

**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

**DEEMED DISPOSAL OF 1.75% OF PRESMED AUSTRALIA (PTY) LIMITED**

**1 INTRODUCTION**

Shareholders are referred to the announcement released on SENS on 19 June 2018 in which it was advised that Advanced Health's major Australian subsidiary, Presmed Australia (Pty) Limited ("PMA") conducted a fund raising to raise AUD 1.675 million (ZAR 16.74 million) by way of loans from certain PMA and Advanced Health directors or their associated companies. A portion of the loans were converted to equity at a share price of AUD23.37 per PMA share which diluted Advanced Health's shareholding in PMA from 94.64% by 3.8% to 90.84%. The remaining AUD 0.925 million (ZAR 9.24 million) was retained by PMA as long term loans.

Shareholders are advised that, in accordance with terms of the long term loans, a further portion of the long term loans have been converted to PMA ordinary shares, by the parties detailed in 4.1 below. A total long term loan amount of AUD674 970 was converted to 24 607 PMA ordinary shares, issued at a share price of AUD27.43 per PMA share. The conversion diluted Advanced Health's current shareholding in PMA from 61.41% to 59.66%, a deemed Disposal of 1.75% ("Deemed Disposal").

**2 BACKGROUND TO PMA**

Presmed Australia is one of the leading healthcare companies in Australia that specializes in establishment and management of surgical day hospitals. It currently operates five facilities across the major urbanised regions New South Wales, Australia.

**3 BACKGROUND AND RATIONALE FOR THE DISPOSAL**

PMA required funding for its ongoing expansion and support of its Australian day hospitals, which was approved and supported by the AVL Board. As per the terms of the long-term loans, the directors had the right to convert these to PMA shares.

**4 KEY TERMS OF THE TRANSACTION**

**4.1 Conversion of loans to share capital**

The names of the directors, value of the long terms loans and number shares issued are detailed in the table below:

Party and associate company	Long term loan Amount	Converted to Shares	Loan amount repaid	Remaining Long term loan	Number of shares issued
Ysbrand Visser via Maluti Holding AG	AUD150 000	AUD149 987.24	AUD12.76	AUD 0	5 468
Ivan Kassel via Davilar Pty Ltd	AUD375 000	AUD124 998.51	AUD1.49	AUD 250 000	4 557
Carl Grillenberger	AUD400 000	AUD399 984.26	AUD15.74	AUD 0	14 582
<b>Total</b>	<b>AUD975 000</b>	<b>AUD674 970.01</b>	<b>AUD29.99</b>	<b>AUD 250 000</b>	<b>24 607</b>

**4.2 Suspensive conditions and Proceeds**

There are no suspensive conditions to the Disposal.

No additional proceeds was raised on the conversion the long term loans.

#### **4.3 Effective date of the Deemed Disposal**

The effective date of the Deemed Disposal is on the day the shares are issued to the Parties which was 9 November 2020.

#### **5 PROFIT AND NET ASSET VALUE ATTRIBUTABLE TO PMA**

The net assets of PMA, as per the reviewed condensed consolidated annual financial statements for the 12 months ended 30 June 2020 was ZAR180.7 million. The audited revenue attributable to the net assets of PMA for the 12 months ended 30 June 2020 was ZAR299.3 million and the profit after tax was ZAR14.4million. The reviewed condensed consolidated annual financial statements were prepared in accordance with International Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listing Requirements and the Companies Act 71 of 2008 of South Africa.

#### **6 CATEGORISATION OF THE TRANSACTION AND CAUTIONARY ANNOUNCEMENT**

In terms of the Listings Requirements of the JSE, the Deemed Disposal, at a value of ZAR 7.67 million is categorised as a Category 2 transaction in terms of section 9. Further, the Deemed Disposal is not categorised as a related party transaction in terms of section 10 read with section 21 of the Listings Requirements and does therefore not require a fairness opinion to be obtained nor is it subject to Advanced Health shareholder approval.

*The Exchange rate applied in this announcement is the closing ZAR:AUD rate on Monday, 9 November 2020 of ZAR11.36548:AUD1*

**Johannesburg**

24 November 2020

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**Designated Advisor**

Grindrod Bank Limited

