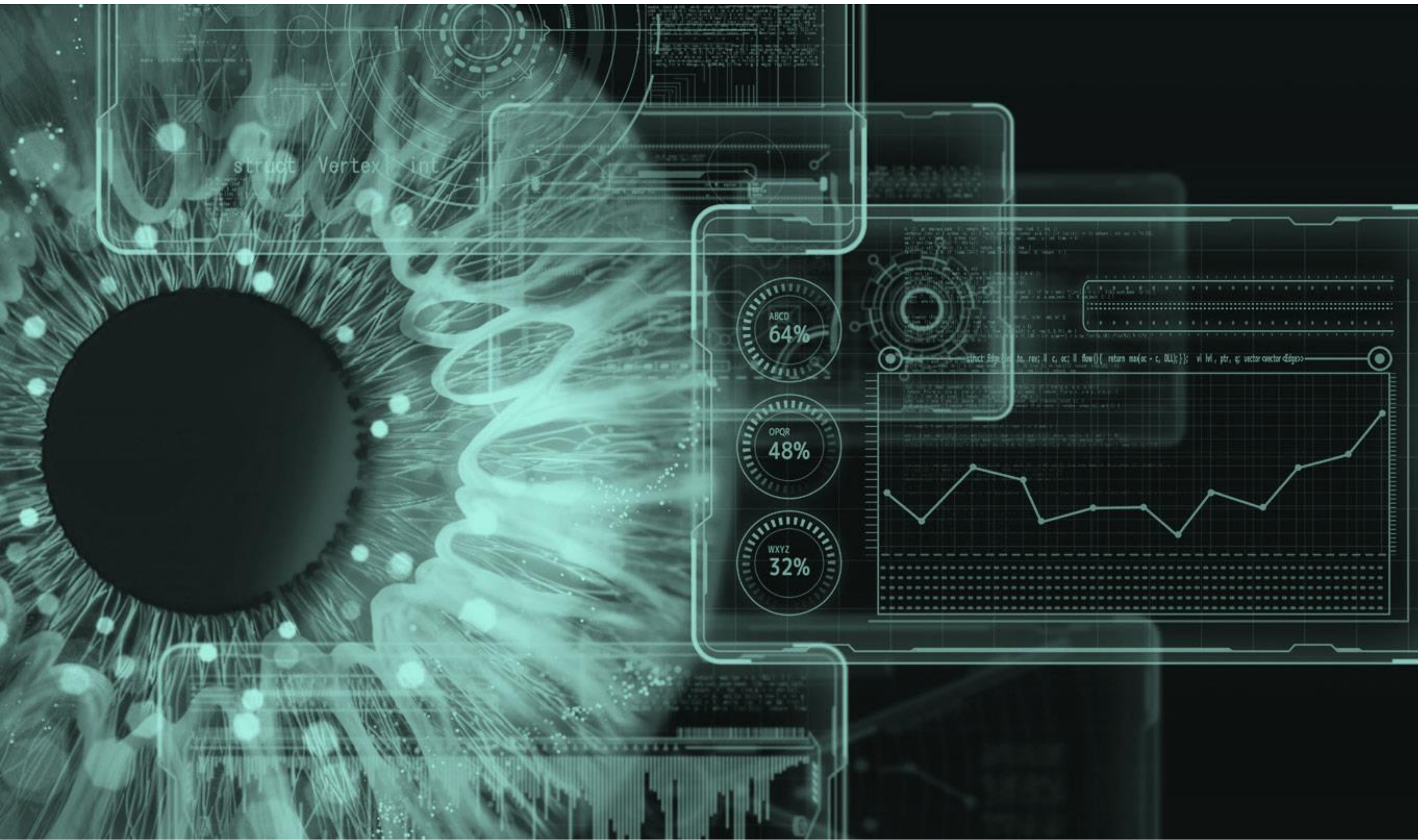
iHealthcare
Group Holdings Ltd

2024

ANNUAL REPORT



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iHealthcare
Group Holdings Ltd

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. The Group provides a range of medical-equipment, devices and surgical consumables 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 and remained unchanged from the prior reporting period.

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 surgical consumables 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 Cape Town Stock Exchange Proprietary Limited, in the Healthcare industry, on 17 January 2020. This is the fifth annual report published by the Group.

The head office of the Group is based in Pretoria at The Village, Block A First Floor, Cnr Oberon and Glenwood Roads, Faerie Glen, Pretoria, 0043.

About the annual report

The Board of Directors ('the Board') of iHealthcare Holdings 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:

- IFRS® Accounting Standards;
- CTSE Listing Requirements; and
- Companies Act of South Africa (Act 71 of 2008) ('Companies Act').

Reporting philosophy

This is our fifth 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 29 February 2024 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 Holdings's operations and provides insight on both financial and limited non-financial matters for the year ended 29 February 2024. 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.

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.

Overview

Loss of control of subsidiary

During the reporting period, iHealthcare Holdings disposed of its investment in IsoPharm Proprietary Limited ('IsoPharm') effectively on 25 February 2024. The operational activities included the sale of pharmaceutical products within the ophthalmology segment of the Group. IsoPharm represented a major line of business within the Ophthalmology segment of the Group and was classified as a discontinued operation during the reporting period. IsoPharm did not contribute to the consolidated (loss)/profit in a significant manner albeit classified as a disposal group in terms of IFRS Accounting Standards.

Adoption of amendments to the IFRS Accounting Standards

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements

One of the most significant amendments to IFRS Accounting Standards became effective during the reporting period. These amendments resulted in the change of the disclosure of accounting policies to which the users of the annual report have become accustomed to over the part reporting periods.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

All other applicable amendments to the Group were adopted from the effective date as required by the respective IFRS Accounting Standards.

Feedback

The Board welcomes feedback on iHealthcare Holdings' annual report for the 2024 reporting period from stakeholders. Please contact FluidRock Co Sec Proprietary Limited (represented by Fleur Olivier), Company Secretary, on email address fleur@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 Holdings 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, Moore Infinity 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 Holdings currently has approximately 27 (2023: 27) 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.

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.

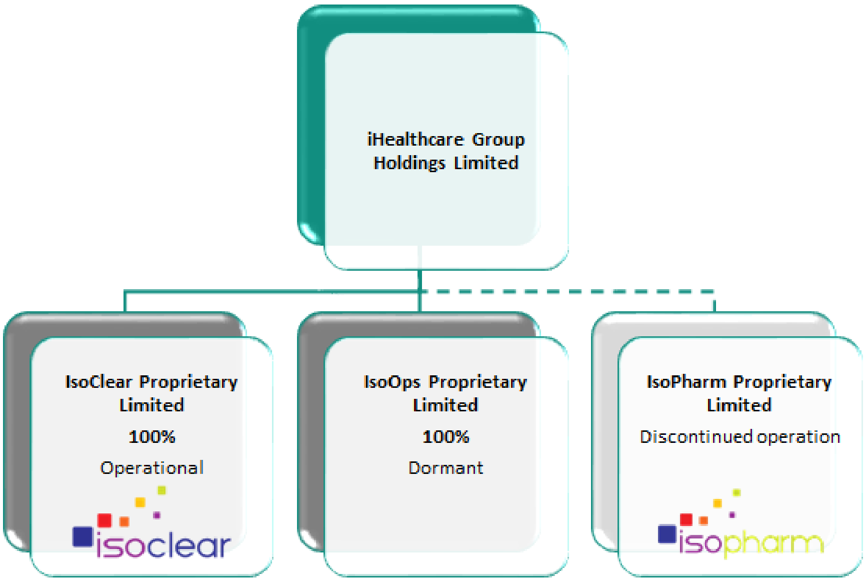
The annual report has been prepared in line with best practice to the extent possible for the reporting period under review. On 28 May 2024, the Board authorised the annual report for release on 31 May 2024.

For and behalf of the Board

DS Prinsloo
CEO

Group Structure

Group Structure as at 28 February 2024



Loss of control of subsidiary

IsoPharm Proprietary Limited ('IsoPharm)

During the reporting period, the Company disposed of its investment in IsoPharm to an external party by means of a sale of shares transaction. The disposal of the investment represented a loss of control of subsidiary for the Group. The effective date of the disposal and the loss of control was 25 February 2024.

IsoPharm represented a major line of business within the Ophthalmology segment of the Group and was classified as a discontinued operation during the reporting period. IsoPharm did not contribute to the consolidated (loss)/profit in a significant manner albeit classified as a disposal group in terms of IFRS Accounting Standards.

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 a license to manufacture, import, export and distribute medical devices.

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

Dormant Subsidiaries

IsoOps Proprietary Limited ('IsoOps')

The company has applied for voluntary liquidation and deregistration with the Companies and Intellectual Property Commission. The outcome of the application should be finalised during the next reporting period.

iHealthcare Group Limited and IsoProp Proprietary Limited

These companies were deregistered by the Companies and Intellectual Property Commission during the reporting period.

Report to Shareholders

Presented below is the report to the shareholders of iHealthcare Holdings ('shareholders') for the 2024 reporting period.

Overview

In presenting the financial results for the reporting period, we do so with a sense of resilience, optimism, and a steadfast commitment to transparency. While the reporting period presented the Group with formidable challenges, the Board and management have navigated adversity and laid the foundation for sustainable growth and success in the future.

The devaluation of the South African Rand posed significant challenges in respect of margins as the majority of inventory items are imported. This in turn impacted the financial performance and profitability of the Group.

Global supply chain constraints, other than the component shortage experienced during the reporting period, which impacted on the Group's revenues and performance are expected to fully normalise next reporting period. Furthermore, the normalised availability of a very popular intraocular lens is expected within the first six months of the next reporting period, which is expected to assist with revenue growth.

A change in the customer mix and newly entered supplier agreements presented additional challenges to the Group during the reporting period. This required management to adapt iHealthcare Holdings' sales and marketing strategies. While this shift led to changes in the Group's revenue streams, equipment and peripherals classified as 'property, plant and equipment', and inventory, management remains focused on understanding and addressing the unique requirements of the Group's diverse customer base to drive sustainable growth and profitability.

Albeit that the Group faced its share of challenges during the reporting period, it also reinforced iHealthcare Holdings' resilience, agility, and commitment to delivering long-term value. The Board is optimistic about the opportunities that lie ahead and remain confident in the Group's ability to capitalise on these opportunities.

Loss of control of subsidiary

During the reporting period, the Company disposed of its investment in a subsidiary, namely IsoPharm Proprietary Limited ('IsoPharm'), to an external party by means of a sale of shares transaction. The disposal of the investment represented a loss of control of the subsidiary for the Group. The effective date of the disposal and the loss of control was 25 February 2024.

The investment was disposed of for a total consideration amounting to R1,157,214. An additional payment amounting to R2,042,786, separate from the purchase consideration, was contractually agreed with the acquirer in respect of the settlement of the loans owed to the Company and IsoClear by IsoPharm.

Furthermore, the Company reserves the right to receive all amounts owed to IsoPharm in respect of Value-Added Tax claims, not refunded by SARS to IsoPharm at the date of disposal. The estimated consideration receivable in respect of these refunds amounted to R181,577 at the date of loss of control.

IsoPharm represented a major line of business within the Ophthalmology segment of the Group and was classified as a discontinued operation during the reporting period. IsoPharm did not contribute to the consolidated (loss)/profit in a significant manner albeit classified as a disposal group in terms of IFRS Accounting Standards.

Details of the transaction are set out in note 9 of the financial statements.

Segment performance

Ophthalmology - continuing operations

The segment decreased revenue by 11.82%. The operating loss before tax amounted to R9,005,490 compared to an operating profit before tax of R1,236,137 for the prior reporting period.

Although the segment recognised a gain on loss of control of subsidiary, in respect of the disposal of IsoPharm, the operating loss before tax increased due to a number of factors including the volatility of the foreign exchange rates to which the Group is exposed to, an impairment loss in respect of equipment and peripherals, an increase in the allowance for obsolete inventory and the impact of the world-wide shortage of specific components related to the manufacturing of equipment and peripherals and the indirect impact on the reduced demand for certain consumables experienced by the Group during a part of the reporting period.

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.

	2024		2023†	
Value added statement - continuing operations	ZAR	%	ZAR	%
Revenue	36,442,074		41,325,022	
Cost of materials and services	(23,295,155)		(19,087,159)	
Value added by operations	13,146,919	81.88	22,237,863	99.25
Other income	2,771,955	17.26	-	0.00
Finance income	137,979	0.86	168,125	0.75
Gross value added	16,056,853	100.00	22,405,988	100.00
Depreciation	(2,143,288)		(1,810,508)	
Net value added	**13,913,565**		**20,595,480**	
Applied as follows:				
Employees' salaries, wages and benefits	10,909,286	78.41	11,438,544	55.54
Government tax	(2,478,081)	(17.81)	717,498	3.48
Providers of debt	109,588	0.79	-	0.00
Shareholders	-	0.00	3,000,000	14.57
Retained in the Group	5,372,772	38.62	5,439,438	26.41
Net value added	**13,913,565**	**100.00**	**20,595,480**	**100.00**

†Comparative information has been re-presented due to a discontinued operation.

Statement of profit or loss

The Group generated revenue amounting to R36,442,074 (2023: R41,325,022) (2022: R38,982,168) from continuing operations. Revenue decreased by 11.82% during the current reporting period.

The Group recognised a gain on loss of control of subsidiary amounting to R2,674,960 (2023: Rnil) in respect of the disposal of IsoPharm during the 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 R408,624 (2023: R290,847) being recognised in profit or loss during the current reporting period.

During the reporting period the Group recognised an impairment loss on equipment and peripherals amounting to R1,626,020 (2023: Rnil) in profit or loss. The equipment and peripherals related to prior supplier agreements and for specific customers which are no longer able to be sold locally.

Various indicators including the world-wide shortage of specific components related to the manufacturing of equipment and peripherals experienced during the reporting period and the restrictions on future marketing and saleability of specific products in respect of new supplier agreements entered into during the reporting period, the Group recognised an increase in the allowance for obsolete inventory amounting to R3,226,111 (2023: Rnil) in profit or loss. The overall supply of equipment normalised towards the end of the reporting period.

Report to Shareholders

The average weighted number of shares, from which earnings per share and headline earnings per share are derived, was 2,448,912 (2023: 2,462,720) shares at the reporting date.

Earnings per share from continuing operations decreased to a loss of 221.9 cents per share (cps) (2023: 21.0 earnings cps) and headline earnings per share from continuing operations decreased to a loss of 237.8 cents per share (cps) (2022: 21.5 earnings cps).

Statement of financial position

During the reporting period the Group acquired equipment amounting to R3,873,148 (2023: R1,164,841). Items amounting to R3,752,601 (2023: R812,241) which were originally acquired and classified as inventory, were subsequently transferred to equipment.

During the reporting period, a new lease with an effective date of 1 March 2024, commenced and was recognised on 1 February 2024 based on a rent-free beneficial occupation period of 1 month. The lease liability at the reporting date amounted to R819,710 (2023: Rnil). Furthermore, the Group entered into sale-and-leaseback agreements during the reporting period in respect of equipment utilised in the operations of the Group. The total borrowings amounted to R2,093,238 (2023: Rnil) at the reporting date.

The working capital[1] of the Group stabilised at R7,679,603 (2023: R12,783,635) taking the allowance for obsolete inventory into account.

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

Statement of cash flows

Albeit that cash used in operations decreased to R4,902,353 (2023: R1,772,979 cash from operations), the total cash resources of the Group increased by 3.91% to R6,555,528 (2023: R6,308,995). The increase in cash resources is a direct result of the disposal of IsoPharm.

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 Company has 1 (one) prescribed officer.

Director	Classification	Date appointed	Gender	Race
AP Coetzee	Independent non-executive director	10 Oct 2019	Male	White
Dr B Khantsi	Independent non-executive director	01 Sept 2022	Male	Black
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 June 2021	Male	White

No changes to the Board took place during the reporting period.

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 no dividends during the current reporting period (2023: R3,000,000).

Report to Shareholders

Prospects

The outlook for the year to 28 February 2025 remains uncertain but 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

DS Prinsloo
CEO

JH Visser
CFO

Board of Directors

Board of Directors

Board Members

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

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 28 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 B Khantsi
Member of the Audit and Risk Committee
Independent non-executive director
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.

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 specialises 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: CEO

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

Members	Meeting date 14 Mar 2023	25 May 2023	26 July 2023	21 Sept 2023	23 Nov 2023	08 Feb 2024	28 May 2024
AP Coetzee	√	√	√	√	Apology	√	√
Dr B Khantsi	√	√	√	√	√	√	√
Dr TB Maleka	√	Apology	√	√	Apology	√	√
KJM Moja	√	√	Apology	√	√	√	√
Dr PJL Odendaal	√	√	√	√	√	√	√
DS Prinsloo	√	√	√	√	√	√	√
Invitees							
JH Visser	√	√	√	√	√	√	√
Company Secretary							
FluidRock Co Sec Proprietary Limited representative		√	√	√	√	√	√

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 of South Africa (Act 71 of 2008) ('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 Report on Corporate Governance for South Africa, 2016 ('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 Holdings' 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 Holdings' 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 Holdings 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 assist in this endeavour, the Group has engaged the services of SERR Synergy Proprietary Limited, as trusted business consultants, to become fully compliant with the elements of the B-BBEE Codes of Good Practice with the main objective of securing B-BBEE Certification – ideally Level 4 or lower compliance. To this end, isoClear achieved an improved level 6 (six) B-BBEE rating during the reporting period, compared to the level 7 (seven) achieved in 2023. This continues to enable the Group to be considered for public-sector work and more specifically to conduct business with the three main hospital groups in South Africa namely, Mediclinic, Life Healthcare and Netcare.

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.

Report of the Social and Ethics Committee

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 Holdings' 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.

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 jeopardise iHealthcare Holdings' financial security and could damage its reputation and/or social standing. Since the Whistle-blowing policy had been adopted in 2022, no incidents have been reported. The Committee will continue in to review any whistle-blowing incidents or reports that may arise in future 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 public safety. For the reporting period, the Group was a member of the Sappi Health and Safety Committee and had participated in monthly meetings by a designated safety officer. With the move to the new office building, effective from 1 March 2024, the Group is now aligned with the new Lessor's health and safety requirements.

There were no material, monetary or other, penalties brought against the company for non-compliance with environmental laws and regulations during the reporting period.

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 through ensuring integrity, empathy, clarity, and simplicity in dealings with customers.

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 continues to actively support and drive all facets of staff training and development, fostering a culture that is career-driven. Due to the highly specialised nature of the isoClear product portfolio, knowledge management, career path planning and staff and talent retention are of vital importance. Skills development levies are utilised to further grow employee skills levels and the Group has invited employees to indicate what skills development would be of benefit in their respective roles.

Report of the Social and Ethics Committee

Employment profile

Employment profile by nature

The Group employs 14 (2023: 13) full-time permanent employees. The Group does not employ fixed-term or part-time employees.

Employment profile by region

The workforce comprises of employees located in South Africa only.

Training and education

The Group continues to focus on learning and development and the effective delivery thereof to its employees. Using a combination of internal and external resources, the Group continues to train its workforce in order to address both current and future identified skills gaps. Through the application of specific learnership, internship and other skills programmes employees are assisted to meet personal development and business goals.

Training interventions form part of the Group's sustainability initiatives and are aligned with international training frameworks in that they seek to identify scarce and critical skills and, through their application, address skills shortages and support job creation in South Africa.

The Group's training programmes are managed and conducted by selected accredited training providers with industry knowledge and the ability to fast-track the growth and development of learners. Relevant training records and other information are regularly submitted to appropriate Regulators and the Department of Labour. The data is used by management for succession planning and sustainability planning in respect of the workforce of the Group.

The Group's contribution to training initiatives during the reporting period is outlined below.

Training spent

	2024		2023	
	Training spent	% of revenue	Training spent	% of revenue
Training costs	83,540	0.23	2,326	0.01
	83,540	**0.23**	**2,326**	**0.01**

Employee health and safety

Employee health and safety is addressed as high priority through the application of best practice-based safety, health and the environment ('SHE') policies, which continue to be reviewed and updated, where required. Health and safety consultants are consulted or appointed, when required, to evaluate and report on areas deemed to be high-risk areas and more so to evaluate and report on risk areas not identified which need to be added, categorised and prioritised.

Over and above the fact that employees are an important asset in ensuring the sustainability of the Group, there is also a statutory responsibility to ensure that occupational injuries, diseases and environmental incidents are formally recorded. The Group complies with the requirements of local, national and international laws, regulations and standards. Various measures and safe work procedures have been implemented in order to measure and utilise incident data and associated trends. This serves as the basis for a pro-active and focused approach to reduce the severity and frequency of safety, health and environmental incidents.

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.

Report of the Social and Ethics Committee

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	13 Mar 2020
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 12 to 13 of the annual report.

Meeting attendance

	Meeting date		
Members	11 Apr 2023	19 Sept 2023	18 April 2024
AP Coetzee	√	√	√
Dr TB Maleka	√	√	√
DS Prinsloo	√	√	√

Conclusion and approval

The Committee believes that iHealthcare Holdings 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

18 April 2024

Remuneration and Nominations Committee

Report of the Remuneration and Nominations Committee

The iHealthcare Holdings Remuneration and Nominations Committee (‘the Committee’) was established in 2023 as a Committee of the Board.

The Committee is tasked with ensuring that the Group’s remuneration is fair, in line with good corporate governance and best market practice. The Committee ensures that the Remuneration Policy supports the Group’s strategy in relation to fair and responsible remuneration and provides oversight of all matters relating to remuneration (including the accurate, complete and transparent disclosure of executive director, prescribed officer and non-executive director remuneration). The Committee approved a Remuneration Strategy and Policy, which was then confirmed by the Board during the reporting period.

The Committee operates independently of management and is free of any organisational impairment. The Committee is governed by formal terms of reference and its duties as delegated by the Board. The terms of reference are subject to the provisions of the Companies Act No. 71 of 2008 ('Companies Act'), the organisation’s Memorandum of Incorporation ('MOI'), the Board Charter and any other applicable law or regulation.

Duties assigned by the Board

In addition to 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:

- Remuneration governance with a particular focus on ensuring that the Company remunerates fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term; and
- Non-executive and executive director nomination, including Board and Committee composition, training and induction, formal succession planning and performance evaluations.

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 duties and functions and the Board confirms that the Committee has, during the reporting period, performed the duties mandated to it by the Board.

During the reporting period, the Committee has fulfilled the following duties:

- approved the Remuneration Policy of the Group;
- reviewed the Board structure, size and composition;
- reviewed the aggregated outcomes of the Group’s performance management process and considered the results of the evaluation of the performance of the Chief Executive Officer ('CEO') and the Chief Financial Officer ('CFO') for the purposes of determining and reviewing their remuneration.
- reviewed incentive schemes to ensure continued contribution to stakeholder value;
- reviewed the independence of the independent non-executive directors;
- established arrangements for period, staggered rotation of directors and considered performance of non-executive directors for re-election at the Annual General Meeting of the Company;
- considered and recommended the fees of non-executive directors to the Board;
- monitored the performance of the Board against its targets for race and gender representation in its membership and subsequently adopted a Diversity Policy; and
- adopted a Succession Planning Framework.

The remuneration of the executive and non-executive Board members and details of the incentive schemes are set out in note 29 of the financial statements.

Diversity and equal opportunity

The Group's vision of diversity is translated into strategies and specific targets and plans which are monitored and governed by the Board. These plans and targets are reflected in the leadership and other relevant employees’ performance goals.

Board diversity is disclosed under 'Composition of the Board' on page 9.

Report of the Remuneration and Nominations Committee

Diversity profile by race and gender

	Female		Male	
2024 Race	Head count	% representation per race	Head count	% representation per race
Black	2	25.00	2	33.33
Coloured	1	12.50	-	0.00
White	5	62.50	4	66.67
	8	**100.00**	**6**	**100.00**
2023				
Black	2	28.57	2	33.33
Coloured	1	14.29	-	0.00
White	4	57.14	4	66.67
	7	**100.00**	**6**	**100.00**

Plan and terms of reference

The Committee has fulfilled its mandate as prescribed by the Board and in terms of the remuneration policy, 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 (Chairperson)	Independent non-executive director	23 Jun 2022
KJM Moja	Independent non-executive director	23 Jun 2022
Dr PJL Odendaal	Executive director	23 Jun 2022

A brief biography of each of the directors is disclosed on pages 12 to 13 of the annual report.

Meeting attendance

	Meeting date		
Members	18 Apr 2023	20 Sept 2023	16 April 2024
AP Coetzee	√	√	√
KJM Moja	√	√	√
Dr PJL Odendaal	√	√	√

Report of the Remuneration and Nominations Committee

Conclusion and approval

The Committee believes that iHealthcare Holdings addresses the key remuneration and nomination-related matters as required by the Companies Act and King IV™ (where applicable).

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 Remuneration and Ethics Committee

16 April 2024

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 consolidated and separate financial statements have been audited in compliance with the applicable requirements of the Companies Act.

Auditors

Moore Infinity Incorporated
Registered Auditors

Preparer

JH Visser CA(SA)(ANZ), CFO

Publication Date

31 May 2024

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 29 February 2024.

FluidRock Co Sec Proprietary Limited
Company Secretary

28 May 2024

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 IFRS® Accounting Standards.

Reporting frameworks and regulations

The consolidated and separate financial statements ('financial statements') have been prepared in accordance with IFRS Accounting Standards, 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 controls

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 financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

Going concern

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 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 financial statements, that have not already been incorporated into these forecasts.

External assurance

The external auditors are responsible for independently examining and reporting on the financial statements and their report is presented on pages 39 to 41.

Directors' Responsibilities and Approval

Approval

The financial statements for the year ended 29 February 2024, as set out on pages 42 to 99, which have been prepared on the going concern basis, were approved by the Board on 28 May 2024 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, 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 terms of reference 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.

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 Moore Infinity Incorporated ('Moore') as the independent auditors and Mr E Rossouw, a registered independent auditor, as the designated auditor, for appointment for the 2024 audit. This appointment was approved by shareholders at the Annual General Meeting ('AGM') on 24 August 2023. 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.

Report of the Audit and Risk Committee

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 2024 reporting period. The budgeted fee was considered for appropriateness and then approved. Audit fees are disclosed in note 20 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.

Moore was appointed as the auditors of iHealthcare Holdings' auditors during 2024, with Mr E Rossouw being appointed as the designated auditor in 2024. 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

The Committee considered the impact of the following significant matters on the financial statements of the Group during the reporting period.

Matter considered	Note
• The changes to material accounting policies.	5
• The impairment loss recognised in profit or loss related to equipment and peripherals.	8
• The impairment loss recognised in profit or loss related to the investment in subsidiaries.	9
• The loss of control of subsidiary.	9
• The allowance for obsolete inventory adjustment.	11

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

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.

Report of the Audit and Risk Committee

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 Accounting Standards. 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 29 February 2024 for approval to the Board. The Board approved the financial statements on 28 May 2024 and the financial statements will be open for discussion at the AGM.

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. These results were reported at each of the Board meetings.

Reporting process

The Committee oversaw the reporting process in accordance with its terms of reference 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.

Report of the Audit and Risk Committee

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.

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 terms of reference, 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 29 February 2024, the Committee is of the view that, in all material aspects, it complies with the relevant provisions of the Companies Act and IFRS Accounting Standards 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 29 February 2024 for approval to the Board on 28 May 2024.

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 (Chairperson)	Independent non-executive director	10 Oct 2019
Dr B Khantsi	Independent non-executive director	09 Feb 2023
KJM Moja	Independent non-executive director	10 Oct 2019

A brief biography of each of the directors is disclosed on pages 12 to 13 of the annual report.

Report of the Audit and Risk Committee

Meeting attendance

Members	23 May 2023	18 July 2023	Meeting date 21 Nov 2023	06 Feb 2024	21 May 2024
AP Coetzee	√	√	√	√	√
Dr B Khantsi	√	√	Apology	√	√
KJM Moja	√	Apology	√	√	√

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 28 May 2024 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

21 May 2024

Directors' Report

The directors take pleasure in presenting their report for the reporting period ended 29 February 2024.

Directors' Responsibility

The Company's directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards 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.

iHealthcare Holdings is invested entirely in the healthcare industry with a major focus on the ophthalmology market. The Group provides a range of medical-equipment, devices and surgical consumables to its customers in the ophthalmology market.

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 7 to 10 of the annual report.

The Group incurred a loss of R5,785,948 (2023: R108,383 profit generated). The financial statements on pages 42 to 99 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 32 of the financial statements.

Stated Capital

No changes to the stated capital of the Company took place during the reporting period.

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 29 February 2024 are included in note 29 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 28 May 2024. The directors have no non-beneficial shareholdings.

Directors' Report

Shareholders other than Directors

An analysis of shareholders is set out on pages 101 to 102 of the report.

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 no dividends during the current reporting period (2023: R3,000,000).

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.

External Audit and Independence

Moore Infinity Incorporated 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 Moore Infinity Incorporated and the designated auditor, Mr E Rossouw, 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 Moore Infinity Incorporated for the independent audit of the iHealthcare Holdings Group entities for the reporting period ended 29 February 2024 amounts to R850,000.

Directors' Report

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 Company has 1 (one) prescribed officer.

The Board

Director	Date appointed
AP Coetzee[1]	10 Oct 2019
Dr B Khantsi[1]	01 Sept 2022
Dr TB Maleka[1]	20 Oct 2021
KJM Moja[1]	10 Oct 2019
Dr PJL Odendaal	03 Apr 2019
DS Prinsloo	01 Jun 2021

[1]Independent non-executive director.

Audit and Risk Committee

Director	Date appointed
AP Coetzee	10 Oct 2019
Dr B Khantsi	09 Feb 2023
KJM Moja	10 Oct 2019

Social and Ethics Committee

Director	Date appointed
AP Coetzee	13 Mar 2020
Dr TB Maleka	20 Oct 2021
DS Prinsloo	01 Jun 2021

Remuneration and Nominations Committee

Director	Date appointed
AP Coetzee	23 Jun 2022
KJM Moja	23 Jun 2022
Dr PJL Odendaal	23 Jun 2022

A brief biography of each of the directors is disclosed on pages 12 to 13 of the annual report.

Directors' Report

State Affairs of the Group - Material Considerations

Borrowing powers

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

Changes in material accounting policies

The Group has adopted the following amendments during the reporting period:

Amendment	Effective date
Deferred tax related to assets and liabilities arsing from a single transaction (Amendments to IAS 12 Income Taxes)	1 March 2023
Material accounting policy information (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements)	1 March 2023

Details of the impact of the material changes in accounting policies on the Group is set out in note 5 of the financial statements.

Loss of control of subsidiary

During the reporting period, the Company disposed of its investment in a subsidiary, namely IsoPharm Proprietary Limited ('IsoPharm'), to an external party by means of a sale of shares transaction. The disposal of the investment represented a loss of control of the subsidiary for the Group. The effective date of the disposal and the loss of control was 25 February 2024.

The investment was disposed of for a total consideration amounting to R1,157,214. An additional payment amounting to R2,042,786, separate from the purchase consideration, was contractually agreed with the acquirer in respect of the settlement of the loans owed to the Company and IsoClear by IsoPharm.

Furthermore, the Company reserves the right to receive all amounts owed to IsoPharm in respect of Value-Added Tax claims, not refunded by SARS to IsoPharm at the date of disposal. The estimated consideration receivable in respect of these refunds amounted to R181,577 at the date of loss of control.

Details of the transaction are set out in note 9 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 29 February 2024, 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 30 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

Going Concern Statement

Although the Group incurred a loss amounting to R5,785,948 (2023: R108,383 profit generated), the total current assets of the Group exceed the total current liabilities by R12,863,096 (2023: R18,998,588) and the total assets of the Group exceed the total liabilities by R18,310,672 (2023: R24,096,620).

Following due consideration of the operating budgets, an assessment of the Group's debt covenants and funding requirements, solvency and liquidity, the key risks, outstanding legal, insurance and tax issues and other pertinent matters presented by management as set out in note 33 of the financial statements, 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

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.

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Independent Auditor's Report

To the Shareholders of iHealthcare Group Holdings Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of iHealthcare Group Holdings Limited (the company) and its Subsidiaries (the group) set out on pages 42 to 99, which comprise the consolidated and separate statement of financial position as at 29 February 2024, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

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 and its Subsidiaries as at as at 29 February 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. This matter was addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter **Risk Description – Valuation of Investment in Subsidiary, IsoClear (Note 9 – Investment in subsidiary):**	**How our audit addressed the key audit matter**
The company's investment in its subsidiary, IsoClear, is a significant asset that requires complex and subjective judgements to determine its recoverable amount. The valuation process is influenced by various factors, including changes in customer mix, market limitations for certain products, new supplier agreements, and exposure to foreign exchange risks. These elements have been considered in the context of the relevant accounting standards, particularly IAS 36 – Impairment of Assets. We have identified the valuation of the investment in IsoClear as a Key Audit Matter due to the inherent uncertainties and judgmental nature of the inputs used in the discounted cash flow valuation methodology. This method is sensitive to changes in assumptions regarding future cash flows, discount rates, and other factors that could significantly affect the recoverable amount. During the reporting period, management recognised indicators of impairment based on the subsidiary's performance, which included:	**Our Response**: •**Assessment of External Expert's Valuation:** We evaluated the competence, capabilities, and objectivity of the independent expert engaged by management. This assessment was essential to determine the reliability of their discounted cash flow (DCF) valuation of the investment in IsoClear. We considered the expert's professional credentials, experience in the industry, and independence from the group to ensure that we could depend on their valuation. •**Review of Valuation Methodology:** We scrutinized the valuation process. Our test involved a detailed review of the DCF methodology applied by the independent expert. We focused on the reasonableness and consistency of the assumptions and inputs, such as future cash flows and discount rates, against industry standards and market data.

• A change in customer mix, along with a constrained local market for certain impaired equipment and peripherals. • The recognition of an allowance for obsolete inventory for specific equipment and consumables. • Restrictions on the marketing and salability of products due to new supplier agreements. • The impact of foreign exchange risk, particularly the depreciation of the ZAR against major currencies, affecting the cost of significant product imports. An independent expert's valuation, based on the discounted cash flow methodology, determined the subsidiary's value-in-use. Consequently, the company recognised an impairment loss of R30,731,526 during the period under audit. This matter was of particular audit significance in the current period due to its materiality and the level of judgement involved in assessing the recoverable amount. The disclosure associated with the valuation of investment in subsidiary is set out in note 9 - Investment in subsidiaries.	**•Integrity of Data and Risk of Management Override:** To ensure the valuation was based on accurate and complete data, we examined the sources of information used by the independent expert. Our procedures included verifying the integrity of data and confirming that there was no evidence of management interference that could skew the valuation results. **•Recalculation of DCF Valuations:** We independently recalculated the DCF valuation, including all significant inputs, to confirm the accuracy of the calculations made by the external expert. This verification process allowed us to assess the appropriateness of the fair value as per IAS 36 – Impairment of Assets. **•Conclusion:** Our audit procedures provided sufficient and appropriate evidence to conclude that the valuation of the investment in IsoClear was reasonable and free from material misstatement. The impairment loss recognised by company was supported by the valuation and the relevant indicators of impairment. The separate financial statements, including note 9 - Investment in subsidiaries, reflect a fair and conservative estimation of the investment's recoverable amount.

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 2024" and in the document titled "iHealthcare Group Holdings Limited Annual Financial Statements 2024", which includes the Directors' Report, Certificate by the Company Secretary and the Audit and Risk Committee's Report, as required by the Companies Act of South Africa, and the supplementary information as set out on pages 100 to 102, which we obtained prior to the date of this report 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and 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 group and/ or 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and 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 group and 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 group and/ or 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 consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Moore Infinity Incorporated has been the auditor of iHealthcare Group Holdings Limited for 1 year.

Moore Infinity

Moore Infinity Incorporated
Chartered Accountants (SA)
Registered Auditors

Per: Ettiene Rossouw
Director
Registered Auditor

30 May 2024
Silverstream Office Park
10 Muswell Road
Bryanston
Sandton
1501

Statements of Financial Position

as at 29 February 2024

Figures in R	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Assets					
Non-current assets					
Property and equipment	8	4,578,165	4,629,084	54,751	78,929
Investments in subsidiaries	9	-	-	36,969,000	67,700,526
Deferred tax assets	10	3,454,687	1,407,778	682,118	542,443
Total non-current assets		**8,032,852**	**6,036,862**	**37,705,869**	**68,321,898**
Current assets					
Inventories	11	8,513,543	15,248,138	-	-
Trade and other receivables	12	5,079,018	6,955,393	66,564	90,936
Loan to group company	13	-	-	-	1,188,786
Cash and cash equivalents	14	6,555,528	6,308,995	4,174,629	2,261,835
Total current assets		**20,148,089**	**28,512,526**	**4,241,193**	**3,541,557**
Total assets		**28,180,941**	**34,549,388**	**41,947,062**	**71,863,455**
Equity and liabilities					
Equity					
Stated capital	15	67,706,202	67,706,202	67,706,202	67,706,202
Retained earnings		(49,395,530)	(43,609,582)	(28,056,648)	1,895,417
Total equity		**18,310,672**	**24,096,620**	**39,649,554**	**69,601,619**
Liabilities					
Non-current liabilities					
Share-based payment liability	29	344,122	926,830	344,121	852,680
Lease liability	16	599,007	-	-	-
Borrowings	17	1,636,147	-	-	-
Contract liabilities	19	6,000	12,000	-	-
Total non-current liabilities		**2,585,276**	**938,830**	**344,121**	**852,680**
Current liabilities					
Trade and other payables	18	5,912,958	9,419,896	1,333,974	1,384,135
Current tax liabilities	26	-	88,042	-	25,021
Share-based payment liability	29	688,241	-	619,413	-
Lease liability	16	220,703	-	-	-
Borrowings	17	457,091	-	-	-
Contract liabilities	19	6,000	6,000	-	-
Total current liabilities		**7,284,993**	**9,513,938**	**1,953,387**	**1,409,156**
Total liabilities		**9,870,269**	**10,452,768**	**2,297,508**	**2,261,836**
Total equity and liabilities		**28,180,941**	**34,549,388**	**41,947,062**	**71,863,455**

Statements of Profit or Loss and Other Comprehensive Income
for the year ended 29 February 2024

Figures in R	Notes	Group 2024	Group 2023†	Company 2024	Company 2023
Continuing operations					
Revenue	19	36,442,074	41,325,022	5,126,142	9,459,182
Cost of sales		(23,295,155)	(19,087,159)	-	-
Gross profit		**13,146,919**	**22,237,863**	**5,126,142**	**9,459,182**
Other income		**2,771,955**	**-**	**1,157,214**	**-**
Reversal of impairment loss on trade receivables	28	96,995	-	-	-
Gain on loss of control of subsidiary	9	2,674,960	-	1,157,214	-
Operating expenses		**(23,858,756)**	**(21,170,653)**	**(36,402,673)**	**(6,460,596)**
Impairment loss on trade receivables	28	-	(92,932)	-	-
Loss on disposal of property and equipment		(901,967)	(15,373)	-	-
Impairment loss on equipment and peripherals	8	(1,626,020)	-	-	-
Impairment loss on investment in subsidiary	9	-	-	(30,731,526)	-
Loss on foreign exchange		(408,624)	(290,847)	-	-
Employee benefit expense		(10,803,753)	(10,882,446)	(3,448,495)	(3,620,843)
Share-based payment expense	29	(105,533)	(556,098)	(110,854)	(852,680)
Administrative expenses[1]		(1,892,261)	(2,316,415)	(1,221,587)	(1,275,898)
Other expenses[1]		(8,120,598)	(7,016,542)	(890,211)	(711,175)
Operating (loss)/profit	**20**	**(7,939,882)**	**1,067,210**	**(30,119,317)**	**2,998,586**
Finance income	21	137,979	168,125	27,690	-
Finance costs	22	(109,588)	-	-	-
(Loss)/profit before tax		**(7,911,491)**	**1,235,335**	**(30,091,627)**	**2,998,586**
Income tax benefit/(expense)	23	2,478,081	(717,498)	139,562	119,868
(Loss)/profit from continuing operations		**(5,433,410)**	**517,837**	**(29,952,065)**	**3,118,454**
Discontinued operations					
Loss from discontinued operations, net of tax	9	(352,538)	(409,454)	-	-
(Loss)/profit for the period[2]		**(5,785,948)**	**108,383**	**(29,952,065)**	**3,118,454**
Other comprehensive income ('OCI')		-	-	-	-
Total comprehensive (loss)/income for the period[2]		**(5,785,948)**	**108,383**	**(29,952,065)**	**3,118,454**
(Loss)/earnings per ordinary share	24				
Total					
Basic (loss)/earnings per ordinary share (cents)		(236.3)	4.4		
Diluted (loss)/earnings per ordinary share (cents)		(236.3)	4.4		
Continuing operations					
Basic (loss)/earnings per ordinary share (cents)		(221.9)	21.0		
Diluted (loss)/earnings per ordinary share (cents)		(221.9)	21.0		
Discontinued operations					
Basic loss per ordinary share (cents)		(14.4)	(14.4)		
Diluted loss per ordinary share (cents)		(14.4)	(14.4)		

†Comparative information has been re-presented due to a discontinued operation (refer to note 9).
[1]Refer to note 20 for significant contributing expenses to this line item.
[2]The total (loss)/profit for the period and total comprehensive (loss)/income for the period are attributable to the owners of the Company.

Statements of Changes in Equity - Group

for the year ended 29 February 2024

Figures in R		Stated capital	Retained earnings	Attributable to owners of the Company	Total
Balance at 1 March 2022		67,867,660	(40,717,965)	27,149,695	27,149,695
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					
Dividends 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**	**(43,609,582)**	**24,096,620**	**24,096,620**
Balance at 1 March 2023		67,706,202	(43,609,582)	24,096,620	24,096,620
Total comprehensive loss					
Loss for the period		-	(5,785,948)	(5,785,948)	(5,785,948)
Total comprehensive loss for the period		-	(5,785,948)	(5,785,948)	(5,785,948)
Balance at 29 February 2024		**67,706,202**	**(49,395,530)**	**18,310,672**	**18,310,672**
	Notes	**15**			

Statements of Changes in Equity - Company

for the year ended 29 February 2024

Figures in R		Stated capital	Retained earnings	Total
Balance at 1 March 2022		67,867,660	1,776,963	69,644,623
Total comprehensive income				
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				
Dividends 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**
Balance at 1 March 2023		**67,706,202**	**1,895,417**	**69,601,619**
Total comprehensive loss				
Loss for the period		-	(29,952,065)	(29,952,065)
Total comprehensive loss for the period		-	(29,952,065)	(29,952,065)
Balance at 29 February 2024		**67,706,202**	**(28,056,648)**	**39,649,554**
	Note	**15**		

Statements of Cash Flows

for the year ended 29 February 2024

Figures in R	Notes	Group 2024	Group 2023	Company 2024	Company 2023
Cash flows from operating activities					
Cash (used in)/generated from operations	25	(4,902,353)	1,772,979	(416,352)	1,556,350
Dividends received		-	-	-	2,358,238
Finance cost paid	22	(101,640)	-	-	-
Finance income received	21	137,979	168,125	27,690	-
Income tax paid	26	(64,707)	(1,050,191)	(25,134)	(375,954)
Net cash (used in)/from operating activities		**(4,930,721)**	**890,913**	**(413,796)**	**3,538,634**
Cash flows from investing activities					
Disposal of discontinued operation, net of cash disposed of	9	3,143,063	-	1,157,214	-
Proceeds from disposal of property and equipment		61,500	463,789	-	-
Acquisition of property and equipment	8	(120,547)	(352,601)	(19,410)	(106,174)
Repayment from loans to group companies	13	-	-	1,188,786	-
Net cash from investing activities		**3,084,016**	**111,188**	**2,326,590**	**(106,174)**
Cash flows from financing activities					
Repurchase of ordinary shares	15	-	(161,458)	-	(161,458)
Proceeds from borrowings		2,441,896	-	-	-
Repayment of borrowings		(348,658)	-	-	-
Repayment of loan from group company		-	-	-	(1,278,371)
Dividends paid	24	-	(3,000,000)	-	(3,000,000)
Net cash from/(used in) financing activities	27	**2,093,238**	**(3,161,458)**	**-**	**(4,439,829)**
Net increase/(decrease) in cash and cash equivalents		**246,533**	**(2,159,357)**	**1,912,794**	**(1,007,369)**
Cash and cash equivalents at 1 March	14	6,308,995	8,468,352	2,261,835	3,269,204
Cash and cash equivalents at 29/28 February	**14**	**6,555,528**	**6,308,995**	**4,174,629**	**2,261,835**

Notes to the Financial Statements
for the year ended 29 February 2024

1. Reporting entity

iHealthcare Group Holdings Limited ('iHealthcare Holdings') is incorporated and domiciled in South Africa. The address of its registered office is The Village, Block A First Floor, Cnr Oberon and Glenwood Roads, Faerie Glen, Pretoria, 0043. The consolidated financial statements of the Company as at and for the period ended 29 February 2024 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 35.

2. Statement of compliance

The consolidated and separate financial statements ('financial statements') have been prepared in accordance with IFRS Accounting Standards, 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 28 May 2024 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 Accounting Standards.

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 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.

Management made no judgements during the current reporting period that could have a significant impact on the amounts recognised in the financial statements.

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	Note
Deferred tax: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilised	10
Net realisable value ('NRV') of inventory: key assumptions in determining the NRV	11
Measurement of expected credit losses: key assumptions in determining the loss rates and credit ratings	28
Share-based payment arrangement: key inputs into the appropriate valuation model	29

5. Changes in material accounting policies

5.1 Deferred tax related to assets and liabilities arsing from a single transaction (Amendments to IAS 12 Income Taxes)

The Group has adopted the amendments from 1 March 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences, e.g. leases (refer to note 6). For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings at that date. For all other transactions, an entity applies the amendments to the transactions that occur on or after the beginning of the earliest period presented.

The Group previously classified the property lease as a short-term lease for which the Group had elected not to recognise a right-of-use asset and lease liability (refer to note 16). There is thus no impact on the statement of financial position or opening retained earnings as at 1 March 2022 following the amendments.

The Group entered into a new property lease during the current reporting period (refer to note 16) and the Group has recognised a separate deferred tax asset in relation to its lease liability and a deferred tax liability in respect of its right-of-use asset (refer to note 10).

5.2 Material accounting policy information (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Making Materiality Judgements)

The Group also adopted the amendments from 1 March 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 6 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

6. Material accounting policies

The Group has consistently applied the following accounting policies to all periods presented in the financial statements.

Certain comparative amounts in the statements of profit or loss and other comprehensive income have been re-presented as a discontinued operation during the current reporting period (refer to note 9).

6.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all investees, comprising subsidiaries, 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.

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.

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for the year ended 29 February 2024

6.2 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 a property leased by the Group. The property comprises administrative space. Demo units are classified as property and equipment and included in 'equipment and peripherals'. 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:

Classes	Useful life
Equipment and peripherals (previously 'Demo units')	3-6 years
Right-of-use asset: property[1]	Remaining lease term
Leasehold improvements	Remaining lease term
Machinery	5 years
Fixtures and fittings	6 years
Office equipment	6 years
Computer equipment	2-3 years
Rental assets	3-6 years

[1]Refer to note 6.3 for the accounting policy in respect of the right-of-use asset.

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

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

6.3 Leases

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

Group as lessee

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

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is tested for impairment when appropriate, and adjusted for certain remeasurements of the lease liability. The Group presents right-of-use assets in ‘property and equipment’ in the statement of financial position.

The lease liability is initially measured at the present value of the lease payments that were not paid at the commencement date, discounted using the Group’s incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making 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 comprises fixed payments. The lease entered into by the Group does not have residual value guarantees or any purchase options.

Subsequent to initial measurement, the liability is reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produced a constant periodic rate of interest on the remaining balance of the lease liability.

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.

Sale-and-leaseback transactions

The Group enters into sale-and-leaseback transactions with external financing sources in relation to demo equipment. The Group transfers the underlying asset to the seller at the fair value of the underlying asset.

In determining whether the transfer of the underlying asset is accounted for as a sale, the Group considers the requirements of determining transfer of control of an asset (on the same basis as the Group assesses transfer of control in respect of performance obligations for revenue recognition purposes). If the transfer of the asset is not a sale, the seller will continue to recognise the underlying asset and will recognise a financial liability, as described in note 6.6, equal to the transfer proceeds.

For the Group, the transfer of the equipment under sale-and-leaseback transactions does not meet the definition of a sale and, therefore, the Group continues to recognise the underlying assets as property and equipment. A financial liability has been recognised at an amount equal to the proceeds received and is presented in 'borrowings' in the statement of financial position.

Group as lessor

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

All leases with the Group as lessor have been classified as operating leases. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘other revenue’.

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for the year ended 29 February 2024

6.4 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.

6.5 Inventories

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

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

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

6.6 Financial Instruments

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus 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

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.

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.

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.

Impairment

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

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

Loss allowances are measured as follows:

- for trade receivables and the loan to group company: measured at an amount equal to lifetime expected credit losses ('ECL');
- for bank balances: measured at an amount equal to 12-month ECLs due to no significant increase in credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) since initial recognition.

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

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 customer 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 intragroup 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.

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; 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

Trade receivables is presented net of the loss allowance.

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.

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.

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

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for the year ended 29 February 2024

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.

6.7 Stated capital

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

6.8 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.

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 principles.

Type of product/ service offering	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sale of 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.	

Notes to the Financial Statements

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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.	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.
	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.	
	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.
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.	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.
	Invoices are generated at the point in time when the equipment is sold, with the same payment terms applicable. Customers pay in advance for the service contract.	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. Payments received in advance are included in 'contract liabilities'.

Revenue from leases related to equipment and peripherals is recognised on a straight-line basis over the period of the leases (refer to note 6.3 under 'Group as lessor').

6.9 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

Options granted under phantom share schemes have been classified as cash-settled share-based payment transactions as the options entitle the holders to a cash payment based on the value of the underlying shares.

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.

6.10 Foreign currency

Foreign currency transactions

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

6.11 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.

6.12 Income tax

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

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability 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 or loss and does not give rise to equal taxable and deductible temporary differences;
- 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.

6.13 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a major line or business or geographic area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative reporting period. The comparative statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Notes to the Financial Statements

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7. New Standards and Interpretations

New and revised standards and interpretations issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2024 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 - Deferral of Effective Date (Amendments to IAS 1 Presentation of Financial Statements)	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 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases)	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements to be accounted for as a sale.	Annual reporting periods beginning on or after 1 January 2024
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	The standard sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	Annual reporting periods beginning on or after 1 January 2024
IFRS S2 Climate-related Disclosures	The standard sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	Annual reporting periods beginning on or after 1 January 2024

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

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Figures in R

8. Property and equipment

Reconciliation of movements within the carrying amounts of property and equipment

	Equipment and peripherals†	Property[1]	Leasehold improvements[2]	Machinery	Fixtures and fittings	Office equipment	Computer equipment[3]	Rental assets[4]	Total
Group									
At cost	7,628,345	-	-	202,371	338,636	29,408	412,996	-	**8,611,756**
Accumulated depreciation and impairment losses	(3,578,416)	-	-	(71,940)	(123,584)	(14,821)	(193,911)	-	**(3,982,672)**
Balance at 1 March 2023	**4,049,929**	**-**	**-**	**130,431**	**215,052**	**14,587**	**219,085**	**-**	**4,629,084**
Movements during the reporting period									
Additions	-	-	28,997	-	33,840	-	57,710	-	**120,547**
Transferred from inventory	3,752,601	-	-	-	-	-	-	-	**3,752,601**
Transferred to rental assets	(1,860,509)	-	-	-	-	-	-	1,860,509	**-**
New lease entered into (refer to note 16)	-	729,755	82,006	-	-	-	-	-	**811,761**
-Right-of-use recognised	-	811,761	-	-	-	-	-	-	**811,761**
-Lease incentive[5]	-	(82,006)	82,006	-	-	-	-	-	**-**
Depreciation	(1,768,030)	(19,723)	-	(40,476)	(48,471)	(5,333)	(115,070)	(146,185)	**(2,143,288)**
Impairment loss	(1,626,020)	-	-	-	-	-	-	-	**(1,626,020)**
Disposals	(797,875)	-	-	(42,913)	(109,636)	(787)	(12,255)	-	**(963,466)**
Loss of control of subsidiary (refer to note 9)	-	-	-	-	(3,054)	-	-	-	**(3,054)**
Balance at 29 February 2024	**1,750,096**	**710,032**	**111,003**	**47,042**	**87,731**	**8,467**	**149,470**	**1,714,324**	**4,578,165**
At cost	6,601,777	729,755	111,003	125,043	134,211	19,349	441,886	1,860,509	**10,023,533**
Accumulated depreciation and impairment losses	(4,851,681)	(19,723)	-	(78,001)	(46,480)	(10,882)	(292,416)	(146,185)	**(5,445,368)**
Balance at 29 February 2024	**1,750,096**	**710,032**	**111,003**	**47,042**	**87,731**	**8,467**	**149,470**	**1,714,324**	**4,578,165**

[1]This class represents a right-of-use asset in respect of a lease entered into by the Group as lessee (refer to note 16).

[2]The leasehold improvements were finalised shortly after the reporting date and no depreciation in respect of the leasehold improvements was recognised in profit or loss.

[3]The carrying amount includes R4,600 in respect of website development cost. At the reporting date, the development of the website was not completed and no depreciation in respect of the development cost was recognised in profit or loss.

[4]The class represents equipment and peripherals in respect of operating leases entered into by the Group as lessor (refer to note 19).

[5]The lease incentive represents a tenant installation allowance where the Group has obtained control of the underlying leasehold improvements (refer to note 16).

†The class was renamed to include other items of equipment and peripherals to align to the change in business model. In the prior reporting date this class was referred to as 'Demo units'.

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	Equipment and peripherals	Machinery	Fixtures and fittings	Office equipment	Computer equipment	Total
Group						
At cost	9,257,301	170,131	273,885	18,109	230,182	**9,949,608**
Accumulated depreciation and impairment losses	(3,919,110)	(33,078)	(83,115)	(10,621)	(149,772)	**(4,195,696)**
Balance at 1 March 2022	**5,338,191**	**137,053**	**190,770**	**7,488**	**80,410**	**5,753,912**
Movements during the reporting period						
Additions	-	32,240	64,752	11,299	244,310	**352,601**
Transferred from inventory √	812,241	-	-	-	-	**812,241**
Depreciation	(1,632,239)	(38,862)	(40,470)	(4,200)	(94,737)	**(1,810,508)**
Disposals	(468,264)	-	-	-	(10,898)	**(479,162)**
Balance at 28 February 2023	**4,049,929**	**130,431**	**215,052**	**14,587**	**219,085**	**4,629,084**
At cost	7,628,345	202,371	338,636	29,408	412,996	**8,611,756**
Accumulated depreciation and impairment losses	(3,578,416)	(71,940)	(123,584)	(14,821)	(193,911)	**(3,982,672)**
Balance at 28 February 2023	**4,049,929**	**130,431**	**215,052**	**14,587**	**219,085**	**4,629,084**

√'Equipment and peripherals' which was transferred from inventory was previously included in 'additions' for this class.

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Figures in R

	Computer equipment	Total
Company		
At cost	106,174	**106,174**
Accumulated depreciation and impairment losses	(27,245)	**(27,245)**
Balance at 1 March 2023	**78,929**	**78,929**
Movements during the reporting period		
Additions	19,410	**19,410**
Depreciation	(43,588)	**(43,588)**
Balance at 29 February 2024	**54,751**	**54,751**
At cost	125,584	**125,584**
Accumulated depreciation and impairment losses	(70,833)	**(70,833)**
Balance at 29 February 2024	**54,751**	**54,751**
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**

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.

Equipment and peripherals (previously 'Demo units')

The equipment and peripherals include the following items:

- demo units which are either used for demonstration purposes or placed at a customer's premises for an agreed-upon period;
- equipment as underlying asset in respect of lease agreements where the Group acts as lessor (refer to note 19); and
- equipment utilised as the underlying asset in respect of sale-and-leaseback transactions. The Group entered into sale-and-leaseback transactions with Wesbank, a division of FirstRand Bank Limited ('Wesbank') during the reporting period (refer to note 17).

Equipment with a carrying amount of R2,150,867 (2023: Rnil) is subject to sale-and-leaseback transactions whereby legal title and ownership has been transferred to Wesbank. The Group has the discretionary right to direct the placement and the use of the equipment, but is not permitted to dispose of the equipment.

Impairment

Management identified impairment indicators in respect of equipment and peripherals, specifically demo units, based on the restrictions on future marketing and saleability of specific equipment which arose from new supplier agreements entered into during the reporting period. Due to the specialised nature of the equipment and the limited local market for these items, management assessed the recoverable amount of these items to be Rnil at the reporting date. The recoverable amount was determined using the value-in-use with an applicable discount rate of 11.75% per annum.

An impairment loss amounting to R1,626,020 (2023: Rnil) was recognised in profit or loss in respect of equipment and peripherals.

Impairment - other assets

No other indicators of impairment were present based on the current period review of the other classes of assets.

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9. Investments in subsidiaries, including loss of control of subsidiary (discontinued operation)

	2024	2023
Company		
Direct investment		
iHealthcare Group Limited ('IHG')	-	-
• Investment at cost	-	67,700,524
• Derecognition on liquidation of investment	-	(67,700,524)
IsoClear Proprietary Limited ('IsoClear')	36,969,000	67,700,526
• Investment at cost	67,700,526	-
• Recognition of investment at cost (return of investment)	-	67,700,526
• Impairment loss recognised in profit or loss	(30,731,526)	-
IsoPharm Proprietary Limited ('IsoPharm')	-	-
• Investment at cost	-	-
• Loss of control of subsidiary	-	-
	36,969,000	**67,700,526**

All investments in subsidiaries represent wholly-owned subsidiaries.

Return of investment - restructuring of internal holding structure

During the prior 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 prior reporting date until the deregistration of IHG in the current reporting period.

Voting rights and ownership interest

	% of proportionate ownership interest		% of voting rights held	
Name of subsidiary	2024	2023	2024	2023
iHealthcare Group Limited[1]	-	100.00	-	100.00
IsoClear Proprietary Limited	100.00	100.00	100.00	100.00
IsoOps Proprietary Limited[2]	100.00	100.00	100.00	100.00
IsoPharm Proprietary Limited	-	100.00	-	100.00
IsoProp Proprietary Limited[1]	-	100.00	-	100.00

[1]The company was deregistered with the Companies and Intellectual Property Commission during the current reporting period.

[2]Management is awaiting the final confirmation of deregistration in respect of its application for voluntary liquidation and deregistration with the Companies and Intellectual Property Commission.

Corporate information

Name of subsidiary	Country of incorporation	Principal operating industry	Issued share capital 2024	Issued share capital 2023
iHealthcare Group Limited	South Africa	Dormant	-	4,313,996
IsoClear Proprietary Limited	South Africa	Ophthalmology	2	2
IsoOps Proprietary Limited	South Africa	Dormant	120	120
IsoPharm Proprietary Limited	South Africa	Ophthalmology	-	3
IsoProp Proprietary Limited	South Africa	Dormant	-	120

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Impairment assessment of IsoClear

Management identified indicators for impairment for the investment held in IsoClear based on the performance of the subsidiary during the reporting period. Indicators and considerations which impacted the profitability of the subsidiary were assessed by management as follows:

- the change in customer mix coupled with a limited local market for the equipment and peripherals which was impaired (refer to note 8), and the recognition of an allowance for obsolete inventory for certain equipment and consumables (refer to note 11);
- restrictions on future marketing and saleability of specific products included in inventory which arose from new supplier agreements entered into during the reporting period; and
- the impact of the exposure to foreign exchange risk on the significant import of products based on the deterioration of the ZAR against the Euro and the US Dollar.

Albeit that there was a world-wide shortage of specific components related to the manufacturing of equipment and peripherals, the normalisation of the respective delay in the delivery of these items towards the end of the reporting period, coupled with diversification and growth within the subsidiary's customer base, was considered and taken into account in determining the recoverable amount of the investment.

An independent expert performed a valuation of the operations of IsoClear. The valuation was based on the discontinued cash flow valuation methodology. Based on the outcome of the valuation the recoverable amount was the subsidiary's value-in-use and the Group recognised an impairment loss amounting to R30,731,526 (2023: Rnil) in profit or loss in respect of the investment held in IsoClear. The discount rate applied in the valuation was 23.20% per annum.

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Loss of control of IsoPharm

During the reporting period, the Company disposed of its investment in IsoPharm to an external party by means of a sale of shares transaction. The disposal of the investment represented a loss of control of subsidiary for the Group. The effective date of the disposal and the loss of control was 25 February 2024.

The investment was disposed of for a total consideration amounting to R1,157,214. An additional payment amounting to R2,042,786, separate from the purchase consideration, was contractually agreed with the acquirer in respect of the settlement of the loans owed to the Company and IsoClear by IsoPharm.

Furthermore, the Company reserves the right to receive all amounts owed to IsoPharm in respect of Value-Added Tax claims, not refunded by SARS to IsoPharm at the date of disposal. The estimated consideration receivable in respect of these refunds amounted to R181,577 at the date of loss of control.

The following tables provide information about the disposal and loss of control of IsoPharm and the underlying net identifiable assets immediately before the disposal, for the Group and the Company respectively:

Group	Notes	Carrying amount at effective date
Assets		
Equipment	8	3,054
Goodwill[1]		-
Deferred tax asset	10	509,400
Trade and other receivables		138,072
Cash and equivalents		56,937
Total assets		**707,463**
Liabilities		
Trade and other payables		(846)
Total liabilities		**(846)**
Identifiable net assets		**706,617**

[1]Goodwill with a cost of R600,372 was recognised on acquisition of IsoPharm Proprietary Limited ('IsoPharm'), and allocated to the subsidiary as cash-generating unit included in the ophthalmology segment. The cost was subsequently fully impaired with a carrying amount of Rnil (2023: Rnil at reporting date) immediately prior to the disposal of IsoPharm during the current reporting period.

Purchase consideration received in cash	1,157,214
Additional cash payment: intra-group loans owed by IsoPharm	2,042,786
Purchase consideration receivable (included in note 12)	181,577
Total consideration	**3,381,577**
Gain on loss of control of subsidiary recognised in profit or loss	**2,674,960**

The purchase consideration and additional payment was received by the Group on the effective date of loss of control of IsoPharm.

The impact on the statement of cash flows of the loss of control of IsoPharm was as follows:

Purchase consideration received	1,157,214
Cash and equivalents disposed of	(56,937)
Proceeds from debt replacement of intra-group loans	2,042,786
Total cash inflow classified as part of investing activities	**3,143,063**

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Company	Notes	Carrying amount at effective date
Assets		
Investment in IsoPharm		-
Loan to IsoPharm	13	1,188,786
Total assets		**1,188,786**
Identifiable net assets		**1,188,786**
Purchase consideration received in cash		(2,346,000)
Gain on disposal of subsidiary recognised in profit or loss		**(1,157,214)**

The impact on the statement of cash flows of the disposal of IsoPharm was as follows:

Purchase consideration received		1,157,214
Proceeds from disposal of loan to group company	13	1,188,786
Total cash inflow classified as part of investing activities		**2,346,000**

Results of discontinued operations

IsoPharm represented a major line of business within the Ophthalmology segment of the Group.

	Group	
	2024	**2023**
Revenue	282,187	44,174
Intragroup revenue	(86,506)	-
External revenue	**195,681**	**44,174**
Expenses	(649,781)	(591,810)
Intragroup expenses	-	-
External expenses	**(649,781)**	**(591,810)**
Loss before tax	(454,100)	(547,636)
Income tax benefit	101,562	138,182
Loss from discontinued operations, net of tax	**(352,538)**	**(409,454)**

Cash flows of discontinued operations

Cash flows used in operating activities	(721,143)	(303,358)
Cash flows from financing activities	754,000	250,000
Net cash flows	**32,857**	**(53,358)**

IsoPharm did not have any cash flows from investing activities during the current or prior reporting period.

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10. Deferred tax

	Group		Company	
	2024	2023	2024	2023
Deferred tax assets				
Based on nature of temporary difference				
Assessed loss available for future set-off against taxable income	2,270,432	394,338	97,754	-
Temporary differences				
• Contract liabilities	3,240	4,860	-	-
• Equipment	203,544	110,229	-	-
• Loss allowance	8,477	24,190	-	-
• Accruals	847,959	859,203	584,364	542,443
• Donations limitation	119,779	52,388	-	-
• Lease liability	221,322	-	-	-
	3,674,753	1,445,208	682,118	542,443
Deferred tax liabilities				
Based on nature of temporary difference				
Temporary differences				
• Prepayments	(28,357)	(37,430)	-	-
• Right-of-use asset	(191,709)	-	-	-
	(220,066)	(37,430)	-	-
	3,454,687	**1,407,778**	**682,118**	**542,443**

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 2024	Group 2023	Company 2024	Company 2023
Deferred tax assets	3,454,687	1,407,778	682,118	542,443
	3,454,687	**1,407,778**	**682,118**	**542,443**

Reconciliation of the movements in the carrying amount of deferred tax

	Group 2024	Group 2023	Company 2024	Company 2023
Balance at 1 March	1,407,778	1,001,846	542,443	27,359
Assessed losses available for set-off against future taxable income	2,385,494	156,997	97,754	-
Temporary differences	170,815	248,935	41,921	515,084
• Contract liabilities	(1,620)	(177,534)	-	-
• Equipment	93,315	106,259	-	-
• Loss allowance	(15,713)	256,794	41,921	535,174
• Accruals	(11,244)	19,553	-	-
• Donations limitation	67,391	-	-	-
• Lease liability	221,322	54,328	-	-
• Prepayments	9,073	41,674	-	-
• Right-of-use asset	(191,709)	-	-	-
• Change in tax rate	-	(52,139)	-	(20,090)
Derecognition: loss of control in subsidiary (refer to note 9)	(509,400)	-	-	-
Balance as at 29/28 February	**3,454,687**	**1,407,778**	**682,118**	**542,443**

Management considered the change in tax rate, from 28% to 27%, to be substantively enacted at the prior reporting date.

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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.

Albeit that there was a world-wide shortage of specific components related to the manufacturing of equipment and peripherals, the normalisation of the respective delay in the delivery of these items towards the end of the reporting period, coupled with diversification and growth within the company's customer base, and the actual outcome in comparison to forecasts made, management expects sufficient future taxable income from the relevant operations to utilise the unutilised tax losses and deductible temporary differences 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	
	2024	2023	2024	2023
Unrecognised deferred tax asset				
Assessed losses available for set-off against future taxable income	-	295,148	-	-
	-	**295,148**	**-**	**-**

11. Inventories

	Group	
	2024	2023
Consumables	8,183,556	13,326,604
Equipment and peripherals	3,485,540	1,917,499
Goods in transit	70,558	4,035
Allowance for obsolete inventory	(3,226,111)	-
	8,513,543	**15,248,138**

Allowance for obsolete inventory

During the current period there was an increase in the allowance for obsolete inventory amounting to R3,226,111 (2023: Rnil) with a corresponding increase in 'cost of sales' recognised in profit or loss.

Indicators and considerations which contributed to the increase in the allowance for obsolete inventory included the following:

- the change in customer mix coupled with a limited local market for the equipment and peripherals which was impaired (refer to note 8);
- the impact of the world-wide shortage of specific components related to the manufacturing of equipment and peripherals and the indirect impact on the reduced demand for certain consumables; and
- restrictions on future marketing and saleability of specific products included in inventory which arose from new supplier agreements entered into during the reporting period.

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12. Trade and other receivables

	Group		Company	
	2024	**2023**	**2024**	**2023**
Financial assets				
Trade receivables	4,453,790	6,614,709	28,387	-
Loss allowance	(52,329)	(149,505)	-	-
	4,401,461	6,465,204	28,387	-
Purchase consideration receivable (refer to note 9)	181,577	-	-	-
Non-financial assets				
Deposits	186,152	82,988	-	-
Prepayments - operating expenses	262,289	205,476	38,177	90,936
Prepayments - inventory	45,998	201,725	-	-
Value-Added Tax receivable	1,541	-	-	-
	5,079,018	**6,955,393**	**38,177**	**90,936**

Financial risk

Information about the Group's exposure to credit risk and impairment of trade receivables is included in note 28.

13. Loan to group company

	Company	
	2024	**2023**
At amortised cost		
Subsidiary		
IsoPharm Proprietary Limited ('IsoPharm')	-	1,188,786
This loan was unsecured, bore no interest and was repayable on demand.		
	-	**1,188,786**

Distribution of assets - restructuring of internal holding structure

During the prior 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.

Disposal of IsoPharm

During the reporting period, the Company disposed of its investment in IsoPharm (refer to note 9). The loan was settled in cash during the reporting period.

Financial risk

Information about the Group's exposure to credit risk and impairment of the loan to group company is included in note 28.

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14. Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
Balances with banks	6,555,528	6,308,995	4,174,629	2,261,835
	6,555,528	**6,308,995**	**4,174,629**	**2,261,835**

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:

Utilised facilities

Description of facility	Status	Limit
Asset finance facility (sale-and-leaseback and similar transactions)	Utilised	2,908,495

The security and conditions applicable to the utilised asset finance facility is set out in notes 8 and 17.

Unutilised facilities

Description of facility	Status	Limit
Short-term direct facility (overdraft and card)	Unutilised	1,000,000
Pre-settlement facility (foreign denominated balances)	Unutilised	500,000
Guarantee facility	Unutilised	3,000,000

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

- the cession of accounts with favourable balances of IsoClear up to a maximum amount of R3,000,000, 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 R2,000,000.

The following imposed covenant is directly linked to the unutilised facilities:

- The total equity of IsoClear may not reduce to below R6,000,000. 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 28.

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15. Stated capital

	Group		Company	
	2024	2023	2024	2023
Authorised share capital				
500,000,000 (2023: 500,000,000) ordinary no par value shares				
Issued share capital				
2,448,912 (2023: 2,448,912) ordinary no par value shares	67,706,202	67,706,202	67,706,202	67,706,202
	67,706,202	**67,706,202**	**67,706,202**	**67,706,202**

Reconciliation of issued shares

	Group Number of shares		Company Number of shares	
Description of transaction	2024	2023	2024	2023
Balance at 1 March	2,448,912	2,471,412	2,448,912	2,471,412
Repurchase of shares for cash	-	(22,500)	-	(22,500)
Balance at 29/28 February†	**2,448,912**	**2,448,912**	**2,448,912**	**2,448,912**

†The total shares in the comparative period was incorrectly disclosed as 2,448,962 ordinary shares. The re-statement to the correct number of shares in issue did not have any impact on the financial position of the Company or Group.

During the prior reporting period, 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.

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16. Leases (Group as lessee)

	Group 2024	Group 2023
Leases as lessee		
Property lease	819,710	-
	819,710	**-**
Non-current liabilities	599,007	-
Current liabilities	220,703	-
	819,710	**-**

The Group, through its subsidiary, IsoClear Proprietary Limited ('IsoClear') leases a building for administrative purposes. The terminated lease was for administrative and warehouse purposes.

Terms

New lease

During the reporting period, a new lease with an effective date of 1 March 2024, commenced and was recognised on 1 February 2024 based on a rent-free beneficial occupation period of 1 month. The lease payments amount to R25,449 per month. The contractual lease term is 36 months with no specified renewal option. The lease is in respect of property for administrative office space.

Terminated lease

In terms of the terminated lease agreement, the lessor and lessee reserved 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 was no longer considered to be enforceable beyond the date on which the contract can be terminated. This lease was a short-term lease for which the Group had elected not to recognise a right-of-use asset and lease liability. The lease was in respect of administrative and warehouse space.

Additional storage space

The Group enters into ad-hoc leases for additional storage space to accommodate additional inventory items. These ad-hoc leases are considered to be short-term in nature and the Group has elected not to recognise a right-of-use asset and lease liability.

The expense in respect of the portfolio to which the Group is committed at the reporting date is expected to be lower to the expense recognised in the current reporting period due to the termination of the legacy lease.

Right-of-use asset

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

Lease incentive

The lessor contractually agreed to a tenant installation allowance amounting to R82,006 as a lease incentive. The lessor settled the leasehold improvements on behalf of the Group directly with external parties and the Group has obtained controlled of the underlying leasehold improvements (refer to note 8).

Maturity analysis of lease payments

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

	Group 2024	Group 2023
Up to 3 months	76,346	-
3 to 12 months	229,038	-
2 to 3 years	676,394	-
	981,778	**-**

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	Group	
	2024	2023
Amounts recognised in profit or loss		
Short-term lease expense (included in 'other expenses')	1,243,954	1,042,950
Interest on lease liabilities (included in 'finance costs')	7,948	-
Depreciation: right-of-use asset (included in 'other expenses')	19,723	-
	1,271,625	**1,042,950**
Amounts recognised in statement of cash flows		
Short-term lease expense (included in 'net cash flows from operating activities')	1,243,954	1,042,950
Interest on lease liabilities (included in 'net cash flows from operating activities')	7,948	-
	1,251,902	**1,042,950**

No capital repayments were made in respect of the new lease entered into by the Group as the beneficial occupation period was rent-free. Payments will commence in the next reporting period.

17. Borrowings

	Group	
	2024	**2023**
At amortised cost		
Sale-and-leaseback transactions		
Wesbank, a division FirstRand Bank Limited ('Wesbank')	2,093,238	-
	2,093,238	**-**
Non-current liabilities	1,636,147	-
Current liabilities	457,091	-
	2,093,238	**-**

The Group entered into sale-and-leaseback transactions in relation to equipment and peripherals as the underlying assets (refer to note 8) during the reporting period. Although ownership transferred to Wesbank with certain contractually imposed restrictions on the title of these assets, these transactions were recognised as financial liabilities as the Group did not transfer control of the underlying assets. No gain or loss arose on the recognition of the sale-and-leaseback transactions.

Terms

The sale-and-leaseback transactions bear interest linked to the official RSA prime rate, are repayable in monthly instalments ranging between R15,680 and R20,097 with a contractual period of 60 months with no renewal options.

Financial risk

Information about the Group’s exposure to market and liquidity risks for borrowings is included in note 28.

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18. Trade and other payables

	Group		Company	
	2024	**2023**	**2024**	**2023**
Financial liabilities				
Trade creditors	3,571,799	6,835,812	1,995	13,474
Accrued audit fee	850,000	1,200,000	550,000	650,000
Operating cost accruals	531,789	369,093	405,781	274,790
Non-financial liabilities				
Leave pay accrual	379,409	105,646	169,997	105,646
Bonus accrual	150,000	300,778	-	125,932
Employee-related accruals	429,961	532,860	170,572	90,013
Value-Added Tax payable	-	75,707	35,629	124,280
	5,912,958	**9,419,896**	**1,333,974**	**1,384,135**

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.

Financial risk

Information about the Group's exposure to market and liquidity risks for trade payables is included in note 28.

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19. Revenue

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

	Group		Company	
	2024	2023	2024	2023
Revenue from contracts with customers	36,452,277	41,369,196	-	-
• Continuing operations	36,256,596	41,325,022	-	-
• Discontinued operations	195,681	44,174	-	-
Other revenue	185,478	-	5,126,142	9,459,182
• Dividend income	-	-	-	3,547,024
• Management fees	-	-	5,126,142	5,912,158
• Revenue related to leases	185,478	-	-	-
Total revenue	**36,637,755**	**41,369,196**	**5,126,142**	**9,459,182**

Distribution of assets - restructuring of internal holding structure

During the prior 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).

Group as lessor

During the reporting period, the Group entered into lease agreements with customers in respect of equipment and peripherals (refer to note 8). The lessee and the group as lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. The notice period relating to the termination is 90 days. These leases are classified as operating leases and recognised as 'other revenue'.

Maturity analysis of lease payments

The Group's maturity analysis of lease payments, showing undiscounted lease payments to be received after the reporting date, is as follows:

	Group	
	2024	2023
Less than 1 year	354,177	-
	354,177	**-**

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Disaggregation of revenue

In the following tables, revenue from contracts with customers and other revenue from operating leases is disaggregated by timing of revenue recognition, major service offering and geographical region. The tables also include a reconciliation of the disaggregated revenue with the Group's reportable segments (refer to note 32).

	Group	
	Ophthalmology segment	
	2024	2023
Timing of revenue recognition		
At a point in time	36,251,137	41,305,671
Over a period of time	201,140	63,525
Revenue from contracts with customers	36,452,277	41,369,196
Other revenue	185,478	-
Total revenue	**36,637,755**	**41,369,196**
Major service offering		
Consumable products	35,519,637	40,019,479
Sale of equipment	731,500	1,027,000
Servicing of equipment	201,140	322,717
Revenue from contracts with customers	36,452,277	41,369,196
Other revenue	185,478	-
Total revenue	**36,637,755**	**41,369,196**
Geographical region		
South Africa	35,759,836	41,354,135
Namibia	11,144	15,061
Rwanda	64,050	
Tanzania	138,914	-
Zimbabwe	478,333	-
Revenue from contracts with customers	36,452,277	41,369,196
Other revenue	185,478	-
Total revenue	**36,637,755**	**41,369,196**

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	Group	
	2024	2023

Contract balances

Receivables

The following table provides information about receivables from contracts with customers (refer to note 12):

	2024	2023
Receivables classified as 'trade receivables'	4,453,790	6,614,709
Loss allowance	(52,329)	(149,505)
Balance at 29/28 February	**4,401,461**	**6,465,204**

Contract liabilities

	2024	2023
Service contracts	12,000	18,000
Balance at 29/28 February	**12,000**	**18,000**
Non-current liabilities	6,000	12,000
Current liabilities	6,000	6,000
	12,000	**18,000**

Reconciliation of the carrying amounts of contract liabilities

	2024	2023
Balance at 1 March	18,000	652,050
Non-current liabilities	12,000	588,525
Current liabilities	6,000	63,525
Recognised as revenue	-	(652,050)
Contracts entered into	(6,000)	18,000
Balance at 29/28 February	**12,000**	**18,000**
Non-current liabilities	6,000	12,000
Current liabilities	6,000	6,000

The performance obligations in relation to service agreements that have an expected duration of one year or less amounted to R6,000 (2023: R6,000). In addition, the Group has remaining performance obligations amounting to R6,000 (2023: R12,000) that have an original expected duration of more than one year.

No revenue was recognised in the current or prior reporting periods in respect of performance obligations satisfied (or partially satisfied) in a previous period.

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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]	2024	2023	2024	2023
Customer A	-	73,569	-	0.18
Customer B	14,938,070	23,839,366	40.98	57.63
	14,938,070	**23,912,935**	**40.98**	**57.80**

Receivable balances

	Group		Group	
	Balance of trade receivables		Balance of trade receivables %	
Major customer[1]	2024	2023	2024	2023
Customer B	2,020,946	1,951,204	45.38	29.50
	2,020,946	**1,951,204**	**45.38**	**29.50**

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

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20. Operating (loss)/profit

	Group		Company	
	2024	2023	2024	2023
Operating (loss)/profit includes:				
Included in administrative expenses				
Auditor's remuneration: audit services	(850,000)	(1,201,726)	(550,000)	(650,000)
Secretarial fees[2]	(483,092)	(497,454)	(469,090)	(456,000)
Included in other expenses				
Consulting fees[1]	(1,224,990)	(1,005,075)	(347,372)	(202,803)
Depreciation[1]	(2,143,288)	(1,810,508)	(43,588)	(27,245)
• Equipment and peripherals[1]	(1,768,030)	(1,632,239)	-	-
• Property	(19,723)	-	-	-
• Machinery	(40,476)	(38,862)	-	-
• Fixtures and fittings	(48,471)	(40,470)	-	-
• Office equipment	(5,333)	(4,200)	-	-
• Computer equipment	(115,070)	(94,737)	(43,588)	(27,245)
• Rental assets	(146,185)	-	-	-
Legal expenses	-	(15,500)	-	-
Listing fees	(74,934)	(79,658)	(74,934)	(79,547)
Corporate advisor fee	(193,944)	(173,701)	-	-
Leases				
• Short-term lease expense	(1,243,954)	(1,042,950)		
Premises cost: warehouse[2]	(74,835)	-	-	-

[1]Includes expenses classified as part of discontinued operations (refer to note 9).

[2]During the reporting period, the Group entered into a service level agreement with a supplier in respect of warehouse space outside the scope of IFRS 16 Leases.

21. Finance Income

	Group		Company	
	2024	2023	2024	2023
Banks	137,979	168,125	27,690	-
	137,979	**168,125**	**27,690**	**-**

22. Finance Costs

	Group		Company	
	2024	2023	2024	2023
Lease liability	7,948	-	-	-
Borrowings	101,134	-	-	-
Tax authority: SARS	506	-	-	-
	109,588	**-**	**-**	**-**

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23. Income Tax (Expense)/Benefit

	Group		Company	
	2024	**2023†**	**2024**	**2023**
Recognised in profit or loss				
Income tax expense				
Current period	-	940,736	-	395,216
Changes in estimates related to prior periods	(23,335)	44,513	113	-
Deferred tax				
Current period - originating and reversing	(2,562,456)	(458,072)	(139,675)	(535,174)
Recognition of previously unrecognised temporary differences	6,148	-	-	-
Change in tax rate	-	52,139	-	20,090
	(2,579,643)	**579,316**	**(139,562)**	**(119,868)**
Continuing operations	(2,478,081)	717,498	(139,562)	(119,868)
Discontinued operations	(101,562)	(138,182)	-	-
	(2,579,643)	**579,316**	**(139,562)**	**(119,868)**
Reconciliation of income tax expense				
(Loss)/profit before tax	(8,365,591)	687,699	(30,091,627)	2,998,586
Income tax expense calculated at 27.0% (2023: 28.0%)	(2,258,710)	192,556	(8,124,739)	839,604
Tax effect of:				
Exempt income				
• Dividend income	-	-	-	(993,167)
• Gain on loss of control of subsidiary	(722,239)	-	(312,448)	-
• Lease incentive received	(22,128)	-	-	-
Non-deductible expenses				
• Impairment loss on investment in subsidiary	-	-	8,297,512	-
• Impairment loss on equipment	439,025	-	-	-
• Loss on disposal of equipment	-	4,304	-	-
• Interest paid to tax authority: SARS	1,596	-	-	-
• Listing and legal expenses	-	21,980	-	13,605
• Write-off of loans[1]	-	22,804	-	-
Unrecognised deferred tax asset	-	241,020	-	-
Prior period adjustments	(17,187)	44,513	113	-
Change in tax rate	-	52,139	-	20,090
	(2,579,643)	**579,316**	**(139,562)**	**(119,868)**
Effective tax rate for the period (%)	(30.84)	(84.24)	-0.46	4.00

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

The corporate tax rate changed from 28% to 27% for years of assessment ending on or after 31 March 2023.

Estimated tax loss available for set-off against future taxable income

The Company did not make any provision for income tax in the current or prior reporting periods due to the fact that the Company has an estimated tax loss available for the set-off against future taxable income amounting to R362,052. The Company did not have any assessed losses brought forward from a previous year of assessment.

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24. (Loss)/earnings and headline (loss)/earnings per share and dividends paid

Group

2024	Continuing operations	Discontinued operations	Total operations
Loss and headline loss per ordinary share			
Basic and diluted loss per ordinary share			
Basic and diluted loss per ordinary share have been calculated using the following:			
Loss for the period	(5,433,410)	(352,538)	(5,785,948)
Loss attributable to ordinary shareholders	(5,433,410)	(352,538)	(5,785,948)
Weighted number of ordinary shares in issue	2,448,912	2,448,912	2,448,912
Weighted number of ordinary shares in issue for purpose of dilution	2,448,912	2,448,912	2,448,912
Basic loss per ordinary shares (cents)	**(221.9)**	**(14.4)**	**(236.3)**
Diluted loss per ordinary share (cents)	**(221.9)**	**(14.4)**	**(236.3)**
Headline and diluted headline loss per ordinary share[1]			
Headline and diluted headline loss per ordinary share have been calculated using the following:			
Loss attributable to ordinary shareholders	(5,433,410)	(352,538)	(5,785,948)
Loss on disposal of equipment	658,436	-	658,436
• Loss on disposal of equipment	901,967	-	901,967
• Tax impact	(243,531)	-	(243,531)
Impairment loss on equipment	1,626,020	-	1,626,020
• Impairment loss on equipment and peripherals	1,626,020	-	1,626,020
• Tax impact	-	-	-
Gain on loss of control of subsidiary	(2,674,960)	-	(2,674,960)
• Gain on loss of control of subsidiary	(2,674,960)	-	(2,674,960)
• Tax impact	-	-	-
Headline loss for the period	(5,823,914)	(352,538)	(6,176,452)
Weighted number of ordinary shares in issue	2,448,912	2,448,912	2,448,912
Weighted number of ordinary shares in issue for purpose of dilution	2,448,912	2,448,912	2,448,912
Headline loss per ordinary shares (cents)	**(237.8)**	**(14.4)**	**(252.2)**
Diluted loss per ordinary share (cents)	**(237.8)**	**(14.4)**	**(252.2)**

[1]Although headline loss per ordinary share 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 1/2023.

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Group

2023	Continuing operations	Discontinued operations	Total operations
Earnings/(loss) and headline earnings/(loss) per ordinary share			
Basic and diluted earnings/(loss) per ordinary share			
Basic and diluted earnings/(loss) per ordinary share have been calculated using the following:			
Profit/(loss) for the period	517,837	(409,454)	108,383
Earnings/(loss) attributable to ordinary shareholders	517,837	(409,454)	108,383
Weighted number of ordinary shares in issue	2,462,720	2,462,720	2,462,720
Weighted number of ordinary shares in issue for purpose of dilution	2,462,720	2,462,720	2,462,720
Basic earnings/(loss) per ordinary shares (cents)	**21.0**	**(16.6)**	**4.4**
Diluted earnings/(loss) per ordinary share (cents)	**21.0**	**(16.6)**	**4.4**
Headline and diluted headline (loss)/earnings per ordinary share[2]			
Headline and diluted headline (loss)/earnings per ordinary share have been calculated using the following:			
Earnings/(loss) attributable to ordinary shareholders	517,837	(409,454)	108,383
Loss on disposal of equipment	11,222	-	11,222
• Loss on disposal of equipment	15,373	-	15,373
• Tax impact	(4,151)	-	(4,151)
Headline earnings/(loss) for the period	529,059	(409,454)	119,605
Weighted number of ordinary shares in issue	2,462,720	2,462,720	2,462,720
Weighted number of ordinary shares in issue for purpose of dilution	2,462,720	2,462,720	2,462,720
Headline earnings/(loss) per ordinary shares (cents)	**21.5**	**(16.6)**	**4.9**
Diluted headline earnings/(loss) per ordinary share (cents)	**21.5**	**(16.6)**	**4.9**

[2]Although headline earnings/(loss) per ordinary share 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

	2024		2023	
	Actual	Weighted	Actual	Weighted
Shares in issue at 1 March	2,448,912	2,448,912	2,471,412	2,471,412
Repurchase of shares (refer to note 15)	-	-	(22,500)	(8,692)
Weighted number of ordinary shares in issue for purpose of dilution at 29/28 February†	**2,448,912**	**2,448,912**	**2,448,912**	**2,462,720**

†The total shares in the comparative period was incorrectly disclosed as 2,448,962 ordinary shares. The re-statement to the correct number of shares in issue did not have any impact on the earnings or headline earnings per ordinary share.

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Dividends paid

	Group		Company	
	2024	2023	2024	2023
Total dividends paid to ordinary shareholders	-	3,000,000	-	3,000,000
	-	-	-	-

25. Cash (used in)/generated from operations

	Group		Company	
	2024	2023	2024	2023
(Loss)/profit before tax	**(8,365,591)**	**687,699**	**(30,091,627)**	**2,998,586**
Adjusted for				
Dividend income (included in 'revenue')	-	-	-	(3,547,024)
Finance income	(137,979)	(168,125)	(27,690)	-
Finance costs	109,588	-	-	-
Non-cash items				
Depreciation	2,143,288	1,810,508	43,588	27,245
Impairment loss on equipment	1,626,020	-	-	-
Share-based payment expense	105,533	556,098	110,854	852,680
(Reversal of) impairment losses on trade receivables	(97,176)	93,113	-	-
Impairment loss on investment in subsidiary	-	-	30,731,526	-
Loss on disposal of equipment	901,967	15,373	-	-
Gain on loss of control of subsidiary	(2,674,960)	-	(1,157,214)	-
Changes in working capital				
(Increase)/decrease in inventories	2,981,994	(5,583,605)	-	-
(Increase)/decrease in trade and other receivables	2,017,056	(969,589)	24,372	(60,936)
Increase/(decrease) in trade and other payables	(3,506,093)	5,965,557	(50,161)	1,285,799
Decrease in contract liabilities	(6,000)	(634,050)	-	-
	(4,902,353)	**1,772,979**	**(416,352)**	**1,556,350**

26. Income Tax Paid

	Group		Company	
	2024	2023	2024	2023
Net tax payable 1 March	(88,042)	(152,984)	(25,021)	(5,759)
Net tax payable at 29/28 February	-	88,042	-	25,021
Income tax expense recognised in profit or loss	2,579,643	(579,316)	139,562	119,868
Less: deferred tax included in income tax expense	(2,556,308)	(405,933)	(139,675)	(515,084)
	(64,707)	**(1,050,191)**	**(25,134)**	**(375,954)**

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27. Cash Flows from Financing Activities Analysis

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

	Stated capital		Retained earnings		Lease liability		Borrowings	
Group	2024	2023	2024	2023	2024	2023	2024	2023
Balance at 1 March	67,706,202	67,867,660	(43,609,582)	(40,717,968)	-	-	-	-
Changes from financing cash flows								
• Repurchase of ordinary shares	-	(161,458)	-	-	-	-	-	-
• Proceeds from borrowings	-	-	-	-	-	-	2,441,896	-
• Repayment of borrowings					-		(348,658)	
• Dividends paid	-	-	-	(3,000,000)	-		-	
Other changes	-	-	-	-	819,710	-	-	-
• New lease entered into	-	-	-	-	811,762	-	-	-
• Interest expense			-	-	7,948	-	101,134	-
• Interest paid[1]			-	-	-	-	(101,134)	-
Total equity related	-	-	(5,785,948)	108,386	-	-	-	-
Balance at 29/28 February	**67,706,202**	**67,706,202**	**(49,395,530)**	**(43,609,582)**	**819,710**	**-**	**2,093,238**	**-**

	Stated capital		Retained earnings		Loan from group companies	
Company	2024	2023	2024	2023	2024	2023
Balance at 1 March	67,706,202	- 67,867,660	1,895,417	1,776,963	-	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	-	-	(29,952,065)	3,118,454	-	-
Balance at 29/28 February	**67,706,202**	**67,706,202**	**(28,056,648)**	**1,895,417**	**-**	**-**

[1]Included in cash flows from operating activities.

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28. 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 has no covenants applicable as the facilities which impose financial covenants are unutilised. The utilised asset finance facility does not impose any covenants on the Group (refer to note 14).

The debt-to-equity ratio of the Group is 53.92% (2022: 42.95%). 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 borrowings and lease liability balances and the decrease 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.

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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

2024	At amortised cost	Total
Trade and other receivables[1]	4,401,461	4,401,461
Cash and cash equivalents[1]	6,555,528	6,555,528
	10,956,989	**10,956,989**

2023		
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**

Financial liabilities - Group

2024	At amortised cost	Total
Trade and other payables[1]	4,953,588	4,953,588
Borrowings	2,093,238	2,093,238
	7,046,826	**7,046,826**

2023		
Trade and other payables[1]	8,404,905	8,404,905
	8,404,905	**8,404,905**

[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.

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Financial assets - Company

2024	At amortised cost	Total
Cash and cash equivalents[2]	4,174,629	4,174,629
	4,174,629	**4,174,629**

2023		
Loans to group companies[2]	1,188,786	-
Cash and cash equivalents[2]	2,261,835	-
	3,479,008	**-**

Financial liabilities - Company

2024	At amortised cost	Total
Trade and other payables[2]	957,776	957,776
	957,776	**957,776**

2023		
Trade and other payables[2]	938,264	938,264
	938,264	**938,264**

[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.

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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	
	2024	2023	2024	2023
Cash and cash equivalents	6,555,528	6,308,995	4,174,629	2,261,835
Borrowings	(2,093,238)	-	-	-
	4,462,290	**6,308,995**	**4,174,629**	**2,261,835**

Cash flow sensitivity linked to interest rate risk

An increase of 150 (2023: 200) basis points in interest rates at the reporting date would have increased profit or loss by the amounts shown below. This analysis assumes that the other variables remain constant and is based on closing balances compounded annually. A lower sensitivity is applicable at the current reporting date based on the stabilisation of the prime rate in South Africa during the reporting period.

	Group		Company	
	2024	2023	2024	2023
Impact on profit or loss for the reporting period[3]	66,934	126,180	62,619	45,237
	66,934	**126,180**	**62,619**	**45,237**

[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.

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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 ('FC') to which the Group was exposed to are as follows:

	Spot rate at reporting date in ZAR	
FC	2024	2023
Euro ('EUR')	20.50	19.15
US Dollar ('USD')	18.99	17.87

Exposure in respect of foreign denominated balances

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

Monetary financial instruments - Group

2024 FC	Trade and other payables in ZAR	Total exposure in ZAR
EUR	172,180	172,180
USD	2,566,240	2,566,240
	2,738,420	**2,738,420**

2023 FC		
EUR	3,448	3,448
USD	3,024,403	3,024,403
	3,027,851	**3,027,851**

The exposure of the Group in respect of foreign exchange risk is limited to trade and other payables only.

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. A higher sensitivity is applicable at the current reporting date based on the deterioration of the ZAR against other foreign currencies during the reporting period.

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	
	2024	2023	2024	2023
	9% movement	7% movement	14% movement	12% movement
Trade payables	15,496	241	359,274	362,928
	15,496	**241**	**359,274**	**362,928**

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

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Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The credit risk is concentrated in the Group's trade receivables and cash and equivalents and in the Company's trade receivables, loan to group company and cash and cash 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	
	2024	2023
(Reversal of) impairment loss on trade receivables	(96,995)	92,932
• Total recognised	(97,176)	93,113
• Included in discontinued operations	181	(181)
Total (reversal of) impairment loss on trade receivables	**(96,995)**	**92,932**

The Group did not have any write-offs during the current or prior reporting period.

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 Africa and South Africa. The Group is monitoring the economic environment in Zimbabwe and is taking actions to limit its exposure to customers in countries experiencing particular economic volatility. The Group does not transact with customers in any other countries which are considered to have a current volatile economic environment.

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 intra-group 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.

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Expected credit loss ('ECL') assessment

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

Due to the fact that the majority of the Group's customers fall within the South African ophthalmology medical industry, exposures within each credit risk grade are assigned by the customer ageing. An ECL rate is calculated for each ageing based on delinquency status and actual credit loss experience of that specific ageing 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 2024

	Ageing			
	ECL rate %			
	0 - 30 days	31 - 60 days	61 - 90 days	In excess of 90 days
ECL rates at 28 February 2023	0.89	2.37	4.74	41.50
Forward-looking adjustment	0.04	0.10	0.20	1.72
ECL rates as at 29 February 2024	**0.93**	**2.47**	**4.94**	**43.22**

The loss ratings at the previous reporting date were adjusted for forward-looking information by increasing these ratios with a factor of 4.16%. 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	(7.41)
Interest rates†	30.00	27.29
Moody's ratings√	20.00	(10.00)
GDP growth√	20.00	1.00
Forward-looking factor		**4.16**

†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.

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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.

Summary of applied ECL ratings to trade receivables

Group

	2024			
Ageing	Weighted average loss rate %	Gross carrying amount	Loss allowance	Credit-impaired
Current	0.93	4,105,806	38,029	No
31 - 60 days beyond terms	2.47	333,984	8,249	No
61 - 90 days beyond terms	4.94	-	-	No
90 days + beyond terms	43.22	14,000	6,051	Yes
		4,453,790	**52,329**	

	2023			
Ageing	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**	

Based on the ageing, 92% (2023: 96%) of the trade receivable balance is current and within terms. This supports the effectiveness of the credit approval policy implemented by the Group.

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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	2024	2023
Balance as at 1 March	149,505	56,392
Net remeasurement of loss allowance	(97,176)	93,113
Balance as at 29/28 February	**52,329**	**149,505**

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

Loan to group company

Impairment of the loan to group company had been measured using lifetime ECLs.

The Company considered all of the indicators within the ECL model when determining the credit risk associated with any loans. The Company's assessment indicated that the loans generally had a low credit risk based on the financial performance of the related group company as well as the financial performance and ability of the related group company or shareholder to settle the outstanding balance. The Group also considered 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 Company did not recognise an impairment loss on the loan to group company in the prior reporting period.

Cash and cash equivalents

ECLs for 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.

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Liquidity risk

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

The following items were considered by management in respect of the liquidity risk assessment:

- the cash consideration received from the disposal of IsoPharm Proprietary Limited;
- limited external debt and unutilised available banking facilities; and
- the profitability of the Group in the foreseeable future based on forecasts and budgeting coupled to the diversification of the customer mix, and the normalisation of the respective delay in the delivery of these certain equipment and peripherals due to the shortage of components as explained (refer to note 9).

Based on the review, management did not identify any increased risk in respect of the liquidity risk based on the current resources available to the Group and future operational activities.

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.

Group

2024	Carrying amount	Up to 3 months	3 to 12 months	2 to 5 years	Total
Trade and other payables[5]	4,953,588	4,953,588	-	-	4,953,588
Borrowings	2,093,238	166,537	499,614	2,012,002	2,678,153
	7,046,826	**5,120,125**	**499,614**	**2,012,002**	**7,631,741**

2023	Carrying amount	Up to 3 months	3 to 12 months	2 to 5 years	Total
Trade and other payables[5]	8,404,905	8,404,905	-	-	8,404,905
	8,404,905	**8,404,905**	**-**	**-**	**8,404,905**

Company

2024	Carrying amount	Up to 3 months	Total
Trade and other payables[5]	957,776	957,776	957,776
	957,776	**957,776**	**957,776**

2023	Carrying amount	Up to 3 months	Total
Trade and other payables[5]	938,264	938,264	938,264
	938,264	**938,264**	**938,264**

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

The maturity analysis of the lease liability is disclosed in note 16.

The Group does not have any repayment terms in respect of lease liabilities or financial instruments in excess of 5 years.

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29. Directors and Prescribed Officer

Remuneration

2024	Directors' fees	Basic salary	Bonuses	Allowances and contributions †
Executive directors				
DS Prinsloo	-	1,543,257	37,500	236,784
Non-executive directors √				
AP Coetzee	59,430	-	-	-
Dr B Khantsi	39,688	-	-	-
Dr TB Maleka	27,767	-	-	-
KJM Moja	47,743	-	-	-
Dr PJL Odendaal	35,792	-	-	-
Prescribed officer				
JH Visser	-	1,351,519	37,500	177,588
	210,420	**2,894,776**	**75,000**	**414,372**

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

[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 fees paid to directors vary dependent on the number of meetings attended and the VAT status of the specific director.

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Share-based payment arrangements

Phantom share scheme

During a 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 options, based on the ordinary shares of the Company, to the overall scheme. The Board has the discretion to change the number of allocated awards of the scheme in future periods.

The Board has the sole discretion to allocate a specific number of options, as measurement basis, in each reporting period to each participant. During the reporting period, the Board allocated an additional 19,664 (2023: 19,664) options to the scheme.

The scheme has two non-market performance conditions, namely:
- meeting profit targets at a threshold of 85% of net profit before tax for the Group; and
- performance ratings of 85% or more over the vesting period.

The Board reserves the right to override the non-market performance conditions on an annual basis in respect of the allocation of the options to participants.

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

There were no changes in participants of the scheme from the prior reporting date.

The vesting period of each tranche of allocated options is 36 months from the date on which the options are awarded to participants. If the participant resigns before the 36-month period, the options allocated to the participant will be forfeited.

The following table presents the cash-settled share-based payment liability per tranche issued to participants:

	Group		Company	
	2024	2023	2024	2023
Share-based payment liability: Tranche 1	688,241	741,464	619,413	667,314
Share-based payment liability: Tranche 2	229,414	185,366	229,414	185,366
Share-based payment liability: Tranche 3	114,708	-	114,707	-
Balance at 29/28 February	**1,032,363**	**926,830**	**963,534**	**852,680**
Non-current liabilities	344,122	- 926,830	- 344,121	- 852,680
Current liabilities	688,241	-	619,413	-
	1,032,363	**926,830**	**963,534**	**852,680**

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Valuation method

The Group used the quoted share price in conjunction with the respective performance conditions, as valuation method for the arrangement.

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

2024	Tranche 1	Tranche 2	Tranche 3
Vesting period			
Vesting date	29 Feb 2024	28 Feb 2025	28 Feb 2026
Vesting period in months	36 months	36 months	36 months
Lapsed months on vesting period at reporting date	36 months	24 months	12 months
Options awarded			
• Company	35,395	19,664	19,664
• IsoClear	3,933	-	-
	39,328	19,664	19,664
Inputs			
Share price as at 29 February	R17.50	R17.50	R17.50
Performance condition measure	100%	100%	100%

2023	Tranche 1	Tranche 2
Vesting period		
Vesting date	29 Feb 2024	28 Feb 2025
Vesting period in months	36 months	36 months
Lapsed months of vesting period at reporting date	24 months	12 months
Options awarded		
• Company	35,395	19,664
• IsoClear	3,933	-
	39,328	19,664
Inputs		
Share price as at 28 February	R28.28	R28.28
Performance condition measure	100%	100%

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30. Related Parties

Identification
The subsidiaries and directors of the Company are disclosed in notes 9 and 29, respectively.

	Group		Company	
	2024	**2023**	**2024**	**2023**
Related party balances				
Loan to related parties				
Subsidiaries				
IsoPharm Proprietary Limited	-	-	-	1,188,786
	-	**-**	**-**	**1,188,786**
Trade receivables/(payables) - related parties				
Subsidiary				
IsoClear Proprietary Limited	-	-	28,387	-
Directors				
Dr B Khantsi[1]	(1,614)	-		
Dr PJL Odendaal	33,036	10,079	-	-
DS Prinsloo	-	1,063	-	-
Entity related to T Maleka				
Safesight Proprietary Limited	458,359	332,451	-	-
	491,395	**342,530**	**28,387**	**-**

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

	Group 2024	Group 2023	Company 2024	Company 2023
Related party transactions				
Revenue from related parties				
Subsidiary				
iHealthcare Group Limited	-	-	-	3,547,024
IsoClear Proprietary Limited	-	-	5,126,142	5,912,158
Directors				
Dr A Jacobsz[2]	-	935	-	-
Dr B Khantsi[1]	77,241	31,884	-	-
Dr PJL Odendaal	450,655	372,292	-	-
DS Prinsloo	513	924	-	-
Prescribed officer				
JH Visser	695	934	-	-
Entity related to T Maleka				
Safesight Proprietary Limited	1,122,359	734,025	-	-
	1,651,463	**1,140,994**	**5,126,142**	**9,459,182**

[1]*Appointed as director on 1 September 2021. All related party transactions are included from the appointment date.*
[2]*Resigned as director on 7 April 2022. All related party transactions are included until the resignation date.*

Key management personnel
All key management personnel are considered to be the directors and prescribed officer of the Group. Refer to note 29.

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.

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31. Contingent Liabilities

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

32. 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 19), 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 other African countries.
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	
	2024	**2023**
Revenue analysis		
Reportable segment	External revenue	
Ophthalmology	36,637,755	41,369,196
Exclusion of discontinued operation (refer to note 9)	(195,681)	(44,174)
	36,442,074	**41,325,022**
Reportable segment	Revenue from transactions with other segments[1]	
Group services	5,126,142	5,912,158
	5,126,142	**5,912,158**

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

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	Group 2024	Group 2023
(Loss)/profit after tax analysis		
Reportable segment	Operating (loss)/profit after tax	
Operating (loss)/profit before tax of continuing operations	**(7,911,491)**	**1,235,335**
• Ophthalmology	(9,005,490)	1,236,137
-Exclusion of discontinued operation (refer to note 9)	454,100	547,636
• Group services	639,899	(548,438)
Income tax benefit/(expense) of continuing operations	**2,478,081**	**(717,498)**
• Ophthalmology	2,440,081	(699,184)
-Exclusion of discontinued operation (refer to note 9)	(101,562)	(138,182)
• Group services	139,562	119,868
(Loss)/profit for the period of continuing operations	**(5,433,410)**	**517,837**
• Ophthalmology	(6,565,409)	536,953
-Exclusion of discontinued operation (refer to note 9)	352,538	409,454
• Group services	779,461	(428,570)

The following items are included in the (loss)/profit before tax:

	2024	2023
Depreciation	(2,143,288)	(1,810,508)
• Ophthalmology	(2,099,700)	(1,810,508)
• Group services	(43,588)	-
Impairment loss on equipment and peripherals		
• Ophthalmology	(1,626,020)	-
Impairment loss on investment in subsidiary		
• Group services	(30,731,526)	-
Gain on loss of control of subsidiary	2,674,960	-
• Ophthalmology	1,517,746	-
• Group services	1,157,214	-
Reversal of/(impairment loss) on trade receivables		
• Ophthalmology	97,176	(93,113)
Finance income	137,979	168,125
• Ophthalmology	110,289	168,125
• Group services	27,690	-
Finance costs		-
• Ophthalmology	(109,588)	-

Net operating assets analysis

Reportable segment	Net operating assets	
Ophthalmology	(17,791,858)	(41,957,975)
Group services	36,102,530	66,054,595
	18,310,672	**24,096,620**

During the reporting period the Group acquired equipment amounting to R3,873,148 (2023: R1,164,841). Items amounting to R3,752,601 (2023: R812,241) which were originally acquired and classified as inventory, were subsequently transferred to equipment (refer to note 8).

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33. Going Concern

Although the Group incurred a loss amounting to R5,785,948 (2023: R108,383 profit generated), the total current assets of the Group exceed the total current liabilities by R12,863,096 (2023: R18,998,588) and the total assets of the Group exceed the total liabilities by R18,310,672 (2023: R24,096,620).

The significant contributing factors to the loss for the period of the Group include amongst other operational factors:

- the impairment loss recognised in profit or loss in respect of equipment and peripherals (refer to note 8);
- the increase in the allowance for obsolete inventory recognised in profit or loss (refer to note 11);
- the deterioration of the ZAR with foreign gain losses recognised profit or loss (refer to note 20);
- the change in customer mix as referred to in notes 8, 9 and 11; and
- the world-wide shortage of specific components in respect of the manufacturing of equipment and peripherals which caused a delay in the delivery of these items.

The normalisation of the respective delay in the delivery of equipment and peripherals towards the end of the reporting period, coupled with diversification and growth within the Group's customer base and the on-boarding of a major new supplier, ensures a stabilised operational outlook in the foreseeable future for the Group. Furthermore, the Group generated additional cash through the disposal of its investment in IsoPharm Proprietary Limited towards the end of the reporting period ensuring that available banking facilities remain unutilised.

The Company declared and paid no dividends during the reporting period (2023: R3,000,000).

Following due consideration of the operating budgets, debt covenants and funding requirements, solvency and liquidity, key business risks, outstanding tax and legal matters, and other pertinent matters presented by management, as and when applicable, the Directors have recorded a reasonable expectation that the Group and Company have adequate resources and the ability to continue in operations for the foreseeable future. Since management identified no material uncertainty in relation to the going concern of the Group or Company, the financial statements have been prepared on a going concern basis.

The directors are not aware of any new material changes that may adversely impact the Group or Company. The directors are also not aware of any pending changes to legislation which may affect the Group or Company.

34. Events After the Reporting Date

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.

iHealthcare
Group Holdings Ltd

Analysis of Shareholding

Analysis of Shareholding

Shareholder spread

Directors' interest in the share capital of the Company

2024	Direct number	Indirect number	Total number	Total %
Executive directors				
DS Prinsloo	-	-	-	-
Non-executive directors				
AP Coetzee	-	-	-	-
Dr B Khantsi	-	9,364	9,364	0.38
Dr TB Maleka	-	-	-	-
KJM Moja	-	-	-	-
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**

2023				
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.*

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

Analysis of shareholding

Range of shares held	Group 2024 Shareholders Number	Group 2024 Shareholders Percentage	Group 2024 Shares in issue Number	Group 2024 Shares in issue Percentage
1 - 20,000	4	13.33	18,071	0.74
20,001 - 30,000	1	3.33	22,550	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**	**2,448,912**	**100.00**

Shareholder type	Group 2024 Shareholders Number	Group 2024 Shareholders Percentage	Group 2024 Shares in issue Number	Group 2024 Shares in issue Percentage
Non-public shareholders	3	10.00	169,685	6.93
Directors and Prescribed Officer	3	10.00	169,685	6.93
Directors and Prescribed Officer	-	-	-	-
Other Employees	-	-	-	-
Public shareholders	27	90.00	2,279,227	93.07
	30	**100.00**	**2,448,912**	**100.00**

Range of shares held	Group 2023 Shareholders Number	Group 2023 Shareholders Percentage	Group 2023 Shares in issue† Number	Group 2023 Shares in issue† Percentage
1 - 20,000	4	13.33	18,071	0.74
20,001 - 30,000	1	3.33	22,550	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**	**2,448,912**	**100.00**

Shareholder type	Group 2023 Shareholders Number	Group 2023 Shareholders Percentage	Group 2023 Shares in issue† Number	Group 2023 Shares in issue† Percentage
Non-public shareholders	3	10.00	169,685	6.93
Directors and Prescribed Officer	3	10.00	169,685	6.93
Directors and Prescribed Officer	-	-	-	-
Other Employees	-	-	-	-
Public shareholders	27	90.00	2,279,227	93.07
	30	**100.00**	**2,448,912**	**100.00**

†The total shares in the comparative period was incorrectly disclosed as 2,448,962 ordinary shares. The re-statement to the correct number of shares in issue did not have any impact on the financial position of the Company or Group.

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

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

Corporate Information

iHealthcare Group Holdings Limited

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

Business address
The Village
Block A First Floor
Cnr Oberon and Glenwood Roads
Faerie Glen
Pretoria
0043

Postal address
P O Box 36290
Menlo Park
Pretoria
0102

Company Secretary
FluidRock Co Sec Proprietary Limited
Unit 5
Berkley Office Park
8 Bauhinia Street
Highveld Technopark
Centurion
0169

External Issuer Agent
Pallidus Exchange Services Proprietary Limited
Die Groenhuis
38 Garsfontein Road
Waterkloof
Pretoria
0145

Transfer Secretaries
CTSE Registry Services Proprietary Limited
5th Floor
68 Albert Road
Woodstock
Cape Town
7925

Cape Town Stock Exchange
Share code: 4AIHGH
ISIN: ZAE400000077

Industry: Healthcare

Auditors
Moore Infinity Incorporated
Silver Stream Business Park
10 Muswell Road
Bryanston
Sandton
2191

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0081

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iHealthcare
Group Holdings Ltd

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