

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

RENEWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the renewal of cautionary announcement released on SENS on 18 December 2021 and are advised of the following updates relating to the Company.

1. Disposal of Advanced Vergelegen Surgical Centre Proprietary Limited

Shareholders are referred to the detailed terms announcement released on SENS on 28 January 2021, regarding the sale of Advanced Vergelegen Surgical Centre Proprietary Limited ("Vergelegen") to Hibosys Proprietary Limited, operating as Summerhill Surgical Centre ("the Purchaser") in terms of which the Business of Vergelegen will be sold to the Purchaser, as a going concern.

Vergelegen forms part of the underperforming facilities of which the board of directors has decided to dispose of as part of the restructuring of the group.

2. Restructuring process

As part of the restructuring process, the Advanced Health group have implemented strict measures in South Africa to ensure that all costs are substantially curtailed. A decision has been made to close the Advanced Soweto Day Hospital Proprietary Limited, which was bleeding a substantial portion of cash resources and not showing any sign of an improvement. Most of the remaining South African operating subsidiary companies have grown to the extent that most of these companies are now cashflow positive.

3. Operational update

The operations of Presmed Australia Proprietary Limited ("PMA") (in which Advanced Health currently owns 59.66%), have exceeded expectations over the first two quarters of the financial year ending 30 June 2021. PMA produced record high patient numbers for the period. This is primarily due to the large backlog of patients who could not be operated on during the year ended 30 June 2020, due the COVID-19 restrictions. These results could not have been predicted during these unprecedented times and provide a positive indication of the potential that exists for the South African facilities.

The objective going forward is to ensure that the South African business will achieve a cash-flow breakeven position before the end of June 2021. Although the South African operations have disappointed in the past by not showing the expected returns, we believe that this part of our business is now in a stronger position to make a positive contribution towards the continued growth of Advanced Health in the future. Advanced Health has secured favourable Designated Service Provider ('DSP') contracts with medical schemes, for 2021. This should help to secure better patient volumes for the South African facilities of Advanced Health. Furthermore, the group will continue to reduce operational costs and substantially strengthen its cash resources to turn the remaining facilities into viable business ventures

and to ensure the continued solvency and liquidity of the Advanced Health group for the future.

4. Proposed Capital Raise

As previously advised, the board of directors remains confident in the ability of the remaining South African hospital facilities and will continue to pursue a restructuring strategy 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.

To achieve these objectives, Advanced Health is planning a non-renounceable rights offer to raise a minimum of R40 million and a maximum of R67 million. Advanced Health's controlling shareholder has agreed to underwrite R40 million of the planned rights offer. The price, at which the rights offer will be made is 24 cents per share, which represents a discount of less than 10% to the weighted average traded price of Advanced Health shares over the 30 business days prior to 28 January 2021, being the date on which the price was determined by the board of directors.

5. Renewal of cautionary announcement

The proposed rights offer if concluded successfully, may have a material effect on the price of the Company's securities.

Accordingly, shareholders are advised to continue to exercise caution when dealing in the Company's securities until a full announcement regarding the details of the rights offer is made.

Johannesburg

2 February 2021

Designated Advisor

Grindrod Bank Limited

