



## **ADVANCED HEALTH LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 2013/059246/06)

("the Company" or "Advanced Health")

ISIN Code: ZAE000189049      JSE Code: AVL

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### **UPDATE REGARDING THE DISPOSAL OF ADVANCED HEALTH FACILITIES, PROPOSED CAPITAL RAISE AND CAUTIONARY ANNOUNCEMENT**

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#### **1. Disposal of Advanced Health facilities**

Shareholders are referred to the detailed terms announcement released on 5 November 2020, in which it advised that Advanced Health, through its 100% owned subsidiary, Advanced Health South Africa Proprietary Limited ("AHSA") has entered into a sale of shares agreement with Samaritan Health Proprietary Limited (the "Purchaser" or "Samaritan") in terms of which Samaritan would purchase AHSA's ordinary shares and related shareholder loans, in seven of the South African hospital facilities in which AHSA's owns the majority interests ("Advanced Health SPVs") ("Transaction" and "Transaction Agreement").

In terms of the Conditions Precedent to the Transaction Agreement, Samaritan's Due Diligence Investigation were to be completed by no later than 29 November 2020 ("Due Diligence Completion Date"). Following the Due Diligence Completion Date, the Purchaser requested the renegotiation of certain of the Transaction terms, including the funding of the Transaction consideration. The board of directors have considered the matter and have taken the decision to terminate the Transaction and negotiations.

#### **2. Disposal of East Rand Day Hospital**

Shareholders are further referred to the detailed terms announcement released on SENS on 6 November 2020, regarding the sale of Advanced East Rand Day Hospital Proprietary Limited ("East Rand Day Hospital") to 52 Olivia Road Hospital Proprietary Limited ("the Purchaser") in terms of which the business of East Rand Day Hospital would be sold to the Purchaser, as a going concern.

Shareholders are advised that the required funding for the transaction were not raised in terms of the conditions precedent to the transaction agreement and as a result, the transaction agreement has been terminated.

East Rand Day Hospital forms part of the underperforming facilities of which the board of directors have decided to dispose of as part of the restructuring of the group. The Company will continue to pursue the disposal of the underperforming facilities or consider alternative solutions on a case by case basis.

#### **3. Proposed Capital Raise**

The board of directors remains confident in the ability of the remaining South African hospital facilities and will continue to pursue a restructuring in order to further reduce operational and overhead costs and to inject the necessary cash resources to ensure continued solvency and liquidity of the Advanced Health group for the foreseeable future.

The Company has entered into discussions with the controlling shareholder which has committed to underwrite a proposed capital raise of at least R40 million. The discussions are ongoing and details of the proposed capital raise will be provided in due course.

**4. Renewal of cautionary announcement**

Shareholders are referred to the renewal of cautionary released on SENS on 5 November 2020, and are advised that even though the Fourth Tranche of the Credit Facility Agreement has been successfully concluded (as was announced on SENS on 8 December 2020) and the Transaction with Samaritan referred to in paragraph 1 above has been terminated, the proposed capital raise, if concluded successfully, may have a material effect on the price of the Company's securities.

Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities until further full announcements are made.

**Johannesburg**

18 December 2020

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**Designated Advisor**

Grindrod Bank Limited

