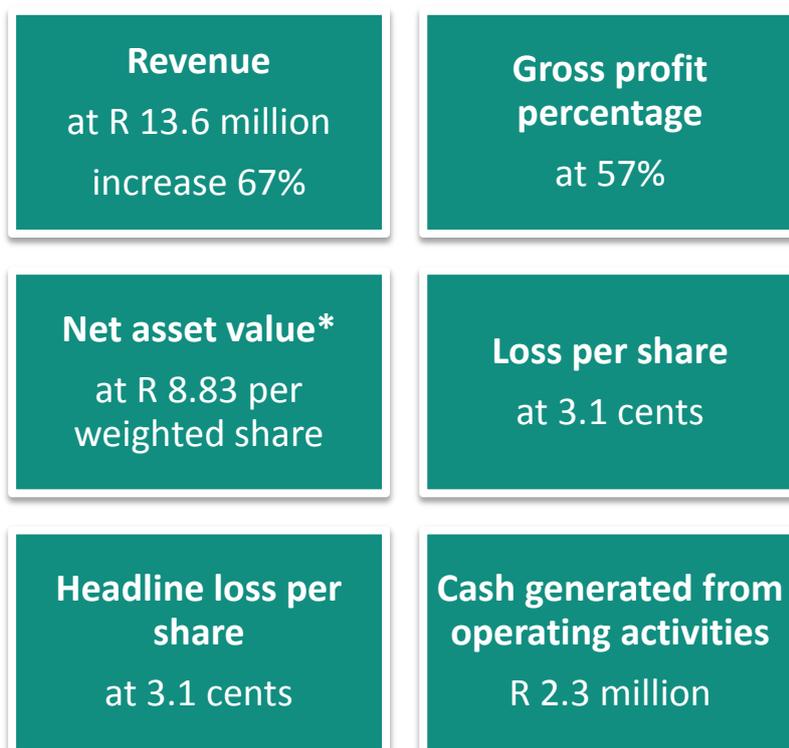


**UNREVIEWED  
CONDENSED  
CONSOLIDATED  
INTERIM RESULTS**  
for the six months ended  
**31 August 2020**





*\*Based on net asset value attributable to the owners of the Company excluding non-controlling interests.*

## Introduction

The Board of Directors is pleased to present the unreviewed condensed consolidated financial statements for the six months ended 31 August 2020.

## Overview

It has been an extraordinary year for the world, brought about by the events from the impact of COVID-19, and iHealthcare Group Holdings Limited (“**iHealthcare Holdings**”) has been unable to avoid the economic fall-out that has ensued. Although the financial results are disappointing compared to prior periods iHealthcare Holdings’s management has taken and continues to take action to limit the impact of the pandemic and to ensure the Group remains both financially and operationally healthy. Actions included but were not limited the following measures:

- Implementation of pro-active cost saving measures where possible;
- Continuous discussions with foreign suppliers regarding extended terms in order to mitigate the risk of foreign exchange fluctuations;
- Introduction of a Personal Protective Equipment portfolio to mitigate the loss of revenue as a result of limited elective medical procedures;
- A focused reduction of inventory levels to increase and maintain cash resources; and
- Ensuring the well-being of all staff.

## Correction of prior period errors and restatements

Management identified errors in the previously published condensed consolidated interim financial statements. In addition, reclassifications of certain line items have been made to reflect appropriate classification and/or nature of the balances included in the statement of financial position.

## Segment Performance

### Ophthalmology

The segment increased revenue by 66.5% and the operating loss before tax decreased by 75.6%. It is important to note that the Company only acquired the interest in iHealthcare Group Limited (“**iHealthcare**”) during the prior reporting period and the effective period of the consolidated numbers are reflective of a three month period.

## Financial Results

### Statement of profit or loss

Albeit a tough trading environment and economic landscape in South Africa, revenue for the reporting period increased by 66.5% to R 13 687 729 (Feb 2020: R 8 218 180). It is important to note that the Company only acquired the interest in iHealthcare during the prior reporting period and the effective period of the consolidated numbers are reflective of a three month period. The Group was impacted by the restrictions implemented by Government in relation to the carrying out of elective medical procedures within the ophthalmology medical cluster. A significant part of the revenue is dependent on the sale of consumables used during these procedures. The segment has seen an improvement in elective medical procedures since the restrictions were lifted.

The Group incurred various costs in relation to the Company and subsidiary, iHealthcare, listing on the 4AX. The costs in relation to the audit fees, legal expenses, registry fees and corporate advisor fees amounted to R 585 585 for the interim reporting period.

In addition, the COVID-19 pandemic had a significant impact on the South African Rand compared to other foreign currencies. The Group recognised a loss on foreign exchange amounting to R 852 541 in the profit or loss during the interim reporting period.

The average weighted number of shares, from which earnings per share and headline earnings per share are derived, was 1 540 120 (Feb 2020: 385 110) shares at the interim reporting date.

Loss per share decreased by 98.1% to a loss of 3.1 cents per share (cps) (Feb 2020: 162.7 cps loss) and headline loss per share decreased by 54.2% to a loss of 3.1 cents per share (cps) (Feb 2020: 6.8 cps loss).

### Statement of financial position

The working capital\* of the Group decreased to R 12 903 846 (Feb 2020: R 14 153 634). The change in working capital is as a direct result of an increased inventory balance due to existing orders pre COVID-19 been fulfilled resulting in an increased trade payables balance. Furthermore, the Group continued to recover significant customer balances within the terms provided to these customers.

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

## Statement of cash flows

Cash generated by operations increased to R 2 341 299 (Feb 2020: R 396 012 outflow) due to the cash inflow relating to working capital amounting to R 1 258 983 (Feb 2020: R 1 203 078 outflow).

In addition to the cash flow impact of the items mentioned under the statement of financial position, loans receivable to the amount of R 206 518 were settled during the reporting period.

## Governance

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

## Composition of the Board

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

## Stakeholder engagement

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

## Dividends

The Group did not declare a dividend during the six month reporting period ended 31 August 2020.

## Prospects

The outlook for the year to 30 June 2021 remains uncertain. The economy is under pressure following the measures taken to protect lives in connection with COVID-19. Operational levels within the elective healthcare industry are yet to achieve pre-pandemic levels and much will depend on how the economy reacts following all of the disruption that has taken place. The Group however is well established with solid experienced management in place that have shown themselves to be adept at mitigating risks during the times of hardship.

For and on behalf of the Board



**K Fleischhauer**  
Chairperson



**Dr P J L Odendaal**  
CEO



**Dr A Jacobsz**  
CEO



**J H Visser**  
CFO

30 November 2020  
Pretoria

# Consolidated statement of financial position

as at 31 August 2020

Figures in Rand	Group	
	As at 31 Aug 2020	Audited As at 29 Feb 2020
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	3 974 766	5 181 371
Deferred tax	887 067	916 499
	<b>4 861 833</b>	<b>6 097 870</b>
<b>Current assets</b>		
Inventories	17 078 968	14 731 872
Trade and other receivables	4 217 144	6 110 252
Loans receivable	-	206 518
Cash and cash equivalents	4 672 652	2 844 911
	<b>25 968 764</b>	<b>23 893 553</b>
<b>Total assets</b>	<b>30 830 597</b>	<b>29 991 423</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Stated capital	41 564 720	41 564 720
Retained earnings	(27 966 557)	(27 918 337)
<b>Total equity attributable to owners of parent</b>	<b>13 598 163</b>	<b>13 646 383</b>
Non-controlling interests	6 976 991	7 001 733
<b>Total equity</b>	<b>20 575 154</b>	<b>20 648 116</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Cash-settled share-based payment liability	765 310	505 980
Contract liabilities	715 575	715 575
	<b>1 480 885</b>	<b>1 221 555</b>
<b>Current liabilities</b>		
Trade and other payables	8 392 266	6 688 490
Current tax liabilities	318 767	482 558
Lease liability	-	887 179
Contract liabilities	63 525	63 525
	<b>8 774 558</b>	<b>8 121 752</b>
<b>Total liabilities</b>	<b>10 255 443</b>	<b>9 343 307</b>
<b>Total equity and liabilities</b>	<b>30 830 597</b>	<b>29 991 423</b>

# Consolidated statement of profit or loss and other comprehensive income for the six months ended 31 August 2020

Figures in Rand	Notes	Group	
		Six months ended 31 Aug 2020	Audited Eleven months ended 29 Feb 2020
Revenue	2	13 687 729	8 218 180
Cost of sales		(5 939 901)	(3 023 286)
<b>Gross profit</b>		<b>7 747 828</b>	<b>5 194 894</b>
<b>Other income</b>		<b>152 077</b>	<b>313 791</b>
Sub-lease rental income		102 872	100 980
Reversal of accrual for operating lease expense		-	120 183
Gain on derecognition of lease agreement		34 296	-
Gain on foreign exchange		-	53 543
Impairment reversal on trade receivables		9 195	38 467
Recoupment of internet expenses		5 714	618
<b>Operating expenses</b>		<b>(7 939 776)</b>	<b>(5 679 117)</b>
Write-off of trade receivables		(6 340)	(14 551)
Impairment of goodwill		-	(600 372)
Loss on foreign exchange		(852 541)	-
Employee benefit expense		(3 540 058)	(342 907)
Share-based payment expense		(259 330)	-
Administrative expenses		(1 156 520)	(1 429 727)
Other expenses		(2 124 987)	(3 291 560)
<b>Operating loss before interest</b>		<b>(39 871)</b>	<b>(170 432)</b>
Finance income		34 555	45 529
Finance costs		(34 554)	(38 822)
<b>Loss before tax</b>		<b>(39 870)</b>	<b>(163 725)</b>
Income tax (expense) / credit		(33 092)	(784 555)
<b>Loss for the period</b>		<b>(72 962)</b>	<b>(948 280)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<b>(72 962)</b>	<b>(948 280)</b>
<b>Total comprehensive income for the period attributable to:</b>			
Owners of the Company		(48 220)	(626 716)
Non-controlling interests		(24 742)	(321 564)
		(72 962)	(948 280)
<b>Earnings per ordinary share</b>			
-Basic loss per ordinary share (cents)	3	(3.1)	(162.7)
-Diluted loss per ordinary share (cents)	3	(3.1)	(162.7)

## Consolidated statement of changes in equity for the six months ended 31 August 2020

	Group	
	Six months ended 31 Aug 2020	Audited Eleven months ended 29 Feb 2020
<b>Figures in Rand</b>		
Opening balance	20 648 116	-
Issue of ordinary shares	-	41 564 720
Total comprehensive income	(72 962)	(948 280)
Loss for the period	(72 962)	(948 280)
Other comprehensive income	-	-
Common control transaction	-	(19 968 324)
Dividends paid to shareholders	-	-
<b>Closing balance</b>	<b>20 575 154</b>	<b>20 648 116</b>
<b>Attributable to:</b>		
Owners of the Company	13 598 163	13 646 383
Non-controlling interests	6 976 991	7 001 733
	20 575 154	20 648 116

# Consolidated statement of cash flows

## for the six months ended 31 August 2020

Figures in Rand	Group	
	Six months ended 31 Aug 2020	Audited Eleven months ended 29 Feb 2020
<b>(Loss)/profit before tax</b>	(39 780)	(163 725)
<b>Adjusted for</b>		
Finance income	(34 555)	(45 529)
Finance costs	34 554	38 822
<b>Non-cash flow items</b>		
Depreciation	906 348	415 593
Equity-settled share-based payment expense	259 330	-
Impairment loss reversal on trade receivables	(9 195)	(38 467)
Impairment of goodwill	-	600 372
Gain on derecognition of lease agreement	(34 296)	-
Changes in working capital	1 258 983	(1 203 078)
<b>Net cash flows from operations</b>	<b>2 341 299</b>	<b>(396 012)</b>
Finance income received	34 555	45 529
Finance costs paid	(34 554)	(38 822)
Tax paid	(167 451)	(1 713 323)
	<b>2 173 849</b>	<b>(2 102 628)</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(29 398)	(3 642 108)
Repayments from loans receivable	206 518	-
Advances on loans receivable	-	(206 518)
	<b>177 120</b>	<b>(3 848 626)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares	-	120
Repayments of cash-settled share-based payment liability	-	(874 033)
Repayments of lease liabilities	(523 228)	(247 227)
	<b>(523 228)</b>	<b>(1 121 140)</b>
<b>Net increase or decrease</b>	<b>1 827 741</b>	<b>(7 072 394)</b>
Cash and equivalents acquired through common control transaction	-	9 917 305
Cash and equivalents at the beginning of the period	2 844 911	-
<b>Cash and equivalents at the end of the period</b>	<b>4 672 652</b>	<b>2 844 911</b>

# Selected notes to the condensed consolidated interim financial statements for the six months ended 31 August 2020

continued

## 1. Salient features and of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements comprise the condensed consolidated statement of financial position at 31 August 2020, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows and notes for the period then ended.

### Responsibility for interim results

The Board takes full responsibility for the preparation of the interim results including the condensed consolidated interim financial statements. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether owing to fraud or error.

### Reporting entity

iHealthcare Group Holdings Limited (the “iHealthcare Holdings” or the “Company”) is a company domiciled in South Africa. Its registration number is 2019/155531/06. The address of the Company’s registered office is Sappi Technology Centre, The Innovation Hub, Cnr Aaron Klug and Max Theiler Street, Persekor, Pretoria. The condensed consolidated interim financial statements of the Group as at and for the six months ended 31 August 2020 comprise the Company and its subsidiaries (collectively referred to as the “Group” and individually referred to as “Group entities”).

### Basis of preparation and statement of compliance

The condensed consolidated interim financial statements for the six months ended 31 August 2020 have been prepared in accordance with the Group’s accounting policies under the supervision of the Chief Financial Officer, Mr JH Visser, CA(SA)(ANZ).

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of 4AX and in the manner required by the Companies Act of South Africa, 2008 (Act 71 of 2008), as amended, and are based upon appropriate accounting policies consistently applied throughout the Group and supported by reasonable and prudent judgements and estimates.

The condensed consolidated interim financial results of the Group are prepared as a going concern on a historical basis.

The condensed consolidated interim financial results do not include all the information and disclosures required in the consolidated financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements as at 29 February 2020.

This set of condensed consolidated interim financial results information and disclosure, has not been reviewed or audited by the Company’s auditors, SizweNtsalubaGobodo Grant Thornton Incorporated. Any forward-looking statement has not been reviewed nor reported on by the Company’s external auditors.

### Changes in accounting policies

The condensed consolidated interim financial statements do not include all the information and disclosures required in the audited consolidated financial statements, and should be read in conjunction with the Group’s audited consolidated financial statements as at 29 February 2020. The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the Group’s audited consolidated financial statements for the reporting period ended 29 February 2020, except for the adoption of new standards effective as of 1 January 2020.

### The Conceptual Framework for Financial Reporting

The purpose of the Conceptual Framework is to assist the International Accounting Standards Board (“IASB”) in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. The changes to the Conceptual Framework have no effect on the Group’s financial statements due to the fact that IFRS applies to all current transactions and events within the Group.

### IAS 1 and IAS 8: Definition of materiality

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary user of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments to the definition of material do not have a significant impact on the Group’s financial statements.

# Selected notes to the condensed consolidated interim financial statements for the six months ended 31 August 2020

continued

## Salient features and of the condensed consolidated interim financial statements - *continued*

### Definition of a Business – Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3: *Business Combinations* to help entities determine whether an acquired set of activities and assets is a business or not. The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. The accounting policies of the Group has been updated accordingly and the amendment has had no impact on the Group's financial statements.

### Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### New and amended Standards and Interpretations issued but not yet effective

Management assessed all of the standards and interpretations and is of the opinion that none of these standards and interpretations will have a material impact on the results of the Group in future periods.

### Functional and presentation currency

The condensed consolidated interim financial statements are presented in South African Rands, the functional currency of the Group. All amounts are rounded to the nearest thousand, except where another rounding measure has been indicated in the summarised condensed consolidated interim financial statements.

### Comparative figures

Unless otherwise indicated, comparative figures refer 11-month reporting period ended 29 February 2020.

### Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the reporting period ended 29 February 2020.

# Selected notes to the condensed consolidated interim financial statements

for the six months ended 31 August 2020

continued

## 2. Revenue

	Group	
	31 Aug 2020 Rand	Audited 29 Feb 2020 Rand
Revenue from contracts with customers	13 633 314	8 190 972
<b>Other revenue</b>		
Revenue related to leases	54 415	27 208
<b>Total revenue</b>	<b>13 687 729</b>	<b>8 218 180</b>

### Disaggregation of revenue

In the following tables, revenue from contracts with customers 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.

	Group Ophthalmology segment	
	31 Aug 2020 Rand	Audited 29 Feb 2020 Rand
<b>Timing of revenue recognition</b>		
At a point in time	13 633 314	8 127 447
Over a period of time	-	63 525
Revenue from contracts with customers	13 633 314	8 190 972
Other revenue	54 415	27 208
<b>Total revenue</b>	<b>13 687 729</b>	<b>8 218 180</b>

<b>Major service offering</b>		
Consumable product sales	13 633 314	8 127 447
Services of equipment	-	63 525
Revenue from contracts with customers	13 633 314	8 190 972
Other revenue	54 415	27 208
<b>Total revenue</b>	<b>13 687 729</b>	<b>8 218 180</b>

<b>Geographical region</b>		
South Africa	13 482 764	8 111 630
Namibia	150 550	79 342
Revenue from contracts with customers	13 633 314	8 190 972
Other revenue	54 415	27 208
<b>Total revenue</b>	<b>13 687 729</b>	<b>8 218 180</b>

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

# Selected notes to the condensed consolidated interim financial statements for the six months ended 31 August 2020

continued

## 3. Loss and headline loss per share

	Group	
	31 Aug 2020	Audited 29 Feb 2020
<b>Basic and diluted loss per ordinary share</b>		
Basic loss per ordinary share has been calculated using the following:		
Loss for the period	(72 962)	(948 280)
Non-controlling interest	24 742	321 564
<b>Loss attributable to ordinary shareholders (Rand)</b>	<b>(48 220)</b>	<b>(626 716)</b>
Weighted number of ordinary shares in issue	1 540 120	385 110
Weighted number of ordinary shares in issue for purposes of dilution	1 540 120	385 110
<b>Basic loss per ordinary shares (cents)</b>	<b>(3.1)</b>	<b>(162.7)</b>
<b>Diluted loss per share (cents)</b>	<b>(3.1)</b>	<b>(162.7)</b>
<b>Headline and diluted headline loss per ordinary share**</b>		
Headline loss per ordinary share has been calculated using the following:		
Loss attributable to ordinary shareholders	(48 220)	(626 716)
Impairment of goodwill net of tax***	-	600 372
<b>Headline loss for the period (Rand)</b>	<b>(48 220)</b>	<b>(26 344)</b>
Weighted number of ordinary shares in issue	1 540 120	385 110
Weighted number of ordinary shares in issue for purposes of dilution	1 540 120	385 110
<b>Headline loss per ordinary shares (cents)</b>	<b>(3.1)</b>	<b>(6.8)</b>
<b>Diluted headline loss per share (cents)</b>	<b>(3.1)</b>	<b>(6.8)</b>

\*The comparative information is presented for comparability purposes only.

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

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

## Reconciliation of weighted average number of shares in issue

Number of shares	Group	
	31 Aug 2020	Audited 29 Feb 2020
Shares in issue at the beginning of the period	1 540 120	-
Shares issued - incorporation	-	110
Shares issued – common control transaction	-	385 000
	<b>1 540 120</b>	<b>385 110</b>
Dilutionary effect of LTI scheme	-	-
<b>Weighted number of ordinary shares in issue - dilution</b>	<b>1 540 120</b>	<b>385 110</b>

# Selected notes to the condensed consolidated interim financial statements for the six months ended 31 August 2020

continued

## 4. Segment analysis

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.

The segments of the Group are based on the information reported to the chief operating decision-maker (Chief Executive Officer) and have not changed from the prior reporting period. The Group primarily operates in South Africa and due to the immaterial foreign revenue.

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

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

Business unit	Group	
	31 Aug 2020	Audited 29 Feb 2020
<b>External revenue analysis</b>		
Ophthalmology	13 687 729	8 218 180
	<b>13 687 729</b>	<b>8 218 180</b>
<b>Loss after tax analysis</b>		
<b>Operating loss before tax</b>	<b>(39 870)</b>	<b>(163 725)</b>
Ophthalmology	(69 051)	11 24 400
Group services	29 181	(1 288 125)
Income tax expense	(33 092)	(784 555)
Ophthalmology	(24 921)	(836 423)
Group services	(8 171)	51 868
<b>Operating loss before tax</b>	<b>(72 962)</b>	<b>(948 280)</b>
Ophthalmology	(93 972)	287 977
Group services	21 010	(1 236 257)
The following items are included in the (loss)/profit before tax:		
<b>Depreciation</b>		
Ophthalmology	(906 348)	(415 593)
<b>Finance income</b>		
Ophthalmology	34 555	45 529
Group services	-	-
<b>Finance costs</b>		
Ophthalmology	(34 554)	(38 822)
Group services	-	-

# Selected notes to the condensed consolidated interim financial statements for the six months ended 31 August 2020

continued

## Segment analysis - continued

Business unit	Group	
	31 Aug 2020	Audited 29 Feb 2020
<b>Net operating assets analysis</b>		
Ophthalmology	(19 774 319)	(19 680 347)
Group services*	40 349 473	40 328 463
	<b>20 575 154</b>	<b>20 648 116</b>

\*The net operating assets analysis is performed prior to the elimination of intergroup transactions and balances.

## 5. COVID-19 global pandemic

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

The Group was classified as an essential services provider during the national lockdown period and the risk-adjusted phased-in approach which impacted the operations of the company as follows:

- There was a significant disruption in the operations of the company in relation to the supply of consumables to customers as most of the consumables are utilised during elective procedures which were limited during the national lockdown period and the risk-adjusted phased-in approach;
- International borders were closed for the importation of consumables related to the elective procedures during the national lockdown period and only resumed during the risk-adjusted phased-in approach,
- The Group was impacted by the deterioration of the Rand as currency in relation to the imported goods;
- All staff were encouraged to work remotely if possible;
- The implementation of all required regulations in relation to the operational premises of the various operating premises and staff members present at these premises, resulted in an immaterial increase in costs; and
- Financial budgets in relation to the 2021 reporting period were revised accordingly and pro-active cost saving measures were implemented where possible.

The Board is of the opinion that the pandemic will not have a material impact on the financial stability of the Group in the foreseeable future based on the fact that the Group did not utilise any relief measures implemented by Government; the principle nature of the operations; and the fact that the company was operational throughout the six month reporting period, albeit through strategic initiatives in relation to the provisions of Personal Protective Equipment. The prohibition of elective procedures has been relaxed during the risk-adjusted phased-in approach.

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

## 6. Going concern

Following due consideration of the operating budgets, an assessment of Group debt covenants and funding requirements, solvency and liquidity, the key risks, outstanding legal, insurance and taxation issues, the impact of the COVID-19 pandemic and other pertinent matters presented by management, as and when applicable, the Board has recorded that it has reasonable expectations that the Group has adequate resources and the ability to continue in operations for the foreseeable future. For these reasons, the condensed consolidated interim financial statements have been prepared on the going concern basis.

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

## 7. Events after the reporting date

There was no events material to the understanding of the results that occurred after the reporting date, except the continuation of the risk-adjusted approach implemented by the South African Government in relation to the COVID-19 pandemic.

## **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")  
Share code: 4AIHGH  
ISIN: ZAE400000077

### **Directors**

AP Coetzee^  
K Fleischhauer (Chairperson)^  
Dr HD Hoffman^  
Dr A Jacobsz (Chief Executive Officer)  
KJM Moja^  
Dr PJJ Odendaal (Chief Executive Officer)

*^Independent non-executive.*

### **Business address**

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0020

### **Company Secretary**

**FluidRock Co Sec Proprietary Limited**  
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0181

### **Corporate Advisors**

**Pallidus Capital Proprietary Limited**  
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Waterkloof  
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### **Transfer Securities**

**4 Africa Exchange Registry Proprietary Limited**  
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### **Auditors**

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