

**QUANTUM HEALTH GROUP LIMITED (ASX:QTM) – QUANTUM HEALTHCARE PTY LIMITED (QHC) ACHIEVES AGGREGATE EBIT OVER THE TWO YEARS TO 30 JUNE 2019 IN EXCESS OF A\$11M RESULTING IN THE ISSUE OF ADDITIONAL QTM SHARES TO THE QHC SELLERS**

On 5 April 2018 Quantum Health Group Limited (**ASX : QTM**) (Company or QTM) announced that it had reached agreement with the then 20% minority shareholders (the Sellers) of Quantum Healthcare Pty Limited (QHC) to acquire the Sellers' 20% interest in QHC (the Acquisition).

As a result of the Acquisition on 5 April 2018 QTM's aggregate ownership of QHC increased from its then existing 80% to 100%, thereby securing QHC as a wholly owned subsidiary of QTM on and from 5 April 2018.

As set out in QTM's Announcement on 5 April 2018, the terms of the Acquisition included terms that:

- if QHC achieves an aggregate EBIT of greater than A\$11 million for the 2 year period from 1 July 2017 to 30 June 2019, QTM will issue the Sellers a further 30 million QTM shares at 2.4 cents per share; and
- if that EBIT target is achieved by QHC and the further 30 million QTM shares are issued to the Sellers, such further shares will be subject to a 2 year voluntary escrow on and from their issue date.

QTM can confirm the audited aggregate EBIT achieved by QHC for the two financial years ending 30 June 2019 has exceeded A\$11 million and that QTM has today, in accordance with the QHC Acquisition Agreement, issued 30 million QTM shares to the QHC Sellers, which shares are subject to a 2 year voluntary escrow through to 17 December 2021. This concludes the agreed acquisition arrangements in relation to QHC set out in the Acquisition Agreement dated 5 April 2018.

QTM's CEO and Managing Director, Mr Walstab said "This is a very pleasing result for QHC and QHC's ongoing profitability sees it well placed to continue to seek out and build on opportunities in international healthcare markets, which in turn has a positive impact on the QTM Group's overall results."

In relation to the issue of the QTM shares QTM attaches an Appendix 3B and a Section 708A Notice.

On behalf of the Board

Mr John Walstab

A handwritten signature in black ink, appearing to read "John Walstab".

Managing Director  
17 December 2019

**NOTICE UNDER SECTION 708A OF THE CORPORATIONS ACT, 2001**

Quantum Health Group Limited (**ASX : QTM**) advises that it has today issued a total of 30 million fully paid ordinary shares (**Shares**) in accordance with the QHC Acquisition Agreement dated 5 April 2018.

An Appendix 3B relating to this issue is attached to QTM's Announcement dated 17 December 2019.

QTM, the Issuer, advises that:

(a) the Shares were issued by the Issuer without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Act);

(b) this notice is being given under section 708A(5)(e) of the Act;

(c) as at the date of this notice, the Issuer has complied with:

(i) the provisions of Chapter 2M of the Act, as they apply to the Issuer; and

(ii) section 674 of the Act; and

(d) as at the date of this notice, there is no information that is 'excluded information' within the meanings of section 708A(7) and 708A(8) of the Act.

On Behalf of the Board

Mr John Walstab

A handwritten signature in black ink, appearing to read "John Walstab", written in a cursive style.

Managing Director

17 December 2019