726
Weighted number of ordinary shares in issue for purpose of dilution	2,462,770	1,582,726
Headline earnings per ordinary shares (cents)	**4.9**	**175.7**
Diluted headline earnings per ordinary share (cents)	**4.9**	**175.7**

†Refer to note 38 of the financial statements.

[1]The profit attributable to the NCI is included for the prior period until the date on which the share-for-share transaction was concluded (refer to notes 15 and 16).

[2]Although headline earnings is not required by the CTSE Listing Requirements this represents a measure reviewed by management and is based on the requirements of the SAICA Circular 1/2021.

Reconciliation of weighted average number of shares in issue

	2023		2022	
	Actual	Weighted	Actual	Weighted
Shares in issue at 1 March	2,471,462	2,471,462	1,547,278	1,547,278
Issue of shares - acquisition of NCI (refer to note 15)	-	-	924,184	35,448
Repurchase of shares (refer to note 15)	(22,500)	(8,692)	-	-
Weighted number of ordinary shares in issue for purpose of dilution at 28 February	**2,448,962**	**2,462,770**	**2,471,462**	**1,582,726**

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Dividends paid

	Group		Company	
	2023	2022	2023	2022
Total dividends paid to ordinary shareholders	3,000,000	-	3,000,000	-
	3,000,000	**-**	**3,000,000**	**-**

26. Cash Generated from Operations

	Group		Company	
	2023	2022	2023	2022
Profit before tax	**687,699**	**5,752,542**	**2,998,586**	**3,043,356**
Adjusted for				
Dividends income (included in 'revenue')	-	-	(3,547,024)	(3,000,000)
Finance income	(168,125)	(145,083)	-	-
Finance costs	-	26,708	-	-
Non-cash items				
Depreciation	1,810,508	1,385,785	27,245	-
Share-based payment expense	556,098	370,732	852,680	-
Impairment losses on trade receivables	93,113	17,149	-	-
Loss on disposal of property and equipment	15,373	3,087	-	-
Changes in working capital				
(Increase)/decrease in inventories	(5,583,605)	853,887	-	-
(Increase)/decrease in trade and other receivables	(969,589)	(1,663,381)	(60,936)	95,000
Increase/(decrease) in trade and other payables	5,965,556	(968,614)	1,285,799	(25,160)
Decrease in contract liabilities	(634,050)	(63,525)	-	-
	1,772,978	**5,569,287**	**1,556,350**	**113,196**

27. Income Tax Paid

	Group		Company	
	2023	2022	2023	2022
Net tax payable 1 March	(152,984)	(70,124)	(5,759)	(3,495)
Net tax payable at 28 February	88,042	152,984	25,021	5,759
Income tax expense recognised in profit or loss	(579,316)	(1,884,087)	119,868	(36,615)
Less: deferred tax included in income tax expense	(405,933)	(43,430)	(515,084)	389
	(1,050,191)	**(1,844,657)**	**(375,954)**	**(33,962)**

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

28. Cash Flows from Financing Activities Analysis

The movements of liabilities to cash flows arising from financing activities can be reconciled as follows:

Group	Stated capital		Retained earnings		Lease liability	
	2023	2022	2023	2022	2023	2022
Balance at 1 March	67,867,660	41,731,736	(40,717,971)	(26,879,559)	-	1,070,871
Changes from financing cash flows						
• Repurchase of ordinary shares	(161,458)	-	-	-	-	-
• Repayment of lease liabilities	-	-	-	-	-	(346,210)
• Dividends paid	-	-	(3,000,000)	-	-	
Other changes	-	-	-	-	-	(724,661)
• Lease reassessment	-	-	-	-	-	(724,661)
• Interest expense			-	-	-	26,708
• Interest paid[1]			-	-	-	(26,708)
Total equity related	-	26,135,924	108,383	(13,838,412)	-	-
Balance at 28 February	**67,706,202**	**67,867,660**	**(43,609,588)**	**(40,717,971)**	**-**	**-**

Company	Stated capital		Retained earnings		Loan from group companies	
	2023	2022	2023	2022	2023	2022
Balance at 1 March	67,867,660	- 41,731,736	1,776,963	(1,229,778)	1,278,371	1,278,371
Changes from financing cash flows						
• Repurchase of ordinary shares	(161,458)	-	-	-	-	-
• Dividends paid	-	-	(3,000,000)	-	-	-
• Repayment of loan	-	-	-	-	(1,278,371)	-
Total equity related	-	26,135,924	3,118,454	3,006,741	-	-
Balance at 28 February	**67,706,202**	**67,867,660**	**1,895,417**	**1,776,963**	**-**	**1,278,371**

[1]*Included in cash flows from operating activities.*

Figures in R

29. 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 does not have any externally imposed covenants.

The debt-to-equity ratio of the Group is 42.95% (2022: 14.09%). 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 in this ratio is the increase in the trade and other payables balance compared to the prior reporting period.

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 instruments of the Group are measured at fair value.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

The following table presents the fair values of financial instruments, including their levels in the fair value hierarchy. It does not include fair value information for financial instruments not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Financial assets - Group

2023	At amortised cost	Total
Trade and other receivables[1]	6,465,204	6,465,204
Cash and cash equivalents[1]	6,308,995	6,308,995
	12,774,199	**12,774,199**

2022		
Trade and other receivables[1]	5,027,142	5,027,142
Cash and cash equivalents[1]	8,468,352	8,468,352
	13,495,494	**13,495,494**

Financial liabilities - Group

2023	At amortised cost	Total
Trade and other payables[1]	8,404,911	8,404,911
	8,404,911	**8,404,911**

2022		
Trade and other payables[1]	2,268,974	2,268,974
	2,268,974	**2,268,974**

[1]The carrying amount is a reasonable approximation of fair value. The financial instrument represents a financial instrument which is 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, if applicable.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Financial assets - Company

2023	At amortised cost	Total
Loan to group company	1,188,786	-
Cash and cash equivalents[2]	2,261,835	2,261,835
	3,450,621	**2,261,835**

2022		
Cash and cash equivalents[2]	3,269,204	-
	3,269,204	**-**

Financial liabilities - Company

2023	At amortised cost	Total
Trade and other payables[2]	938,264	938,264
	938,264	**938,264**

2022		
Trade and other payables[2]	98,334	98,334
Loan from group company[2]	1,278,371	1,278,371
	1,376,705	**1,376,705**

[2]The carrying amount is a reasonable approximation of fair value. The financial instrument represents a financial instrument which is 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, if applicable.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

Financial risk management objectives

Risks and related mitigating procedures are assessed by the Board from a Group perspective with assistance from management, line managers and employees of the company on a continuous basis to ensure the safeguarding of the company, 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.

The 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 and the Group’s management of capital. Further quantitative disclosures are included in the note relating to the financial instruments concerned.

The Group’s objective is to effectively manage each of the above risks associated with its financial instruments, in order to limit the company’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. In addition, the Board has established the Audit and Risk Committee at a Group level, which provides guidance for monitoring the group’s risk management policies. This guidance forms part of the risk management of the Group.

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

The Group’s risk management policies, including guidance from a Group perspective, 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.

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.

	Group		Company	
	2023	2022	2023	2022
Cash and cash equivalents	6,308,995	8,468,352	2,261,835	3,269,204
	6,308,995	**8,468,352**	**2,261,835**	**3,269,204**

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Cash flow sensitivity linked to interest rate risk

An increase of 200 (2022: 50) 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		Company	
	2023	2022	2023	2022
Impact on profit or loss for the reporting period[3]	126,180	42,342	45,237	16,346

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

The Group's exposure to the fluctuations in interest rates is closely monitored and instruments will be utilised when appropriate to mitigate this risk.

Notes to the Financial Statements

for the year ended 28 February 2023

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 or prior reporting periods to mitigate the risk of the significant movements in foreign currency. The Group has, however obtained a pre-settling facility (refer to note 14) from its bankers to utilise forward exchange contracts in future periods to mitigate the Group's exposure to foreign currency risk.

The spot rates at the reporting date in respect of the foreign currencies to which the Group was exposed to are as follows:

Foreign currency	Spot rate at reporting date in ZAR 2023	2022
Euro ('EUR')	19.15	17.12
US Dollar ('USD')	17.87	15.35

Exposure in respect of foreign denominated balances

The carrying amount of the Group's foreign denominated monetary liability at the reporting date is as follows:

Monetary liabilities - Group

2023	Carrying amount in EUR	Carrying amount in USD	Translated in ZAR
Trade payables	180	169,204	3,027,851
	180	**169,204**	**3,027,851**

2022			
Trade payables	8,542	5,533	231,194
	8,542	**5,533**	**231,194**

Foreign currency rate sensitivity analysis on monetary financial liabilities

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. The net effect of an indicated movement on the spot rates at reporting date of foreign denominated monetary assets and liabilities, with all other variables constant, would be:

	Impact on profit or loss[4]			
	EUR		USD	
	2023	2022	2023	2022
	7% movement	5% movement	12% movement	8% movement
Trade payables	241	7,313	362,928	6,794
	241	**7,313**	**362,928**	**6,794**

[4]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 2023

Figures in R

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 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	
	2023	2022
Impairment loss on trade receivables	93,113	17,149
	93,113	**17,149**

The Group did not recognise any impairment losses on other financial assets in the current or prior reporting periods owing to the assessed level of low credit risk by management as discussed below.

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 respect of 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 respect of 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.

Figures in R

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 in the form of a provision matrix.

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 2023

	Ageing			
	ECL rate %			
	0 - 30 days	31 - 60 days	61 - 90 days	In excess of 90 days
ECL rates at 28 February 2022	0.81	2.16	4.32	37.79
Forward-looking adjustment	0.08	0.21	0.42	3.71
ECL rates as at 28 February 2023	**0.89**	**2.37**	**4.74**	**41.50**

The loss ratings at the previous reporting date were adjusted for forward-looking information by increasing these ratios with a factor of 9.80%. 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	17.39
Interest rates†	30.00	21.75
Moody's ratings√	20.00	(10.00)
GDP growth√	20.00	0.30
Forward-looking factor		**9.80**

†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.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Loss ratings model 2022

	Ageing ECL rate %			
	0 - 30 days	31 - 60 days	61 - 90 days	In excess of 90 days
ECL rates at 29 February 2021	0.81	2.15	4.30	37.58
Forward-looking adjustment	0.00	0.01	0.02	0.21
ECL rates as at 28 February 2022	**0.81**	**2.16**	**4.32**	**37.79**

The loss ratings at the previous reporting date were adjusted for forward-looking information by increasing these ratios with a factor of 0.56%. 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	2.22
Interest rates†	30.00	(7.14)
Moody's ratings√	15.00	5.00
GDP growth√	15.00	1.90
COVID-19 pandemic*	10.00	10.00
Forward-looking factor		**0.56**

†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.*

Summary of applied ECL ratings to trade receivables

Group Ageing	2023 Weighted average loss rate %	Gross carrying amount	Loss allowance	Credit-impaired
Current	0.89	6,324,174	56,234	No
31 - 60 days beyond terms	2.37	11,936	283	No
61 - 90 days beyond terms	4.74	61,543	2,919	No
90 days + beyond terms	41.50	217,056	90,069	Yes
		6,614,709	**149,505**	

Group Ageing	2022 Weighted average loss rate %	Gross carrying amount	Loss allowance	Credit-impaired
Current	0.81	4,978,229	40,315	No
31 - 60 days beyond terms	2.14	3,125	67	No
61 - 90 days beyond terms	4.32	67,534	2,917	No
90 days + beyond terms	37.79	34,646	13,093	Yes
		5,083,534	**56,392**	

Based on the ageing, 96% (2022: 98%) of the trade receivable balances is current and within terms. This supports the effectiveness of the credit approval policy implemented by the Group.

Figures in R

Movements in the loss allowance

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

	Group	
Description	**2023**	**2022**
Balance as at 1 March	56,392	39,243
Net remeasurement of loss allowance	93,113	17,149
Balance as at 28 February	**149,505**	**56,392**

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

Loans receivable

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.

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 14) 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 respect of cash and cash equivalents at the current or prior reporting dates.

Figures in R

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			
2023	**Total**	**Up to 3 months**	**3 to 12 months**	**Carrying amount**
Trade and other payables[5]	8,404,911	8,404,911	-	8,404,911
	8,404,911	**8,404,911**	**-**	**8,404,911**
2022				
Trade and other payables[5]	2,268,974	2,268,974	-	2,268,974
	2,268,974	**2,268,974**	**-**	**2,268,974**

	Company			
2023	**Total**	**Up to 3 months**	**3 to 12 months**	**Carrying amount**
Trade and other payables[5]	938,264	938,264	-	938,264
	938,264	**938,264**	**-**	**938,264**
2022				
Trade and other payables[5]	98,334	98,334	-	98,334
Loan from group company	1,278,371	-	1,278,371	1,278,371
	1,376,705	**98,334**	**1,278,371**	**1,376,705**

[5]Accrued expenses that are not financial liabilities are not included.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

30. Directors and Prescribed Officer

Directors' interest in the share capital of the Company

2023	Direct number	Indirect number	Total number	Total %
Executive directors				
DS Prinsloo	-	-	-	-
Non-executive directors				
AP Coetzee	-	-	-	-
Dr A Jacobsz[1]	-	-	-	-
Dr B Khantsi[2]	-	9,364	9,364	0.38
Dr TB Maleka	-	-	-	-
KJM Moja	-	-	-	-
Dr FJ Potgieter[3]	-	-	-	-
Dr PJL Odendaal	103,945	-	103,945	4.24
Prescribed officer				
JH Visser	56,376	-	56,376	2.30
	160,321	**9,364**	**169,685**	**6.92**

[1]Resigned as director on 7 April 2022.
[2]Appointed as director on 1 September 2021.
[3]Resigned as director on 9 February 2023.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

2022	Direct number	Indirect number	Total number	Total %
Executive directors				
DS Prinsloo[4]	-	-	-	-
Non-executive directors				
AP Coetzee	-	-	-	-
K Fleischhauer[5]	-	-	-	-
Dr HD Hoffman[6]	-	-	-	-
Dr A Jacobsz[7]	-	103,825	103,825	4.20
Dr TB Maleka[8]	-	-	-	-
KJM Moja	-	-	-	-
Dr FJ Potgieter[8]	-	-	-	-
Dr PJL Odendaal[7]	103,945	-	103,945	4.21
Prescribed officer				
JH Visser	56,376	-	56,376	2.28
	160,321	**103,825**	**264,146**	**10.69**

[4]Appointed as an executive director and Chief Executive Officer ('CEO') on 01 June 2021.
[5]Resigned as director on 31 December 2021.
[6]Retired as director on 20 October 2021.
[7]Changed from executive to non-executive on 01 June 2021.
[8]Appointed as non-executive director on 20 October 2021.

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 2023

Figures in R

Remuneration

2023	Directors' fees	Basic salary	Bonuses	Allowances and contributions †	Total
Executive directors					
DS Prinsloo	-	1,455,900	206,139	204,143	1,866,182
Non-executive directors √					
AP Coetzee	40,618	-	-	-	40,618
Dr A Jacobsz[1]	-	-	-	-	-
Dr B Khantsi[2]	-	-	-	-	-
Dr TB Maleka	14,770	-	-	-	14,770
KJM Moja	33,233	-	-	-	33,233
Dr FJ Potgieter[3]	25,848	-	-	-	25,848
Dr PJL Odendaal	22,155	-	-	-	22,155
Prescribed officer					
JH Visser	-	1,275,018	182,950	150,718	1,608,686
	136,624	**2,730,918**	**389,089**	**354,861**	**3,611,492**

[1]Resigned as director on 7 April 2022.
[2]Appointed as director on 1 September 2021.
[3]Resigned as director on 9 February 2023.

†Allowances include cellphone and other allowances.
√ The reason for the variances in the fees paid to directors is a result of the VAT status of the specific director.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

2022	Directors' fees	Basic salary	Bonuses	Allowances and contributions †	Total
Executive directors					
DS Prinsloo[4] •	-	1,035,000	206,787	145,125	1,386,912
Non-executive directors √					
AP Coetzee	14,000	-	-	-	14,000
K Fleischhauer[5]	7,000	-	-	-	7,000
Dr HD Hoffman[6]	3,500	-	-	-	3,500
Dr A Jacobsz[7]	10,500	-	-	-	10,500
Dr TB Maleka[8]	3,500	-	-	-	3,500
KJM Moja	14,000	-	-	-	14,000
Dr FJ Potgieter[8]	3,500	-	-	-	3,500
Dr PJL Odendaal[7]	10,500	-	-	-	10,500
Prescribed officer					
JH Visser	-	1,208,548	241,710	142,861	1,593,119
	66,500	**2,243,548**	**448,497**	**287,986**	**3,046,531**

[4]Appointed as an executive director and Chief Executive Officer ('CEO') on 01 June 2021.
[5]Resigned as director on 31 December 2021.
[6]Retired as director on 20 October 2021.
[7]Changed from executive to non-executive on 01 June 2021.
[8]Appointed as non-executive director on 20 October 2021.

†Allowances include cellphone and other allowances.
√ The reason for the variances in the fees paid to directors is a result of the VAT status of the specific director.

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

Share-based payment arrangements

Phantom share scheme

During the prior reporting period, a phantom share scheme was introduced by the Board as an incentive scheme with an effective date of 1 March 2021. The Board allocated a total of 117,000 ordinary shares to the overall scheme. The Board has the discretion to change the number of allocated shares of the scheme in future periods.

The Board has the sole discretion to allocate a specific number of the allocated ordinary shares of the scheme to each reporting period for distribution to participants. During the reporting period, the Board allocated an additional 19,664 ordinary shares as tranche 2 in respect of the scheme. During the prior reporting period the Board allocated 39,328 ordinary shares as tranche 1 in respect of the scheme which will be allocated to participants based on the overall performance reviews conducted by the Board and audited financial results of the Group and its subsidiary, namely IsoClear.

The participants of the scheme at the reporting date are:

Name of participant	Role and responsibility	Company within the Group
D Prinsloo	Executive director and CEO	iHealthcare Group Holdings Limited
JH Visser	Prescribed officer	iHealthcare Group Holdings Limited
PJ Fouché	Executive director and CEO	IsoClear Proprietary Limited

No changes in the participants took place compared to the prior reporting date.

Based on the outcome of the performance reviews and audited financial results of the Group and IsoClear, the Board, at its discretion, will allocate the available ordinary shares to each of the participants. The allocated shares will vest with each participant after 36 months from the reporting date. If the participant resigns before the 36-month period, the shares allocated to the participant will be forfeited.

The scheme has been classified as a cash-settled share-based payment arrangement.

	Group	
	2023	2022†
• Share-based payment liability: Tranche 1	741,464	370,732
• Share-based payment liability: Tranche 2	185,366	-
	926,830	**370,732**

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

Valuation method
The Group used the quoted share price as valuation method for the arrangement. Management identified no significant change in the share price as input into the valuation model.

The inputs used in calculating the carrying amount of the arrangement at reporting date are as follows:

	Group	
Tranche 1	2023	2022†
• Number of shares applicable for vesting period	39,328	39,328
• Share price as at 28 February	R28.28	R28.28
• Months in vesting period	24	12
Share-based payment liability as at 28 February	741,464	370,732

	Group
Tranche 2	2023
• Number of shares applicable for vesting period	19,664
• Share price as at 28 February	R28.28
• Months in vesting period	12
Share-based payment liability as at 28 February	185,366

†Refer to note 38 of the financial statements.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

31. Related Parties

Identification

The subsidiaries of the Company are included in note 9. The directors of the Company are included in note 30.

	Group		Company	
	2023	**2022**	**2023**	**2022**
Related party balances				
Loans to/(from) related parties				
Subsidiaries				
iHealthcare Group Limited	-	-	1,188,786	-
IsoPharm Proprietary Limited	-	-	-	(1,278,371)
	-	**-**	**1,188,786**	**(1,278,371)**
Trade receivables - related parties				
Directors				
Dr PJL Odendaal	10,079	5,376	-	-
DS Prinsloo	1,063	-	-	-
Entity related to T Maleka				
Safesight Proprietary Limited	332,451	161,504	-	-
	342,530	**166,880**	**-**	**-**

All outstanding balances are expected to be settled with cash resources.

	Group		Company	
	2023	**2022**	**2023**	**2022**
Related party transactions				
Revenue from related parties				
Subsidiary				
iHealthcare Group Limited	-	-	3,547,024	3,531,942
IsoClear Proprietary Limited	-	-	5,912,158	-
Directors				
Dr A Jacobsz[1]	935	14,022	-	-
Dr B Khantsi[2]	31,884	-	-	-
Dr PJL Odendaal	372,292	30,818	-	-
DS Prinsloo	924	-	-	-
Prescribed officer				
JH Visser	934	-	-	-
Entity related to T Maleka				
Safesight Proprietary Limited	734,025	276,447	-	-
	1,140,994	**321,287**	**9,459,182**	**3,531,942**

[1]*Resigned as director on 7 April 2022.*

[2]*Appointed as director on 1 September 2021.*

Key management personnel

All key management personnel are considered to be the directors and prescribed officer of the Group. Refer to note 30.

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.

Figures in R

32. Contingent Liabilities

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

33. 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 20), 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 exclusive of any revenue and dividend income earned from Group entities.

	Group	
	2023	2022
Revenue analysis		
Business unit	**External revenue**	
Ophthalmology	41,369,196	38,982,168
	41,369,196	**38,982,168**
Business unit	**Revenue from transactions with other segments[1]**	
Group services	5,912,158	531,942
	5,912,158	**531,942**

[1]This revenue is eliminated from a Group perspective.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Profit after tax analysis

Business unit	Group 2023	Group 2022
	Operating profit after tax	
Operating profit before tax	**687,699**	**5,752,542**
• Ophthalmology	1,236,137	5,709,186
• Group services	(548,438)	43,356
Income tax expense	**(579,316)**	**(1,884,087)**
• Ophthalmology	(699,184)	(1,847,472)
• Group services	119,868	(36,615)
Profit for the period	**108,383**	**3,868,455**
• Ophthalmology	536,953	3,861,714
• Group services	(428,570)	6,741

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

	2023	2022
Depreciation	(1,810,507)	(1,385,785)
• Ophthalmology	(1,783,262)	(1,385,785)
• Group services	(27,245)	-
Finance income	168,125	145,083
• Ophthalmology	168,125	145,083
• Group services	-	-
Finance costs	-	(26,708)
• Ophthalmology	-	(26,708)
• Group services	-	-

Net operating assets analysis

Business unit	Net operating assets 2023	Net operating assets 2022
Ophthalmology	(41,957,981)	(39,494,934)
Group services	66,054,595	66,644,623
	24,096,614	**27,149,689**

During the reporting period the Group acquired equipment amounting to R1,164,841 (2022: R3,113,507). Items amounting to R812,241 (2022: R2,976,997) which were originally acquired and classified as inventory were transferred to equipment.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

34. COVID-19 Pandemic

The widespread local and global uncertainty associated with the COVID-19 pandemic continued during the reporting period.

The material operational entities within the Group maintained normalized operational activity levels throughout the reporting period.

Even though the world-wide impact of the COVID-19 pandemic has become less significant during the reporting period, the lives of customers and employees of the Group have continued to be affected in a negative manner. Based on the magnitude of the pandemic and its potential impact on the financial statements, management has conducted a review of the financial effects the pandemic continues to have and could have on the measurement, presentation and disclosure provided.

The only remaining impact identified relates to the foreign currency risk of the Group which was assessed as being insignificant due to the fact that the exposure to foreign currency movements of the Group includes other factors such as fluctuations attributable to global economic instability.

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.

35. Going Concern

The current assets of the Group exceeds the current liabilities by R19,062,964 (2022: R21,353,188). The total assets of the Group exceeds the total liabilities by R24,098,778 (2022: R27,149,689). During the reporting period, the Group generated a profit amounting to R110,547 (2022: R3,868,455).

The Company declared and paid a dividend during the reporting period amounting to R3,000,000 (2022: Rnil).

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.

36. Events After the Reporting Date

Other than as disclosed below, there were no events material to the understanding of the financial statements that occurred after the reporting date and the authorisation date of the financial statements.

Non-adjusting event: voluntary liquidation

As set out in note 9, the Board will finalise the applications for voluntary liquidation of the subsidiaries after the reporting date.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

37. Distribution of Assets - Restructuring of Internal Holding Structure

During the reporting period, the Company decided to simplify the Group structure by collapsing the double listing organisation structure through the delisting of the Company's wholly-owned intermediate holding company, IHG, from CTSE. It was determined that this would alleviate the corporate burden of management's time and costs being spent on the managing of the double listing organisational structure.

As part of the revised Group strategy, the Company, in simplifying the Group structure, implemented a Section 47 transaction in terms of the Income Tax Act (Act 58 of 1962) of South Africa where the assets held in IHG were distributed to the Company with the intention of liquidating and deregistering IHG, IsoOps and IsoProp in the next reporting period. The distribution was approved by the Board of IHG in terms of Section 46 of the Companies Act.

The distribution of assets from IHG to the Company comprised a return of investment and a dividend.

The return of investment was assessed by management and determined to not have economic substance since the exchange of the investment in IHG for the investments in the underlying subsidiaries would not result in a change in the expected cash flows from the underlying investments, being the investments in IsoClear, IsoOps, IsoPharm and IsoProp. Therefore, the investments in these subsidiaries were recognised at the carrying amount of the derecognised investment in IHG. The carrying amount of the original investment in IHG was allocated to the investment in IsoClear as the contributing operating subsidiary of the Group.

The Company recognised the distribution of the remaining assets of IHG, comprising cash and a loan receivable from IsoPharm, as a dividend. The cash and loan receivable received were recognised at fair value.

The following table illustrates the above:

Derecognition of investment by IHG (refer to note 9)

Derecognition of investment in IHG	(67,700,524)
Recognition of investments in underlying subsidiaries	67,700,524
• Investment in IsoClear	67,700,524
• Investment in IsoOps	-
• Investment in IsoPharm	-
• Investment in IsoProp	-
	-

Dividend from IHG

Loan to group company (refer to note 13)	1,188,786
Investment in IsoClear (refer to note 9)	2
Cash and cash equivalents	2,358,236
Dividend income (included in revenue - refer to note 20) recognised by the Company	**3,547,024**

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

38. Correction of Prior Period Error

Management identified an error in the prior period published financial statements.

During the 2022 reporting period, a phantom share scheme was introduced by the Board as an incentive scheme (refer to note 30). The vesting period of the scheme is 36-months. The error identified relates to the vesting period applied in determining the measurement for share-based payment liability. During the prior reporting period the calculation was based on a 12-month vesting period instead of the 36-month vesting period.

Reporting period ending 28 February 2022

The impact of the error relating to the 2022 reporting period is set out below:

Statement of financial position - Group	As previously reported 2022	Adjustment	Restated 2022
Non-current assets			
Deferred tax	1,209,456	(207,610)	1,001,846
	1,209,456	**(207,610)**	**1,001,846**
Equity and liabilities			
Equity			
Retained earnings	(41,251,825)	533,854	(40,717,971)
	(41,251,825)	**533,854**	**(40,717,971)**
Non-current liabilities			
Share-based payment liability	1,112,196	(741,464)	370,732
	1,112,196	**(741,464)**	**370,732**
	(40,139,629)	**(207,610)**	**(40,347,239)**
Impact on opening retained earnings - 1 March 2021	-	-	-

Notes to the Financial Statements
for the year ended 28 February 2023

Figures in R

Statement of profit or loss and other comprehensive income - Group

Share-based payment expense	(1,112,196)	741,464	(370,732)
Operating profit	**4,892,704**	**741,463**	**5,634,167**
Profit before tax	**5,011,079**	**741,463**	**5,752,542**
Income tax expense	(1,676,478)	(207,609)	(1,884,087)
Profit for the period	**3,334,601**	**533,854**	**3,868,455**
Other comprehensive income	-	-	-
Total comprehensive income for the period	**3,334,601**	**533,854**	**3,868,455**
Profit and total comprehensive income for the period attributable to:			
Owners of the Company	2,244,207	533,854	2,778,061
Non-controlling interests	1,090,394	-	1,090,394
	3,334,601	**533,854**	**3,868,455**
Earnings per ordinary share			
Basic earnings per ordinary share (cents)	141.8	33.7	175.5
Diluted earnings per ordinary share (cents)	141.8	33.7	175.5

It is important to note that the error did not result in a change to the statement of cash flows due to the fact that the share-based payment expense was classified as a non-cash item.

We would like to draw attention to the fact that the error relates to the 2022 reporting period due to the introduction of the scheme during the comparative period.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Reporting period ending 31 August 2021

The impact of the error relating to the 2022 interim reporting period is set out below:

Statement of financial position - Group	As previously reported 2021	Adjustment	Restated 2021
Non-current assets			
Deferred tax	941,955	(97,547)	844,408
	941,955	**(97,547)**	**844,408**
Equity and liabilities			
Equity			
Retained earnings	(24,802,286)	250,836	(24,551,450)
	(24,802,286)	**250,836**	**(24,551,450)**
Non-current liabilities			
Share-based payment liability	674,304	(348,383)	325,921
	674,304	**(348,383)**	**325,921**
	(24,127,982)	**(97,547)**	**(24,225,529)**
Impact on opening retained earnings - 1 March 2021	-	-	-

Statement of profit or loss and other comprehensive income - Group			
Share-based payment expense	(674,304)	348,383	(325,921)
Operating profit	**4,470,928**	**348,383**	**4,819,311**
Profit before tax	**4,500,321**	**348,383**	**4,848,704**
Income tax expense	(1,319,747)	(97,547)	(1,417,294)
Profit for the period	**3,180,574**	**250,836**	**3,431,410**
Other comprehensive income	-	-	-
Total comprehensive income for the period	**3,180,574**	**250,836**	**3,431,410**
Earnings per ordinary share			
Basic earnings per ordinary share (cents)	134.3	87.5	221.8
Diluted earnings per ordinary share (cents)	134.3	87.5	221.8

It is important to note that the error did not result in a change to the statement of cash flows due to the fact that the share-based payment expense was classified as a non-cash item.

We would like to draw attention to the fact that the error relates to the 2022 reporting period due to the introduction of the scheme during the comparative period.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

Reporting period ending 31 August 2022

The impact of the error relating to the 2023 interim reporting period is set out below:

Statement of financial position - Group	As previously reported 2022	Adjustment	Restated 2022
Non-current assets			
Deferred tax	1,209,456	(155,707)	1,053,749
	1,209,456	**(155,707)**	**1,053,749**
Equity and liabilities			
Equity			
Retained earnings	(42,296,174)	400,391	(41,895,783)
	(42,296,174)	**400,391**	**(41,895,783)**
Non-current liabilities			
Share-based payment liability	1,112,196	(556,098)	556,098
	1,112,196	**(556,098)**	**556,098**
	(41,183,978)	**(155,707)**	**(41,339,685)**
Impact on opening retained earnings - 1 March 2022	(41,251,825)	533,854	(40,717,971)

Statement of profit or loss and other comprehensive income - Group			
Share-based payment expense	-	556,098	556,098
Operating profit	**2,760,792**	**556,098**	**3,316,890**
Profit before tax	**2,806,786**	**556,098**	**3,362,884**
Income tax expense	(851,135)	(155,707)	(1,006,842)
Profit for the period	**1,955,651**	**400,391**	**2,356,042**
Other comprehensive income	-	-	-
Total comprehensive income for the period	**1,955,651**	**400,391**	**2,356,042**
Earnings per ordinary share			
Basic earnings per ordinary share (cents)	79.1	16.2	95.3
Diluted earnings per ordinary share (cents)	79.1	16.2	95.3

It is important to note that the error did not result in a change to the statement of cash flows due to the fact that the share-based payment expense was classified as a non-cash item.

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

39. Analysis of Shareholding

	Group 2023			
	Shareholders		Shares in issue	
Range of shares held	Number	Percentage	Number	Percentage
1 - 20,000	4	13.33	18,071	0.74
20,001 - 30,000	1	3.33	22,600	0.92
30,001 - 50,000	2	6.67	67,650	2.76
50,001 - 250,000	23	76.67	2,340,641	95.58
250,001 - 1,000,000	-	-	-	-
Over 1,000,000	-	-	-	-
	30	**100.00**	**2,448,962**	**100.00**

	Group 2023			
	Shareholders		Shares in issue	
Shareholder type	Number	Percentage	Number	Percentage
Non-public shareholders	3	10.00	169,685	6.93
Directors and Prescribed Officer	3	10.00	169,685	6.93
Other Employees	-	-	-	-
Public shareholders	27	90.00	2,279,277	93.07
	30	**100.00**	**2,448,962**	**100.00**

Notes to the Financial Statements

for the year ended 28 February 2023

Figures in R

	Group 2022			
	Shareholders		Shares in issue	
Range of shares held	Number	Percentage	Number	Percentage
1 - 20,000	4	13.33	18,071	0.73
20,001 - 30,000	-	-	-	-
30,001 - 50,000	3	10.00	112,750	4.56
50,001 - 250,000	23	76.67	2,340,641	94.71
250,001 - 1,000,000	-	-	-	-
Over 1,000,000	-	-	-	-
	30	**100.00**	**2,471,462**	**100.00**

	Group 2022			
	Shareholders		Shares in issue	
Shareholder type	Number	Percentage	Number	Percentage
Non-public shareholders	4	13.33	309,246	12.51
Directors and Prescribed Officer	3	10.00	264,146	10.69
Other Employees	1	3.33	45,100	1.82
Public shareholders	26	86.67	2,162,216	87.49
	30	**100.00**	**2,471,462**	**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.

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Company registration number: 2019/155531/06
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