

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

**AMENDMENT TO LOAN AGREEMENT WITH EENHEDE KONSULTANTE AND DIRECTORS'
PARTICIPATION IN THE PMA CAPITAL RAISE**

1 INTRODUCTION AND BACKGROUND

Shareholders are referred to the announcement released on SENS on 25 January 2022 which advised that Presmed Australia (Proprietary) Limited ("PMA"), in which Advanced Health owned 59.66%, embarked on a capital raising through which it would raise capital from its existing shareholders ("PMA Capital Raise"). To participate in the PMA Capital Raise and to maintain Advanced Health's 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 ordinary share, at a total consideration of AUD4 507 826 (approximately ZAR50 254 597).

Shareholders are advised that the initial PMA Capital Raise was not fully subscribed to by the existing PMA shareholders. The PMA shareholders who participated initially was allowed to subscribe for additional PMA ordinary shares. The Board approved the Company to subscribe for additional PMA ordinary shares to reach a total subscription of 120 168 PMA ordinary shares at a subscription price of AUD37.75 per PMA ordinary share, equating to a total consideration of AUD4 536 340 (approximately ZAR50 572 479) .

2 AMENDMENT OF LOAN AGREEMENT

As announced on SENS on 25 January 2022, Advanced Health, together with its 100% owned subsidiary, Advanced Health South Africa (Proprietary) Limited ("AHSA"), 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 initial 119 411 PMA ordinary shares ("Loan Agreement").

The Loan Agreement has, subsequent to the finalisation of the PMA Capital Raise, been amended to increase the Loan Amount with an additional AUD28 514 (approximately ZAR 318 883) to AUD4 536 340 (approximately ZAR50 572 479). The additional PMA ordinary shares have also been pledged to Eenhede Konsultante as security, in order to reflect the total 120 168 PMA ordinary shares, subscribed for as part of the PMA Capital Raise. The other key terms of the Loan Agreement as disclosed in the SENS announcement dated 25 January 2022, remains unchanged.

3 ACQUISITION OF AN ADDITIONAL 0.91% INTEREST IN PMA

As a result of the PMA Capital Raise, Advanced Health's interest in PMA has increased by 0.91%, from 59.66% to 60.57%. The total consideration attributable to this 0.91% increase is AUD360 214 (approximately ZAR4 015 774), representing 9 542 PMA ordinary shares valued at AUD 37.75 per PMA ordinary share.

4 ADVANCED HEALTH DIRECTORS' PARTICIPATION IN PMA CAPITAL RAISE

Further to the participation of Advanced Health in the PMA Capital Raise, each of the following directors of Advanced Health, who are shareholders of PMA, participated in the PMA Capital Raise, resulting in their respective direct and indirect beneficial interest in PMA, increasing as detailed below:

- Carl Alfred Grillenberger's (*non-executive Chairman of the Board*), direct interest in PMA increased with 0.03% from 1.69% to 1.72% (representing 270 PMA ordinary shares valued at AUD10 205 (approximately ZAR113 764)).
- Cobus Visser's (*independent non-executive director of the Board*), indirect interest in PMA increased with 0.02% from 1.38% to 1.40% (representing 220 PMA ordinary shares valued at AUD8 317 (approximately ZAR92 722)).
- Johan Oelofse's (*independent non-executive director of the Board until 12 November 2021*), direct and indirect interests in PMA increased with 0.02% from 1.49% to 1.51% (representing 909 PMA shares valued at AUD34 298 (approximately ZAR(382 361))).

5 RELATED PARTY TRANSACTIONS

Eenhede Konsultante is an associate company of Carl Alfred Grillenberger, the Chairman of the Board and the majority shareholder of the Company, with an indirect beneficial interest of 71.1%, through Eenhede Konsultante together with Pres Medical Witbank, Carl Grillenberger Family Trust and the VC Family Trust. Eenhede Konsultante is therefore a related party to the Company as defined in Section 10 the JSE Listings Requirements.

Carl Grillenberger and Cobus Visser, as directors of the Board, and Johan Oelofse, who was a director in the past 18 months, are related parties to the Company as defined in Section 10 of the JSE Listings Requirements.

6 CATEGORISATION OF THE TRANSACTIONS

6.1 Amendment of the Loan Agreement

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

6.2 Acquisition of an additional 0.91% interest in PMA

The acquisition of the additional 0.91% interest in PMA by Advanced Health is not categorizable as a transaction in terms of section 9 of the JSE Listings Requirements.

6.3 Advanced Health Directors' Participation in PMA Capital Raise

The participation in the PMA Capital Raise by each of Carl Grillenberger, Cobus Visser and Johan Oelofse, resulting in their respective interests in PMA increasing, as detailed in paragraph 4 above, are categorised below the small related party transaction threshold in terms of section 10 of the JSE Listings Requirements read with section 21, and are therefore not subject to a Fairness Opinion or Advanced Health shareholder approval.

7 FAIRNESS OPINION REGARDING THE AMENDMENT OF THE LOAN AGREEMENT

As per the SENS announcement dated 25 January 2022, Advanced Health appointed BDO Corporate Finance Proprietary Limited ("BDO") to provide a fairness opinion with regards to the Loan Agreement. BDO 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.

BDO has considered the amendments to the Loan Agreement and its conclusion that it is fair to Advanced Health shareholders, remains unchanged.

The Board confirms that it is of the opinion that the terms of the amended 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 further period of 28 days from the date of this announcement.

8 BAGROUND TO PMA

Presmed Australia is one of the leading healthcare companies in Australia that specializes in establishment and management of surgical day hospitals.

9 PROFIT AND NET ASSET VALUE ATTRIBUTABLE TO PMA

The net assets of PMA, as per the Advanced Health interim financial statements for the 6 months ended 31 December 2021 was ZAR234.7 million. The profit after tax attributable to the net assets of PMA was ZAR22.7 million. The interim 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.

Pretoria

11 March 2022

Designated Advisor

Grindrod Bank Limited

