



ADVANCED HEALTH LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2013/059246/06)

("the Group" or "Advanced")

ISIN Code: ZAE000189049 JSE Code: AVL

REVIEWED CONDENSED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

INTRODUCTION

Shareholders are referred to the various cautionary announcements released on SENS on 27 July 2020, 17 August 2020 and 23 September 2020 respectively, which provided information regarding the restructuring process that Advanced embarked on in order to simplify the group structure, reduce operational and overhead costs and to inject the necessary cash resources to ensure the continued solvency and liquidity of Advanced and the subsidiaries for the foreseeable future, to provide context to the following disclosures:

Sale of four South African Subsidiaries

During the 2020 financial year and as part of the restructuring process, the board of directors of the Group has taken the decision to dispose of four of the subsidiaries within the South African Group, as detailed in note 4 to the reviewed condensed consolidated annual financial statements for the year ended 30 June 2020. The assets and liabilities attributable to these subsidiaries have been classified as a disposal group as at 30 June 2020 and are presented separately in the statement of financial position. Disposal is expected to occur within the next 12 months and the Group has been receiving offers from different parties.

Post Balance Sheet Events

Furthermore, in August 2020, the Group received an offer and entered into discussions with a third party, in respect of the remaining facilities within the South African Group, that are not held as a disposal group. The offer received is for R170.0 million, excluding deferred consideration, in respect of the remaining facilities within South Africa.

Impact of COVID-19

COVID-19 had an impact on the results for the fourth quarter (Q4) of the 2020 financial year. The effect for Q4 is as follows based on the trend from the 2019 financial year:

- Advanced Health South Africa – Loss of Revenue R24.4 million, effect on loss and cashflow amounts to R15.7 million.
- Presmed Australia – Loss of Revenue AUD4 million (R42.0 million), effect on loss and cashflow amounts to AUD2.7 million (R28.3 million).

FINANCIAL RESULTS

- Revenue decreased to R476.2 million (2019: R481.7 million).
- EBITDA improved to R54.5 million (2019: R17.6 million).
- Taxation increased to R39.7 million (expense) (2019: income R7.8 million).
- Loss for the year increased to R133.8 million (2019: R38.0 million).

- Basic loss per share from both continuing and discontinued operations increased to 51.08 cents (2019: 15.51 cents).
- Headline loss per share from both continuing and discontinued operations increased to 49.42 cents (2019: 10.84 cents).

Going concern

Advanced Health draws attention to the fact that at 30 June 2020, the Group had accumulated losses of R257.2 million (2019: R109.5 million) after incurring a net loss of R133.8 million (2019: R38.0 million). The Group's current ratio is 0.8:1 (2019: 1.02:1).

The reviewed condensed consolidated financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The ability of the Group to continue as a going concern is dependent on the directors procuring funding for the ongoing operations of the Group. In addition to the facilities held for sale, an offer has been received of R170 million, excluding deferred consideration, in respect of the remaining facilities within South Africa. Failing which the Group has the ability to sell a portion of its shareholding in Presmed Australia. A shareholder has committed to provide the Group with an additional loan facility of R20.0 million to bridge any short-term cash shortages until the restructuring is finalised.

No dividend is proposed or recommended for the financial year ended 30 June 2020.

Short-form announcement

The contents of the short-form announcement are the responsibility of the Board of Directors of Advanced Health Limited. The information in the short-form announcement is a summary of the full announcement and accordingly does not contain full or complete details. The full announcement is available for inspection at no charge, Monday to Friday, during office hours at the company's registered office, the office of the Designated Advisor and on the Company's website on <http://www.advancedhealth.co.za/> from 25 September 2020. The full announcement is available on SENS on 25 September 2020 at <https://senspdf.jse.co.za/documents/2020/jse/isse/AVL/YE2020AVL.pdf>. The information in this announcement has been extracted from the reviewed condensed consolidated financial results, but the short-form announcement itself has not been reviewed by the Company's auditors. Any investment decisions by shareholders/investors should be based on the full announcement released to the JSE and published on the Company's website.

The reviewed condensed consolidated financial statements have been reviewed by the Group's Auditors, Mazars who have issued an unmodified review opinion with an emphasis of matter included for material uncertainty of Going Concern (refer above). The review opinion is available for inspection at the Company's registered office and on the Company's website <http://www.advancedhealth.co.za/>

CORPORATE INFORMATION

Advanced Health Limited
(Incorporated in the Republic of South Africa)
Registration number: 2013/059246/06
ISIN: ZAE000189049 JSE Code: AVL

Registered Address:
Building 2, Walker Creek Office Park
90 Florence Ribeiro Avenue
Muckleneuk
0002
Postnet Suite 668, Private Bag X1
The Willows, 0041

Executive directors

GJ van Emmenis (Chief Executive Officer)
MC Resnik# (Chief Operational Officer Australia)
D Goss-Ross (Alternate)
S Chonco (Chief Financial Officer)

Non-Executive Directors

FA van Hoogstraten (Lead Independent)
CA Grillenberger (Chairman)
PJ Jaffe #
CJPG van Zyl
Dr WT Mthembu
Dr J Oelofse
YJ Visser
Dr KE Legodi

Australian

Company Secretary: M Janse van Rensburg

Auditors: Mazars

Transfer Secretaries: Link Market Services Proprietary Limited

Designated Advisor: Grindrod Bank Limited

25 September 2020