

## MATERIAL RISKS

Risk	Management and mitigation measures
<b>Cash flow and liquidity management</b>	<p>Cash flow remains one of the biggest risk that exist within the South African operations. The ability of the Group to continue as a going concern is dependent on the directors procuring funding for the ongoing operations of the South African operations. Different strategies have been adopted by the board of directors to manage the situation. This includes an unbundling of some of the loss making facilities in South African operations.</p> <p>Management have also implemented other strategies to reduce the liquidity risk, these includes head office costs reduction and weekly management of cash flow forecast.</p>
<b>Healthcare during the Covid-19 pandemic</b>	<p>COVID-19 continues to be a threat in the Advanced Health Limited business, particularly in SA where the impact of COVID is seen in the decline in the number of cases.</p> <p>Management continues to manage the pandemic by ensuring that strict Personal Protective Equipment (“PPE”) protocols are adhered to at all times in all day hospitals with mandatory screening of patients.</p> <p>Compulsory testing of all patients before surgery and only negative patients are allowed. Stricter admission processes were implemented as well as improved access control to facilities and a no visitor policy. Staff were also regularly tested. Amended credit facilities were negotiated with funders, landlords and suppliers where possible. Our directors put a hold on all director fees until further notice and staff took a salary sacrifice on a temporary basis to manage cash flow shortages.</p>
<b>Retention and attraction of key clinical staff</b>	<p>Although the restructuring process resulted in some resignations, majority of our staff are loyal and committed and we have secured sufficient agency staff when facilities increase their activities. We have a formal recruitment and retention plan in place.</p>
<b>Clinical risk of patient incidents</b>	<p>We ensure that accredited doctors with appropriate licences and qualifications operate at our facilities. Well trained nursing and clinical staff is appointed. Ensure all equipment are up to date and functional. Proper procedures for admission, surgery and recovery have been put in place and are strictly adhered to.</p>
<b>Security of IT systems</b>	<p>We have outsourced our Information Technology (“IT”) department to ensure compliance and to ensure that all security measures are in place. Various policies have been implemented to assist with the security of our IT systems.</p>
<b>Maintaining business sustainability</b>	<p>Continuous improvement of processes at facilities to increase patient numbers and the number of procedures done. Doctors move work to other facilities where there is capacity. Shareholding is offered to surgeons to increase their involvement and commitment to facilities. We are continuously busy with marketing and medical aid engagements to secure specialists and patients.</p>
<b>Various laws and regulations</b>	<p>We make use of external consultants where expertise is not available in house to ensure compliance to applicable laws and regulations in both South Africa and Australia.</p>