

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

LOAN AGREEMENT WITH A RELATED PARTY AND FAIRNESS OPINION

1 INTRODUCTION AND BACKGROUND

Shareholders are advised that Presmed Australia (Proprietary) Limited ("PMA"), in which Advanced Health currently owns 59.66%, has embarked on a capital raising through which it will raise capital from its existing shareholders ("PMA Capital Raise"). To participate in the PMA Capital Raise and to maintain Advanced Health current interest in PMA, the board of directors of Advanced Health (the "Board") approved the Company to subscribe for an additional 119 411 PMA ordinary shares at a subscription price of AUD37.75 per PMA share, at a total consideration of AUD4 507 826 (approximately ZAR50 254 597).

In order to participate in the PMA Capital Raise Advanced Health, together with its 100% owned subsidiary, Advanced Health South Africa (Proprietary) Limited ("AHSA"), have entered into a new loan agreement with Eenhede Konsultante (Proprietary) Limited ("Eenhede Konsultante"), for Eenhede Konsultante to extend a shareholder's loan of AUD4 507 826 ("Loan Amount"), to the Company, for the purpose of participating in the PMA Capital Raise and to acquire the 119 411 PMA ordinary shares ("Loan Agreement").

2 RATIONALE FOR THE LOAN AGREEMENT

PMA have identified several growth opportunities in the Australian market and have decided to implement the PMA Capital Raise in order to pursue these growth opportunities. Advanced Health supports the growth of PMA and have decided to participate in the PMA Capital Raise, which will ensure that its interest in PMA does not dilute below the current 59.66%.

Advanced Health's internal funding and any commercial funding that may be available to it, is earmarked to support the working capital and growth requirements of the South African operations. In order to participate in the PMA Capital Raise, Advanced Health is required to raise funding for the subscription amount.

Eenhede Konsultante, as the major shareholder of the Advanced Health group, supports the growth of both the Australian and South African operations of the Advanced Health group and have therefore agreed to provide the funding for Advanced Health's participation in the PMA Capital Raise, on the terms detailed in this announcement.

3 KEY TERMS OF THE LOAN AGREEMENT

- Advanced Health will pledge the additional 119 411 PMA ordinary shares to Eenhede Konsultante as security;
- The Loan Amount is granted to Advanced Health Limited for the purpose of acquiring the shares in PMA.
- The term of the loan will be a period of five years after the effective date ("Loan Term") and will be repayable in full after the Loan Term;
- The effective date is upon fulfilment of suspensive conditions;

- Eenhede Konsultante will transfer the Loan Amount as consideration for the Shares directly to PMA, subsequent to the effective date;
- Interest on the outstanding balance of the Loan Amount will be charged monthly in arrears at an annual interest rate equal to the prime rate of interest quoted by ABSA Bank Limited, plus 25 basis points, for the duration of the Loan Term;
- Interest on the amount equal to 70% of the Loan Amount will be payable by Advanced Health to Eenhede Konsultante, annually, subject to Advanced Health receiving dividend payments from PMA. Advanced Health will not pay accrued interest on 70% the Loan Amount if it has not yet received dividend payments from PMA;
- Interest on the amount equal to 30% of the Loan amount will be capitalised up to the first anniversary of the effective date and will be payable to Eenhede Konsultante in 12 equal monthly instalments from the second anniversary of the effective date;
- Any accrued interest not paid up to the second anniversary of the effective date will be paid in equal monthly instalments over the remaining 36 months of the Loan Agreement;
- The AHSA board of directors and the Advanced Health board of directors have agreed that should it become clear during the Loan Term that AHSA is no longer in a position to service the Loan Agreement on behalf of Advanced Health, as and when the liabilities fall due, Advanced Health will consider selling the 119 411 PMA ordinary shares;
- Eenhede Konsultante will have a first right of refusal, in the event that Advanced Health wishes to dispose of 30% of the 119 411 PMA ordinary shares.

4 CONDITIONS PRECEDENT

The Loan Agreement is subject to the fulfilment or waiver, as the case may be, of the following conditions precedent by no later than 31 January 2022:

- The conclusion of a cession and pledge agreement, whereby Advanced Health pledges the 119 411 PMA ordinary shares to Eenhede Konsultante as security for the Loan Agreement;
- The approval of the Loan Agreement by the Advanced Health board of directors and the Eenhede Konsultante board of directors; and
- Advanced Health obtaining the required South African Reserve Bank approval to enable Advanced Health to transfer the funds to Australia.

5 RELATED PARTY TRANSACTION

Eenhede Konsultante is an associate company of Mr. Carl Alfred Grillenberger, the Chairman of the Advanced Health Board and the majority shareholder of the Company, with an indirect beneficial interest of 70.19%, through Eenhede Konsultante. Eenhede Konsultante is therefore a related party to the Company as defined in Section 10 the JSE Listings Requirements.

6 CATEGORISATION OF THE TRANSACTION AND CAUTIONARY ANNOUNCEMENT

Pursuant to the amendments to the scope of section 10 of the JSE Listings Requirements read with section 21, the Loan Agreement is categorised as a small related party transaction for AltX issuers and therefore, is not subject to Advanced Health shareholder approval.

7 FAIRNESS OPINION REGARDING THE LOAN AGREEMENTS

Advanced Health appointed BDO Corporate Finance Proprietary Limited (“BDO”) to provide a fairness opinion with regards to the Loan Agreement. BDO has concluded that the terms and conditions of the Loan Agreement is more favourable to Advanced Health than market related terms and conditions and therefore the Loan Agreement is fair to Advanced Health shareholders.

The Board confirms that it is of the opinion that the terms of the Loan Agreement is fair insofar as Advanced Health shareholders are concerned, having regard to the BDO fairness opinion. Copies of the BDO fairness opinion is available for inspection at Advanced Health offices (Building 2, Walker Creek Office Park, 90 Florence Ribeiro Avenue, Muckleneuk, Pretoria) and

on the website <https://advancedhealth.co.za> for a period of 28 days from the date of this announcement.

Johannesburg

25 January 2022

Designated Advisor

Grindrod Bank Limited

