



MILLENNIUM LIMITED
ACN 133 453 531

Unit 9U
175 Lower Gibbes Street
Chatswood NSW 2067

Australian Securities Exchange Announcement

21 May 2020

The Manager
Company Announcements Office
Australian Securities Exchange
Electronic Lodgement

Dear Sir/Madam,

Millennium Ltd (ASX Code: MHD) –PROSPECTUS

Millennium Limited (ASX: MHD) (**Company**) announces the following updates on the prospectus.

Replacement Prospectus

The Company has lodged a replacement prospectus with Australian Securities and Investments Commission (**ASIC**) on 18 May 2020. This is in response to the interim stop order issued by ASIC on the prospectus dated 13 March 2020 which has now been removed by ASIC.

Enclosed is a copy of the typeset version of the prospectus. The Prospectus is for the offer of 21,000,000 fully paid ordinary shares to the public at an Offer Price of \$1.00 per share to raise up to \$21,000,000.

Investors can download a copy of the prospectus from Monday 25 May 2020 from www.adventhealth.com.au.

COVID -19 Update

Forecasts for FY20 and FY21 have been removed at the request of ASIC as they could be subject to such a broad range of potential outcomes, making them confusing and potentially misleading. An analysis of trends since the start of the lockdowns give the Directors reason to be cautiously optimistic that historic profitability levels of the group overall will be restored in the coming months. This is because:

- The diversity of disciplines and locations in the Group mean shortfalls in one area can often be compensated in another.

- The Group structure is more resilient than small practices. Already some of our groups have gained new clients from the closure of small competitors as a result of the lockdowns. No Advent practices have been closed due to the lockdown.
- As business gets harder for small practices, opportunities to grow the group by acquisition will increase and the cost will decrease.

An analysis of the weekly revenue figures for the group from the middle of March to the first week in May show the weekly aggregated revenues declined up to a peak of approximately 30% in mid-April (or 20% if seasonally adjusted for Easter) and are now running at an approximately 10 to 15% below trend but on an upward trajectory. The majority of practice groups anticipate returning to pre-COVID-19 revenues or single digit revenue reductions in the next four to six weeks.

The community need for allied health services will continue to be in high demand post COVID-19 due to a range of factors including:

- Mental health support relating to economic uncertainty, employment and social isolation.
- Musculoskeletal issues relating to poor ergonomic set ups at home, incorrect posture, unsuitable work stations/furniture.
- Chronic disease such as obesity and diabetes as a result of poor nutrition, increased alcohol consumption and limited exercise and physical activity.
- Re-introduction of elective surgery requiring allied health clinicians for rehabilitation requirements for orthopaedic issues.

Indicative Timetable for Listing

- | | |
|---|-------------|
| • Lodgement of Replacement Prospectus | 18 May 2020 |
| • Opening of Public Offer | 25 May |
| • Completion of Public Offer | 26 June |
| • Settlement of practice acquisitions* | 30 June |
| • Readmission & Commencement of trading | 16 July |

The above dates are indicative only. *Settlement with vendors may take an extra week

If you have any queries, please contact Ying Huang on the detail set out below,

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Announcement authorised for release to ASX by:

Wei Huang
Chairman
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Prospectus

Advent Health

ALLIED HEALTH GROUP

Advent Health Limited (AH1)

Offer of 21,000,000 fully paid ordinary shares to the public at an Offer Price of \$1.00 per share to raise \$21 million before expenses.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1, 2 and 11 of the Australian Securities Exchange (ASX) Listing Rules and ASX admission and quotation requirements following a change in nature and scale of the Company's activities.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay. The Shares offered by this Prospectus should be considered speculative.

MANAGER – NOVUS CAPITAL LIMITED

Novus
Capital

AFS Licence No. 238168
Corporate Advisory Group



Important notice

This Prospectus is an important document and requires your prompt attention. You should read it carefully. It is important that you consider the risk factors (see section 6) before deciding on your course of action as these could affect the Company's financial performance.

This Prospectus is issued by Millennium Limited ACN 133 453 531 which is to be renamed Advent Health Limited if a resolution for the change of name is passed at the General Meeting described below.

Change in nature and scale of activities and re-compliance with chapters 1 and 2 of the ASX Listing Rules

The Company has entered into an agreement for the acquisition of 100% of the issued capital of Advent Health Pty Ltd ACN 626 661 863 (**AHPL**). AHPL has in turn entered into agreements to acquire a number of multi-disciplinary allied health practices. See section 8.3 for more information on these Acquisitions. The Acquisitions will involve a significant change in the nature and scale of the Company's activities which requires the approval of Shareholders under Chapter 11 of the ASX Listing Rules. This approval will be sought by the Company at the General Meeting to be held on 30 June 2020 (**General Meeting**).

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for reinstatement to quotation of shares in the Company on ASX following a change in nature and scale of the Company's activities.

Shares in the Company have been suspended from trading on ASX since 13 August 2018 and will not be reinstated until approval by ASX of the Company's Re-compliance Application. There is a risk that the Company may not be able to meet the requirements of ASX for reinstatement to quotation of its shares. If the Company does not receive conditional approval for reinstatement to quotation of its shares on ASX or the other conditions of the Offers are not satisfied the Company will not proceed with the Offers and Applicants will be reimbursed their Application Money (without interest). Please refer also to section 6 for details of the risks associated with an investment in the Company.

Conditional Offer

The Offers are subject to a number of conditions including ASX approval of the Company's Re-compliance Application, achievement of the minimum subscription of 21,000,000 fully paid ordinary shares at \$1.00 per share, Shareholder approval of at the General Meeting and the satisfaction (or waiver) of conditions precedent to the Practice Acquisition Agreements.

If these conditions are not satisfied the Offers will not proceed and no Shares will be issued pursuant to this Prospectus. If this occurs, Applicants will be reimbursed their Application Money (without interest). See section 8.4 for more information on these conditions.

Re-compliance and Shareholder approval

This Prospectus is a re-compliance Prospectus for the purposes of satisfying the admission requirements of Chapters 1 and 2 of the ASX Listing Rules as a result of a proposed change to the scale of the Company's activities described in section 8.3.

A Notice of Meeting is expected to be to be despatched to Shareholders on 29 May 2020 for a General Meeting of the Company to be held on 30 June 2020. Refer to section 10.2 of this Prospectus for a summary of the Resolutions contained in the Notice of Meeting.

Consolidation

Unless stated otherwise, all references to Shares in this Prospectus assume that the consolidation of shares in the Company has occurred. Shareholder approval is being sought for the Consolidation at the General Meeting. See section 10.2 for more information on the consolidation of Shares.

Offers

The Offers contained in this Prospectus are invitations to the public to subscribe for Shares in the Company, offers of Consideration Shares to the Practice Owners, an offer of shares to the owner of AHPL, offers of shares and options to seed investors who have provided funding to AHPL, offers of shares to services providers to AHPL and to the Company, and offers of shares or other securities to directors and officers or proposed directors and officers of the Company as part of their remuneration.

Replacement Prospectus

This Prospectus is dated 18 May 2020 and was lodged with ASIC on that date. It is a replacement prospectus which replaces the prospectus dated 13 March 2020 (Original Prospectus). The key changes that have been made to the Original Prospectus are:

- the Statutory and Pro forma FY20 and FY21 Forecast in section 4, along with its supporting Independent Accounts Report in Section 5 have been removed due to the risk associated with Management and Directors forecasting the performance of the business due to COVID-19;
- updated Company Overview in section 2.10, Industry Overview in section 3.6 and Risks Factors in section 6, each specifically addressing the impacts of COVID-19;
- amendment of the Key Offer Statistics to reflect the Pro forma FY19 Historical performance;
- extending the Closing Date of the Offer to 26 June 2020;
- to refresh the period for admission to quotation of Shares offered under the Prospectus (**Quotation Condition**) from three (3) months from the date of

the Original Prospectus to three (3) months from the date of this replacement Prospectus in accordance with section 724(3G)(d) of the Corporations Act, as inserted by the *ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (Instrument)*;

- to refresh the period to raise the minimum subscription under the Offer (**Minimum Subscription Condition**) from four (4) months from the date of the Original Prospectus to four (4) months from the date of this replacement Prospectus in accordance with section 724(3G)(c) of the Corporations Act, as inserted by the Instrument.

Refresh document

In accordance with sections 723(3) and 724 of the Corporations Act, if a person offers securities under a disclosure document such as a prospectus and the disclosure document has a Minimum Subscription Condition and a Quotation Condition, then the Minimum Subscription Condition must be received within four (4) months after the date of the initial disclosure document and the Quotation Condition must be satisfied with three (3) months of the initial disclosure document, otherwise Applicants must be given a supplementary disclosure document and the opportunity to withdraw their Application (in certain circumstances) or all Application Monies must be returned.

By issue the Instrument, ASIC has varied the Act to allow companies to refresh the timing of Minimum Subscription Condition and the Quotation Condition, to commence from the date of the refresh document (i.e. this replacement Prospectus), such that the respective period is taken to commence from the date of that refresh document lodged with ASIC. The Instrument imposes a number of requirements as to the content of the refresh document and on the company issuing the refresh document. This replacement Prospectus addresses those requirements.

Withdrawal Rights

Any Applicant who, prior to the date of this replacement Prospectus, has lodged an Application for Shares will receive a copy of this replacement Prospectus. All Applicants who have previously submitted an Application Form have one (1) month to withdraw their Application and be repaid their Application Money respectively. Any repayment of Application Money made by the Company pursuant to an Applicant exercising their right to withdraw their Application will be made in full without interest.

Notwithstanding the above, as at the date of this replacement Prospectus, the Company has not received an Application for the Offer. In turn, no Application has been processed and the Shares has not been issued.

Specific disclosures required by the Instrument

Minimum Subscription

As at the date of this replacement Prospectus, the Minimum Subscription under the Public Offer of 21,000,000 Shares to raise \$21,000,000 before expenses has not been achieved. The Minimum Subscription remains unchanged as at the date of this replacement Prospectus. Upon lodgement of this replacement Prospectus, and subject to only to the lodgement of any future refresh document, the Minimum Subscription Condition must be satisfied by 18

September 2020, being four (4) months after the date of this replacement Prospectus.

As at the date of this replacement Prospectus, the Company has not received an Application for the Offer. No Application has been processed and the Shares has not been issued.

Quotation Condition

As at the date of this replacement Prospectus, quotation of the Shares remains subject to successful completion of the Offer and satisfaction of all other outstanding conditions to the Offer, as specified in the Original Prospectus. This remains unchanged.

The Company applied to ASX within seven (7) days of the date of the Original Prospectus to grant official quotation of the Shares offered by the Original Prospectus. As at the date of this replacement Prospectus, the Shares have not been admitted to quotation by the ASX.

ASX has neither indicated that the Shares offered under the Offer will not be admitted to quotation, nor that the securities will be admitted to quotation subject to certain conditions being satisfied. The Company expects that ASX will, in due course, set such conditions, but the Company expects to be in a position to satisfy those conditions.

Upon lodgement of this replacement Prospectus, and subject only to the lodgement of any future refresh document, the Quotation Condition must be satisfied by 18 August 2020, being three (3) months after the date of this replacement Prospectus.

Investors who have NOT previously submitted an Application Form

In all respects, the procedure for applying for Shares remains unchanged and is set out in section 8.2 of this replacement Prospectus.

The Company reserves the right to close the Offer early, however the Offer will remain open at least until the end of the Withdrawal Period (i.e. 18 August 2020)

Applicants who HAVE previously submitted an Application Form and DO NOT want to withdraw their Application

Applicants in this category do not need to take any action.

Applicants who have previously submitted an Application Form and want to withdraw their Application

Applicants in this category may withdraw their Application and be repaid all of their Application Money upon written request to the Company, as set out above.

Prospectus and reinstatement to quotation

The Company has applied to the ASX for reinstatement to quotation of shares in the Company (including New Shares issued pursuant to this Prospectus). Neither ASX nor ASIC takes any responsibility for the contents of this Prospectus. The fact that the ASX may reinstate shares to quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered under this Prospectus.

Expiry Date

No Shares or other securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Shares and other securities offered pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus.

Foreign investors

This Prospectus and the enclosed Application Form (including any electronic prospectus) do not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shares in the Company have not been, and will not be, registered under the US Securities Act 1933 (US Securities Act) and may not be offered or sold in the United States of America, or to, or for the account or benefit of any person in the USA. Please see section 8.12 for more information on foreign investor restrictions.

Form of Prospectus

Persons who receive the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. Persons who receive a copy of this Prospectus in its electronic form may obtain a paper copy of the Prospectus (including any supplementary or replacement document and the Application Form) free of charge by contacting the Company.

Forward-looking statements

This Prospectus may contain forward-looking statements which are identified by words such as 'could', 'believes', 'may', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not a guarantee of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, AHPL, and the Company's and AHPL's directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 6 of this Prospectus.

Risk Factors

Investing in Shares involves risks. There are a number of risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance of the Company and the value of Shares. Section 6 of this Prospectus describes the risks which the Company considers key risks associated with an investment in the Company. These risk factors should be considered carefully before deciding to invest.

Defined terms and glossary

Capitalised words and expressions used in this Prospectus are defined in the Glossary at section 11 of this Prospectus.

Financial amounts

Financial amounts in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

Photographs and diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Privacy

The Company collects information about each Applicant provided on an Application for the purposes of processing the Application and if the Application is successful, to administer the Applicant's security holding in the Company. By submitting an Application, each Applicant agrees that the Company may use the information provided by that Applicant on that Application for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX, ASIC and other regulatory authorities.

If an Applicant becomes a security holder of the Company, the Corporations Act requires the Company to include information about the security holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company and the Share Registry holds about that person subject to certain exemptions under law. Access requests must be made in writing to the Company.



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Chairman's letter





Dear Investor,

On behalf of the Board of Directors, I am delighted to present you with the opportunity to become a Shareholder of Advent Health Limited (Advent Health).

Our Board and Management have identified an opportunity to acquire 12 groups of Allied Health businesses, comprising 59 locations and approximately 300 clinicians across Queensland, New South Wales, Victoria, South Australia and Western Australia. As a key part of primary health care, the Australian Allied Health market is very substantial with industry revenue for FY19 of approximately \$10.8bn inclusive of services provided by health professionals such as physiotherapists, chiropractors, osteopaths, podiatrists, psychologists, exercise physiologists, and occupational therapists.

Australia's 195,000+ Allied Health professionals represent more than a quarter of the health workforce and deliver an estimated 200 million health services annually. The fragmented character of the Australian Allied Health services sector offers considerable growth opportunities through selected amalgamations and the instigation of back office efficiencies that will lead to better patient care. Our key focus will be to attract, motivate, develop and retain clinicians to provide high quality care to patients.

After listing, Advent Health will be well situated to achieve further growth by acquiring Allied Health businesses, partnering with Allied Health practices where appropriate and through organic growth.

The Offer will raise \$21 million. These funds will be used in part to acquire the initial tranche of Allied Health businesses, enhance the public and financial profile of the Company, and provide access to equity capital markets for future funding needs.

Advent Health's plan for future growth involves:

- Strategically broadening the footprint of Allied Health businesses and partnerships throughout Australia, via acquisition, joint ventures and greenfield developments.
- Leveraging the Allied Health practice footprint to increase group revenue from the creation of programs for corporates, insurance companies, aged care providers, Primary Health Networks and NDIS service providers.

- Adding more specialty services with higher margins.
- Centralising administrative and financial functions with reduced cost and improved efficiency, including the use of cloud-based technology.
- Centralised business development and marketing activities.
- Seeking to become the employer of choice by prioritising and investing in Human capital development; including training, professional development and support.

In adopting these strategies, Advent Health will deploy its management and administrative expertise into established businesses, allowing practitioners to focus on their vocation.

Collectively, the Board and Management have experience and capability in successfully integrating businesses and implementing the requisite systems to facilitate and improve the management and performance of Allied Health practices. We are confident that we have instituted a strong corporate governance framework, proactive risk management processes and specialist human resources to enable the Company's growth.

Of course, an undertaking such as this one presents a distinctive set of challenges and risks. The Board and Management are confident that they have the necessary skills and expertise to manage the early stages of the Company's development. The Prospectus contains detailed information about the Offer, financial information relating to Advent Health, key risks associated with an investment in Advent Health and the sectors in which Advent Health operates.

Finally, a word about COVID-19. Overall, the allied health sector has been deemed an essential service and so none of our businesses were closed due to the lockdown. While revenues have been affected the picture has been mixed, depending on the main specialty. For example, the practices with strong occupational therapy have seen very little impact, whereas others that rely on in-person consultations have seen larger revenue reductions. It is too early to say what the long-term effect will be. Suffice to say that the impact to date has been moderate and the trends over the past few weeks have been rising. If it is the Company's assessment that a particular practice is not performing to historical levels of profitability the Company may reduce and/or defer part of the purchase price on completion of the acquisition of the practice.

I encourage you to read the Prospectus carefully in its entirety prior to making your investment decision. I am truly excited to have been invited to work with Advent Health, a business that has promising growth prospects within the Australian health care sector.

On behalf of my fellow directors, and management team, we commend the Offer.

Yours sincerely,

Louis (Lou) Panaccio
Chairman (proposed Director)



Key offer information

Indicative key dates

Prospectus lodgement date	18 May 2020
Offer opens	25 May 2020
Offer closes	26 June 2020
Anticipated Completion of Practice Acquisitions	30 June 2020
General Meeting	30 June 2020
Anticipated date of issue of new Securities	8 July 2020
Despatch of Holding Statements	13 July 2020
Anticipated commencement of ASX trading	16 July 2020

Note: The above dates are indicative only. The Company reserves the right to alter this timetable including the Opening Date and Closing Date of Public Offer. Applicants are advised to lodge their Application Forms as soon as possible after the Opening Date if they wish to invest in the Company.

Key offer statistics

Offer Price	\$1.00
Number of Shares offered in the Public Offer	21 million
Total Shares on issue following the Offers	44.5 million
Amount to be raised under the Public Offer	\$21 million
Implied Market Capitalisation at the Offer Price ¹	\$44.5 million
Implied Enterprise Value ²	\$54.5 million
Pro forma consolidated FY19 EBITDA ³	\$9.3 million
Enterprise Value/pro forma consolidated FY19 EBITDA ³	5.8x
Offer Price/pro forma consolidated FY19 NPAT per share ⁴	11.4x

1. Market Capitalisation is calculated by multiplying the number of shares on issue by the Offer Price.

2. Calculated as the Market Capitalisation at the Offer Price plus debt less the cash balance.

3. Pro forma EBITDA FY19. See Table 1 in section 4.

4. Pro forma NPAT FY19. See section 4.4. This ratio is commonly referred to as the price to earnings ratio, or PE ratio. A price to earnings ratio is the share price divided by the annual earnings per Share after tax.

People Development

Targeting excellence in clinical standards by providing employees with professional development and training. This focus will provide employees with career opportunities and assist with retention and satisfaction.

Experienced Team

Board and Senior Management team with demonstrated expertise in allied health care and in consolidation and integration.

Advent Health

ALLIED HEALTH GROUP

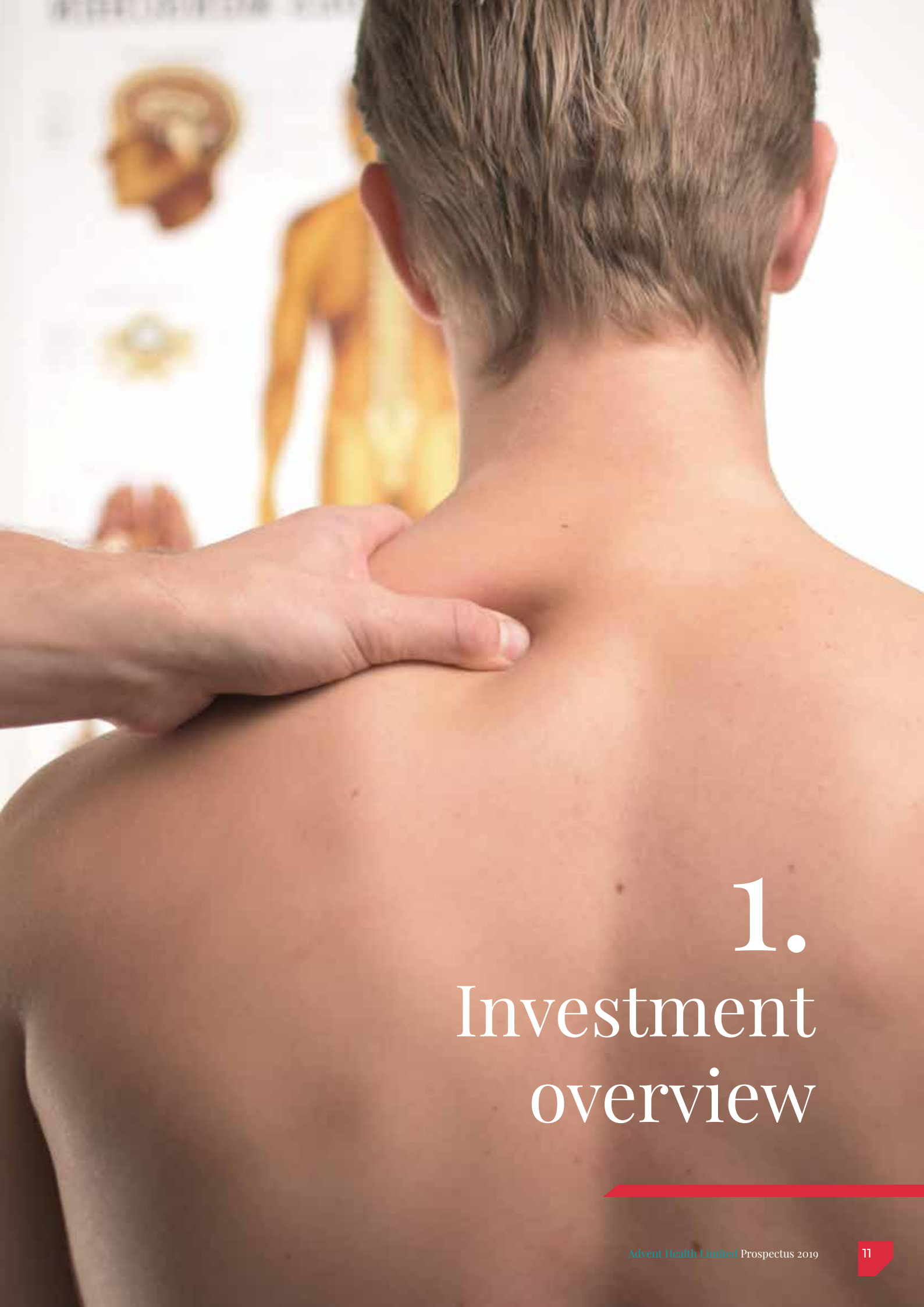
Delivering excellent multi-disciplinary allied health care and outstanding client outcomes.

Multi-disciplinary allied health

Patient focused with wellness care. Multi-disciplinary service offering better patient engagement and health outcomes.

Growth Platform

Bringing together 12 multi-disciplinary allied health groups, that have been carefully selected that provide a foundation for future growth with 59 locations and approximately 300 clinicians.



1. Investment overview

This section is a summary of key information contained in this Prospectus and is not intended to provide full information for investors intending to apply for Shares. This Prospectus should be read and considered in its entirety. The Shares offered under this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or their future value.

Topic	Summary	More information
What is Advent Health and its business?	<p>Advent Health (AHI) is a provider of allied health services in the Australian market.</p> <p>AHI has entered into contracts to acquire 12 groups of allied health businesses.</p> <p>The Initial Portfolio of businesses comprise of 59 locations providing allied health services to clients across Queensland, New South Wales, Victoria, South Australia and Western Australia.</p> <p>Advent Health provides truly multi-disciplinary allied health services as the health industry evolves to improve wellness and provide preventative care and rehabilitation services outside traditional surgical and hospital-based settings.</p>	Section 2
Industry Overview	<p>Allied health refers to services provided by health professionals such as physiotherapists, chiropractors, osteopaths, podiatrists, psychologists, exercise physiologists and occupational therapists.</p> <p>As a key part of primary health care, the Australian allied health market had FY19 revenue of \$10.8bn inclusive of the above listed services. Prior to COVID-19 the allied health sector had been growing at 3.3% annually as a result of growing demand from an ageing population, health conscious consumers and the desire for wellness improvement programs.</p> <p>Under COVID-19 restrictions allied health practices were deemed an essential service by the Federal Health Minister and have continued to remain open. Allied health practices have been supported by the Government and Private Health Insurers through increases in their funding schemes and service offerings such as tele-health. Working from home has also created its own challenges with employees working in awkward positions causing injuries and increasing demand for services. Mental health concerns have also been on the rise.</p> <p>Australia's 195,000+ allied health professionals represent more than a quarter of the health workforce and deliver an estimated 200 million health services annually.</p>	Section 3
Rationale for forming Advent Health	<p>The practice of the future is a multi-disciplinary allied health offering to best serve the needs of the community.</p> <p>The Australian allied health industry remains highly fragmented with only one other ASX listed business specifically servicing the allied health sector.</p> <p>Furthermore, there is increasing demand for allied health services driven by the increase in median age of the population and increases in health consciousness.</p> <p>Through Advent Health's ownership of the Initial Portfolio we are able to:</p> <ul style="list-style-type: none"> • optimise health care through greater multi-disciplinary cooperation • reduce administration burden at the practice level • improve education for clinicians • efficient delivery of care due to co-location • access to well-equipped facilities, and • greater utilisation of fixed premises from the co-location of various allied health disciplines. 	2.2

Topic	Summary	More information
Which practices will be acquired by Advent Health?	<p>The 59 locations within the Initial Portfolio are based on the following:</p> <ul style="list-style-type: none"> • Queensland – 33 locations • New South Wales – 12 locations • Victoria – 9 locations • South Australia – 3 locations • Western Australia – 2 locations 	Section 2.1
Will the practices be fully owned?	Advent Health has entered into agreements to acquire full ownership of the Initial Portfolio Businesses. Practice Owners remain engaged with Advent Health to continue to drive and grow their practices. On average at least 30% of the acquisition cost will be paid as equity in Advent Health to ensure Practice Owners are engaged.	Section 9.2
What are the characteristics of the Initial Portfolio?	<p>The Initial Portfolio has the following characteristics:</p> <ul style="list-style-type: none"> • multi-site practice groups • profitable operating history • focus on multi-disciplinary allied health approach or speciality services • primary locations allow for growth and landmark locations • high clinical standards with experienced clinicians. 	Section 2
What consideration will be paid for the Initial Portfolio?	<p>The Initial Portfolio of practices will be acquired at a weighted average multiple of approximately 5.1x historical EBITDA.</p> <p>The Practice Owners of the Initial Portfolio will receive a combination of cash and Shares in Advent Health in consideration for the sale of their business. The total consideration for the Initial Portfolio is \$40.5 million comprising cash of \$28.09 million and Shares of \$12.15 million at the Offer Price. One Practice Owner has a component of deferred consideration of \$0.3 million payable at the end of two years.</p> <p>Practice Owners shares will be escrowed for 24 months and will have conditions on the practice performance during that period. The Practice Acquisition Agreements have price adjustment provisions under which the number of shares issued is reduced if the Practices do not achieve their historical level of earnings during the 2 years after completion of the acquisitions. The number of shares subject to this clawback arrangement varies from agreement to agreement, but is generally in the range of 30–40% of the total consideration.</p> <p>On settlement of the Practice Acquisition Agreements Advent Health may in the light of COVID-19 exercise its discretion to reduce and/or defer some of the cash consideration paid to Practice Vendors, and pay the balance when they have demonstrated a return to historical levels of earnings.</p>	Sections 2, 4.3 and 9.2
What impact will the acquisitions have on Advent Health?	<p>The Initial Portfolio will provide Advent Health with a multi-disciplinary group of allied health practices across Australia comprising 59 locations and around 300 clinicians, and a foundation for future growth.</p> <p>Following Completion of the acquisitions and the re-compliance, Advent Health will become one of only two service providers listed on the ASX specifically servicing the allied health sector.</p>	Section 2

Topic	Summary	More information
What is Advent Health's business model?	<p>Advent Health's business model is to identify, acquire, integrate, operate and expand a network of multi-disciplinary allied health practices in Australia.</p> <p>Advent Health intends to achieve this by identifying, acquiring and integrating new practices and organically growing its Initial Portfolio Businesses.</p> <p>Through efficiently managing a portfolio of allied health businesses, Advent Health expects to generate operational improvements and deliver benefits for all stakeholders.</p> <p>Offering a multi-disciplinary service provides patients with better outcomes and better services the needs of the community.</p> <p>The benefits of the Advent Health business model to the Initial Portfolio Businesses are:</p> <ul style="list-style-type: none"> • Practice Owners retain equity share in the listed entity • benefits from economies of scale • growth options with specialised management and resources to pursue acquisitions • access to a larger talent pool • ability to share knowledge among practitioners and provide training. 	Section 2
What is Advent Health's growth strategy	<p>Organic revenue growth</p> <ul style="list-style-type: none"> • Creating in-demand special programs for corporates, insurance companies and government funded PHN's. • Deepening the service offering by the provision of extra services in developing the multi-disciplinary practice model. <p>Acquisition and location expansion</p> <ul style="list-style-type: none"> • Acquisition of additional practise groups from our pipeline as well as new opportunities. • Setting up of greenfield sites based on successful models already pioneered by group members. <p>Growth in margins</p> <ul style="list-style-type: none"> • Adding more specialty services that have higher margins across the broader Advent Health footprint where they are currently not being offered. • Embracing technology to add alternative channels to market. <p>Formation of strategic partnerships</p> <ul style="list-style-type: none"> • Building strategic partnerships with corporations, health insurance companies and government agencies to offer comprehensive health packages which provide long-term wellness for patients. 	Section 2
What are the key operational drivers of Advent Health?	<p>Advent Health will primarily receive revenue through the provision of allied health services to patients at its practices. The key drivers of revenue include:</p> <ul style="list-style-type: none"> • number of practices in the Group; • utilisation at each practice; • number of clinicians in the Group; • number of consultations performed by the Group; • fees charged for services; and • mix of products and services. 	Sections 2 and 4

Topic	Summary	More information
	<p>Key expenses as a percentage of revenue (FY19 pro forma operating costs):</p> <ul style="list-style-type: none"> • Employee & Contractor benefits – 61%; • Facility expenses – 3% • Corporate services – 2%; and • Other expenses – 9% <p>Efficient management of employee expenses through optimising rosters to match client demand is a key factor in determining profitability. Direct expenses of providing services are influenced by the mix of services provided and any products sold. Occupancy expenses are typically fixed, subject to periodic increases under lease agreements.</p>	
How will the practices be integrated following acquisition?	<p>Integration of the Initial Portfolio is a key strategic priority for Advent Health following Listing. Advent Health will utilise the skills and experience of its senior management team to implement its detailed integration plan which includes but is not limited to:</p> <ul style="list-style-type: none"> • Centralised administrative functions including finance, human resources, information technology and marketing; • Integrated practice management system to facilitate reporting of key performance indicators; • Centralised procurement policies to drive purchasing efficiencies; and • Training and professional development programs to improve clinical standards and client service. <p>Practices will retain their current branding to minimise disruption to their operations and ensure they retain their local identity within the community.</p>	<p>Section 2</p>
What has been the impact of COVID-19 on the Practices?	<p>Like most Australian businesses, the Practices have been affected by the COVID-19 crisis. From March 2020 the Practices have been affected by factors including:</p> <ul style="list-style-type: none"> • partial lockdowns imposed by State Governments – even though the Practices have been declared essential services patients have been deterred from travelling to Practices for treatment; • patient concern with attending allied health premises in terms of infection risk; • practitioners being constrained from attending practices by the need to care for and home school children while schools have been shut; and • some tendency by patients to wish to reduce non-essential expenditure. <p>These factors have affected revenue and profitability during March and April 2020. The financial impact during this period is discussed in more detail in section 4.12.</p> <p>These factors have also impacted the allied health industry generally. See section 3.6.</p> <p>The Directors consider it reasonable to expect that the impact of these factors will reduce from May 2020 as lockdowns ease, fear of infection reduces, children return to school and consumer confidence returns to more normal levels. However, they cannot be certain as to whether and when the Practices will return to their level of operations prior to COVID-19.</p>	<p>Section 2.10</p>

Topic	Summary	More information																								
Key financial information																										
Key financial information	Advent Health's pro forma historical income statement is summarised in the table below:	Section 4																								
	<table><tr><th>A\$000</th><th>Pro Forma Historical FY18</th><th>Pro Forma Historical FY19</th></tr><tr><td>Billings</td><td>37,431</td><td>40,259</td></tr><tr><td>Pro Forma Revenue</td><td>32,611</td><td>35,429</td></tr><tr><td>Pro Forma EBITDA</td><td>8,586</td><td>9,260</td></tr><tr><td>Pro Forma EBIT</td><td>6,352</td><td>6,587</td></tr><tr><td>Pro Forma NPBT</td><td>5,469</td><td>5,575</td></tr><tr><td>Pro Forma NPAT</td><td>3,828</td><td>3,903</td></tr><tr><td>Pro Forma NPAT attributable to Shareholders</td><td>3,828</td><td>3,903</td></tr></table>	A\$000	Pro Forma Historical FY18	Pro Forma Historical FY19	Billings	37,431	40,259	Pro Forma Revenue	32,611	35,429	Pro Forma EBITDA	8,586	9,260	Pro Forma EBIT	6,352	6,587	Pro Forma NPBT	5,469	5,575	Pro Forma NPAT	3,828	3,903	Pro Forma NPAT attributable to Shareholders	3,828	3,903	
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Finance Facility	Advent Health has accepted a credit approved Term Sheet with Commonwealth Bank of Australia (CBA) for a \$15.5 million Finance Facility.	Section 9.4																								
	The Term Sheet is subject to several conditions, including Advent Health entering into a binding finance facility agreement and security documentation on terms and conditions satisfactory to CBA and satisfaction of required conditions precedent.																									
	The funds available under the Finance Facility will be used as follows: <ul style="list-style-type: none">• \$12.2 million for the settlement of the Initial Portfolio Businesses• \$2.5 million for future acquisitions• \$0.3 million for equipment finance• \$0.5 million for bank guarantees																									
	The Finance Facility is to be finalised and in place prior to completion of the Practice Acquisitions. If Advent Health forms the view that the conditions to entering into the planned Finance Facility are unacceptable or cannot be satisfied, Advent Health will seek to obtain alternative debt funding or renegotiate with Practice Owners in order to complete the Practice Acquisitions.																									
	It is expected that all conditions to entering into the Finance Facility will be satisfied by the targeted Offer Closing Date.																									

Topic	Summary	More information																						
Future funding expectations	<p>The acquisitions are expected to be funded from the proceeds of the Offer and the finance facility from the CBA.</p> <p>The ongoing operations of the group are expected to be funded through internally generated cash flow from operations.</p> <p>Advent Health plans to fund ongoing acquisitions through a combination of:</p> <ul style="list-style-type: none">• Internally generated cash flow• Issue of shares• Planned future acquisition finance facility of \$2.5m <p>Advent Health may in the future, access capital markets through additional equity raisings to support its acquisition program.</p>	Section 9																						
Offer fund utilisation	<p>The table below sets out a summary of the anticipated use of the Offer proceeds.</p> <table><tr><th>Source of funds</th><th>Amount</th></tr><tr><td>Issue of Offer Shares</td><td>\$21.0 million</td></tr><tr><td>CBA Acquisition Facility</td><td>\$12.2 million</td></tr><tr><td>Total funds</td><td>\$33.2 million</td></tr><tr><th>Use of funds</th><th>Amount</th></tr><tr><td>Cash component of the Practice Acquisitions (after working capital adjustments)</td><td>\$26.7 million</td></tr><tr><td>Cash component of the AHPL Acquisition</td><td>\$2.0 million</td></tr><tr><td>Stamp duty on Practice Acquisitions</td><td>\$0.6 million</td></tr><tr><td>Expenses of the Offer</td><td>\$2.2 million</td></tr><tr><td>Working capital</td><td>\$1.7 million</td></tr><tr><td>Total</td><td>\$33.2 million</td></tr></table>	Source of funds	Amount	Issue of Offer Shares	\$21.0 million	CBA Acquisition Facility	\$12.2 million	Total funds	\$33.2 million	Use of funds	Amount	Cash component of the Practice Acquisitions (after working capital adjustments)	\$26.7 million	Cash component of the AHPL Acquisition	\$2.0 million	Stamp duty on Practice Acquisitions	\$0.6 million	Expenses of the Offer	\$2.2 million	Working capital	\$1.7 million	Total	\$33.2 million	Section 8.6
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What is Advent Health's dividend policy?	<p>The payment of a dividend by the Company is at the discretion of the Board and will be a function of a number of factors, including the general business environment, the operating results, cash flows and the financial condition of the Company</p> <p>It is the current intention of the Board to pay quarterly dividends of between 20% and 30% of NPAT. It is expected dividends will be fully franked to the extent that franking credits are available.</p> <p>While there is no guarantee of the timing and size of the dividend, the Directors intend to pay dividends once per quarter based on the preceding quarter's financial performance. It is anticipated that the first dividend will be paid in November or December 2020 (assuming practice acquisitions are made on 30 June 2020). The effect of COVID-19 may influence this decision.</p>	Sections 2.9 and 4.13																						
Key strengths																								
Experienced Board and Management team with demonstrated integration and industry expertise	<p>Advent Health is led by an experienced Board and Senior Management team:</p> <ul style="list-style-type: none">• Louis Panaccio (Chairman & Non-Executive Director) has over 30 years of management experience. He is currently on the board of Sonic Healthcare Limited amongst other ASX listed companies, Lou was also executive Chairman of Health Networks Australia (HNA). HNA was an allied health group with 34 Practices which sold into Zenitas Limited for its ASX listing in 2016.• Cris Massis (CEO and Director) is the former CEO of the Australian Physiotherapy Association and former Chairman of the Allied Health Professions Australia. Cris is a current member of the Exercise & Sports Science Australia Standards Council and Board member of Osteopathy Australia. Cris has had a diverse career over 20 years across the disciplines of sales and marketing, business development, policy development and management.	Section 7																						

Topic	Summary	More information
	<ul style="list-style-type: none"> • Robert Andrewartha (Chief Financial Officer) has over 25 years of CFO experience, most notably as the CFO for Solomon Lew's privately-owned group of companies. Robert has extensive skills in all elements of business management, not just financial management but also covering operations, technology and leadership management. • Peter McNulty (Chief Performance Officer) has held a number of senior financial, strategy and operational roles with companies. Peter is an Associate of the Chartered Institute of Management Accountants, a Graduate of the Australian Institute of Directors, a Fellow of the Governance Institute of Australia, Graduate of the Royal Military Academy Sandhurst and holds a Post Graduate Diploma in Management and a GIA Certificate in ASX Listing Rules. • Bryce Wedemeyer (Executive Director) has 18+ years' finance and business operations experience. Bryce is an admitted legal practitioner in Queensland and has graduated as a Chartered Accountant. Bryce has previously been an ASX Director, having to lead a turnaround team before successfully dealing with an on-market takeover. • Wei Huang (Non-Executive Director) an experienced ASX company director is and the former Chairman of Millennium Limited. He is an Executive Director of Hudson Investment Group Limited. He has experiences in financial control, new business start-ups and developments in Australia and internationally. • Melanie Leydin (Company Secretary) has over 25 years' experience in accounting and corporate secretarial functions. Melanie has provided company secretarial and governance services to listed health care business such as Zenitas Healthcare Ltd, Paragon Care Limited and Capitol Health Limited. <p>On completion of the Offer, Directors and Senior Management (personally or through controlled entities) are expected to have relevant interests in approximately 14.65% of the Shares. These Shares will be subject to escrow arrangements for up to 24 months following Listing.</p>	
Investment in growth industry with established groups	<p>The allied health sector has been growing at 3.3% p.a. and has low levels of revenue volatility. The allied health sector remains highly fragmented. The Directors believe there is an opportunity for further industry consolidation.</p> <p>Advent Health has identified and contracted to acquire the Initial Portfolio Businesses based on disciplined acquisition criteria, the expected ease of integration of their systems with that of the Group and by taking into consideration the overall strategic objectives of Advent Health.</p> <p>As the Initial Portfolio business are groups, they are already operating a semi-corporatised manner and are located in geographic clusters enabling efficient management of Practices within these clusters. Advent Health intends to target acquisitions that will complement existing clusters and create scale around other geographic regions.</p>	Sections 2 and 3
High cash-flow conversion	<p>Advent Health has pro forma revenue of \$40.5 million and pro forma EBITDA of \$9.3 million in FY19. Advent Health has a high pro forma operating cash-flow conversion (before financing costs and tax) of 97.3% relative to pro forma EBITDA.</p>	Section 4

Topic	Summary	More information
Benefits of operating an integrated group	<p>Following the Completion of the acquisitions, Advent Health will focus on integration, providing centralised support for the portfolio of Practices.</p> <p>Advent Health believes that potential synergies will arise from a number of initiatives to be implemented across the groups:</p> <ul style="list-style-type: none"> • margin improvement from utilisation of existing locations and integrated offering • including establishment of real time key performance indicators • centralised ordering for consumables and orthotic manufacture • targeted marketing campaigns • implementation of professional development and training for staff. 	
Key risks		
Acquisition and integration risk	<p>Part of the Advent Health's business strategy is to seek suitable Practice Acquisitions. As part of this business strategy, Advent Health plans to explore opportunities to invest or acquire further practices in new geographic or services markets. The inherent risk with any business acquisition is that the underlying assets do not ultimately produce the financial returns that the acquirer anticipates.</p> <p>There is risk that Advent Health may not be able to deliver on its acquisition strategy or if it does, it may not be able to integrate effectively the operations, products, technologies and personnel of the acquired companies and achieve expected synergies.</p>	
Completion of Initial Portfolio	<p>If the acquisitions of any of the Practices within the Initial Portfolio do not complete, the composition of the Initial Portfolio will change. It is anticipated that the acquisitions of Practices within the Initial Portfolio will complete on or about 30 June 2020. However, there is no guarantee that this will occur.</p> <p>Further, it is possible that, due to circumstances beyond the control of Advent Health, the acquisition of one or more of the Practices within the Initial Portfolio are ultimately not completed, or completion may be delayed. It is also possible that the transfer or assignment of leases or other agreements required by Advent Health to operate its business does not occur or is delayed. This could materially impact on Advent Health's future earnings.</p>	
Growth and profitability dependent on Advent Health's key health care personnel	<p>Health care professionals are the main source of patient attendances and revenue of Advent Health. The success of Advent Health's business is heavily reliant on its ability to recruit and retain quality, dedicated and experienced health care professionals. There is a risk that Advent Health may not be able to continue to recruit and retain quality, dedicated and experienced health care professionals due to a range of factors including competition, ageing of facilities or obsolescence of equipment or wanting to be sole operators.</p>	
Loss of key management personnel	<p>Oversight of day-to-day operations and the strategic management of Advent Health are substantially dependent upon Advent Health's key management personnel. Whilst the majority of these key personnel have entered into three-year service agreements with Advent Health, there can be no assurance given that there will not be a detrimental impact on Advent Health if one or a number of these key personnel cease their employment or involvement. Inability to attract and retain key management personnel could have a material effect upon the Advent Health's business, results of operations and financial condition.</p>	
Advent Health may become involved in disputes and litigation (including medical malpractice claims)	<p>Operators within the health care industry such as Advent Health face the threat of medical malpractice claims and other general disputes and litigation claims. In the normal course of business, patients or clients may bring a claim for medical or care negligence against Advent Health or the health care professionals contracted or employed by the Practices. The health care professionals employed by Advent Health are required to hold professional indemnity insurance as part of their Registration but there remains a risk that subject to arrangements of indemnity insurance and the outcome, any litigation against health care professionals or staff may potentially impact Advent Health's reputation, which may in turn, impact its financial performance. Advent Health is not aware of any such claims as at the date of this Prospectus.</p>	

Topic	Summary	More information
The level of private health insurance coverage or membership rates	A decrease in the levels of private health insurance coverage or reduction in general membership rates (for example as a result of economic downturn or increasing policy costs) may reduce the demand for some of Advent Health's services which rely on private insurers as a source of funding. This has the potential to reduce demand for some of Advent Health's services, put downward pressure on patient fees and adversely impact its revenue and financial performance.	
Change in government policy, regulation, declines in government funding and price risk	Advent Health operates within the allied health, home care, primary care and medical services sectors which are subject to a range of laws, regulations and government policies relating to, among other things, government funding, operations conduct and facilities licensing. There are a number of associated risks which may arise as a result of a change in government policy or regulation as a result of budget deficits, political shifts, economic conditions or any other reasons outside of Advent Health's control and which may have a material adverse impact on Advent Health's future operational and financial performance.	
Retention of long-term contracts with federal and state authorities	Revenue and earnings are dependent to a certain extent, especially in the case of Artius, on the retention of long-term contracts with federal and state authorities can be retained. There is a risk that these contracts will not be retained. Artius is currently going through an audit process in respect to its Primary Health Network contractual obligations.	
Macro-economic risks	Advent Health and its business are exposed to changes in general global economic conditions. For example, adverse macroeconomic conditions such as economic recessions, downturns or extended periods of uncertainty or volatility, may influence spending by Advent Health's customers. This may affect Advent Health's future financial performance and operating performance, the price of the Shares and the Advent Health's ability to pay dividends.	
Share market conditions	The market price of securities can fall and may be subject to varied and unpredictable influences on the market for equities. Investors should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies.	
COVID-19 outbreak – generally	The risk of the COVID-19 outbreak in Australia affecting sales in the Allied Health Services sector in Australia is unknown and could be short lived or more significant. After re-listing the Company will update the market in compliance with its continuous disclosure obligations if the consequences of the COVID-19 impact on its revenue channels and adversely affects Company. If any of these impacts appear likely to be material prior to close of the Offer the Company will notify investors under a supplementary or replacement prospectus.	
Extension or re-emergence of COVID-19	An extension of the current COVID-19 pandemic and lockdowns, or a re-emergence of COVID-19 could adversely affect performance. The Directors consider it reasonable to expect that the impact of COVID-19 will reduce from May 2020 as lockdowns ease, fear of infection reduces, children return to school and consumer confidence returns to more normal levels. However, they cannot be certain as to whether and when the Practice Groups will return to their level of operations prior to COVID-19. An extension or re-emergence of COVID-19 could affect the allied health sector as a whole including the Practices.	
Key information on the Offers		
What is the Public Offer?	The Company is offering 21,000,000 Shares to the public at an issue price of \$1.00 each to raise \$21,000,000 before costs (Public Offer)	Section 8.1
Why is the Public Offer being conducted?	<p>The purpose of the Public Offer is to:</p> <ul style="list-style-type: none"> provide funds for the purposes set out in section 8.6 (including the Acquisitions) provide the Company with access to equity capital markets for future funding needs enhance the public and financial profile of the Company to facilitate further growth of the Company's business comply with ASX's requirements for reinstatement to quotation of shares in the Company on the ASX. 	Section 8.1

Topic	Summary	More information																
How will funds raised under the Public Offer be used?	<p>Funds raised under the Public Offer will be applied towards:</p> <ul style="list-style-type: none">• payment for the Acquisitions• payment of the expenses of the Offers• working capital.	Section 8.6																
What is the effect of the Offers on the capital structure of the Company?	<p>Following the Offers, the Company's Share capital will be:</p> <table><tr><th>Capital Structure</th><th>Number of Shares</th></tr><tr><td>Existing Shareholders (post-Consolidation)</td><td>1.2 million</td></tr><tr><td>Shares issued under the Public Offer</td><td>21 million</td></tr><tr><td>Transaction Shares</td><td>22.2 million</td></tr><tr><td>Total Shares on issue at listing (undiluted)</td><td>44.4 million</td></tr><tr><td>Options</td><td>0.1 million</td></tr><tr><td>Total Shares on issue at listing (fully diluted)</td><td>44.5 million</td></tr><tr><td>Free float</td><td>49.83%</td></tr></table> <p>Notes:</p> <ol style="list-style-type: none">1. In this table "Transaction Shares" means Shares to be issued to the Practice Vendors (expected to be 12,152,570 Shares), Shares to be issued to the AHPL Vendor (5,200,000 Shares) and Shares to be issued to seed investors, service providers paid in shares (see sections 9.6 and 9.7), shares to be issued to directors and senior executives (see sections 7.5, 7.6 and 7.7) and Shares to be issued to Novus Capital (a total of 4,999,965 Shares). The total number of Transaction Shares is 22.2m.2. Based on current expectations, on re-listing the Free Float will be 49.83% as stated above. "Free Float" for these purposes means the percentage of the total number of Shares on issue that are not restricted securities or subject to voluntary escrow and are held by non-affiliated security holders (persons who are not directors or substantial shareholders or associates of them).	Capital Structure	Number of Shares	Existing Shareholders (post-Consolidation)	1.2 million	Shares issued under the Public Offer	21 million	Transaction Shares	22.2 million	Total Shares on issue at listing (undiluted)	44.4 million	Options	0.1 million	Total Shares on issue at listing (fully diluted)	44.5 million	Free float	49.83%	Section 8.7
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Will the Shares issued under the Offers be quoted?	<p>The Company has applied to the ASX for reinstatement to quotation of Shares on ASX under the code AHL.</p> <p>If approval is not given for reinstatement to quotation on ASX within 3 months after the date of this Prospectus (or any longer period as ASIC may permit) the Offers will be withdrawn, and all Application Money received will be refunded without interest as soon as practical in accordance with the requirements of the Corporations Act.</p>	Section 8.3																
Are there other conditions of the Offers?	Yes. In addition to the minimum subscription condition and the ASX reinstatement to quotation condition there are other conditions that apply to the Offers.	Section 8.4																
Can the Offers be withdrawn?	The Company reserves the right not to proceed with the Offers at any time before the issue of the New Shares and no interest will be paid on any Application Money refunded as a result of the withdrawal of the Offers.	Section 8.5																

Topic	Summary	More information
How do I apply for Shares in the Public Offer?	<p>All Application Forms must be completed in accordance with their instructions and must be accompanied by payment in Australian dollars for the full amount of the Application at \$1.00 per Share.</p> <p>Payment may be made by BPAY®. Details on the Application Form.</p> <p>Cheques must be made payable to "Advent Health – Subscription Account" and should be crossed "Not Negotiable".</p> <p>Payment may also be made by Bank Transfer – Electronic Funds Transfer (EFT) to the Sponsoring Broker Novus Capital Limited.</p> <p>Novus Capital Trust Account ANZ Bank</p> <p>BSB 012 013 Account 306 003 095</p> <p>Reference: Applicant name – Advent Swift: ANZBAU3M</p> <p>Email a copy of your application form to and EFT receipt to: Stan.Huang@novuscapital.com.au</p> <p>Applications under the Public Offer must be for a minimum of 2,000 Shares (i.e. \$2,000) and therefore, in multiples of 1,000 Shares (i.e. \$1,000).</p>	Section 8.2
What are the tax implications of investing?	<p>Investors may be subject to Australian income tax or withholding tax on any future dividends paid.</p> <p>The tax consequences of any investment in the Shares will depend on your particular circumstances, particularly for non-resident shareholders. Applicants should obtain their own tax advice prior to deciding whether to invest.</p>	
What rights and liabilities are attached to the Shares being offered?	The rights and liabilities attaching to the Shares are described in section 10.3.	Section 10.3
Is the Public Offer underwritten?	The Offer is not underwritten.	Section 8.9
Is commission payable to financial advisers or brokers?	<p>No brokerage, commission or stamp duty is payable by Applicants on acquisition of Shares under the Offer.</p> <p>Fees will be paid by the Company to Novus Capital for managing the Public Offer.</p>	Section 8.10
When will I know if my Application is successful?	Holding statements confirming allocations under the Public Offer will be sent to successful Applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 13 July 2020.	Section 8.16
Where can I find more information?	<p>Questions relating to the Offer and completion of Application Forms can be directed to the Company's corporate adviser, Novus Capital, by email at gavan.farley@novuscapital.com.au or telephone 02 9375 0114.</p> <p>Additional information can also be obtained through visiting the Company's website www.adventhealth.com.au</p>	Section 8.20









2. Company overview

Advent Health will on listing on ASX be one of Australia's largest multi-disciplinary allied health group providing integrated clinical services for patients, more diverse career paths for clinicians and improved productivity and profitability for member businesses. Advent Health has secured binding agreements with 12 allied health groups to buy their business assets or shares, in return for a payment using a combination of cash and Advent Health shares. When this transaction is completed Advent Health will seek the re-quotations of the shares of Millennium Limited (renamed Advent Health Limited) on the ASX under the code AHL.

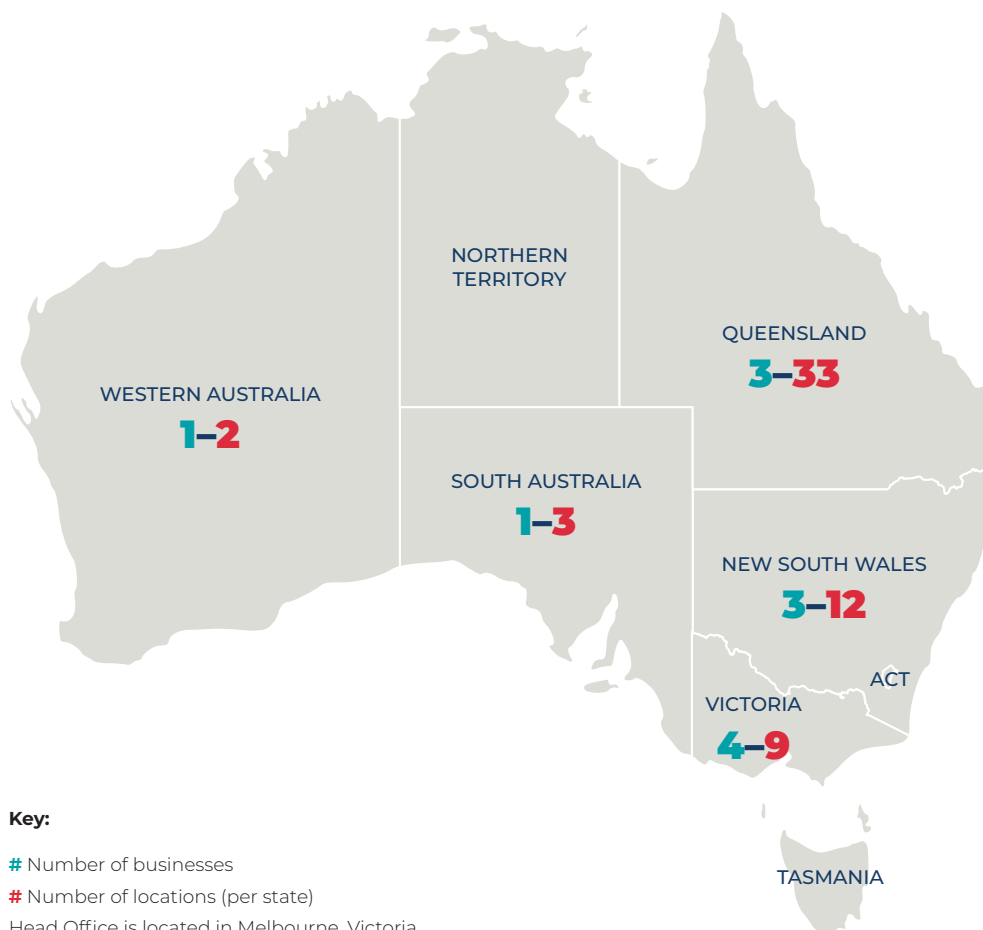
2.1. What is Advent Health?

At the conclusion of the transaction described above Advent Health will be a company consisting of 12 wholly owned groups of allied health businesses, with 59 locations and approximately 300 clinicians across Queensland, New South Wales, Victoria, South Australia and Western Australia.

The makeup of the network will be the following Initial Portfolio businesses:

Group	Clinics	Location	Description/Main Speciality
	11	QLD	<p>Founded in 2004, Artius is a health services company that offers a wide range of health services from physiotherapy, psychology, pre-employment health screening and occupational physiotherapy service. It has services contracts with the majority of Queensland's seven Primary Health Networks.</p> <p>Advent Health is acquiring the physiotherapy and psychology/mental health operations of Artius.</p> <p>Specialities: physiotherapy and psychology/mental health</p>
	17	QLD	<p>Established in 2002, Core is an integrated health care organisation which provides comprehensive physiotherapy, exercise physiology and pain management services throughout Brisbane, Logan and the Gold Coast.</p> <p>Main speciality: physiotherapy</p>
	5	QLD	<p>Established in 1991, the PhysioWorks team has expanded to five practices and a team of over 60 staff including 20+ physiotherapists, 10+ massage therapists, dietitians, hand therapists. Physio Works offers exceptional multi-practitioner, multi-locations and multi-disciplinary approach to our patient care.</p> <p>Main speciality: physiotherapy</p>
	7	NSW	<p>Established in 2014, by two young physiotherapists, in growth/start-up phase with a large number of sites providing a great Sydney metropolitan presence.</p> <p>Main specialities: physiotherapy, chiropractic, massage and exercise physiology</p>
	2	NSW	<p>Established in 1994, Sydney-based (Eastern suburbs) practice close to the CBD. Providing hands-on experience with the latest equipment, research and guidelines. Expertise in post-operative surgical rehabilitation.</p> <p>Main specialities: physiotherapy and Pilates</p>
	3	NSW	<p>With over 25 years of clinical experience, OnePoint Health is established as a multi-disciplinary super clinic with three locations. Service offerings in podiatry, physiotherapy, sports medicine, exercise physiology, chiropractic, massage therapy and dietetics. Young energetic and innovative business having fully embraced a multi-disciplinary view towards patient health and wellness. One location exemplar for super allied health clinic (1,300sqm in size) encompassing an orthotics laboratory.</p> <p>Main specialities: podiatry and physiotherapy</p>

Group	Clinics	Location	Description/Main Speciality
	2	VIC	<p>A well-established physiotherapy practice (in 2004) with two locations specialising in women's health (and other associated areas e.g. postnatal and prenatal care) setting it aside from other competitors in the area. The owners are well known and respected in their area of speciality and can add great value to the group from a training and mentoring perspective.</p> <p>Main speciality: physiotherapy and women's health</p>
	2	VIC	<p>Established in 2000, within local Victorian rural community with strong connections and referral pathways through to local health care networks. Founding partner of the business is extremely well connected and respected within the industry both locally and internationally.</p> <p>Main speciality: chiropractic</p>
	2	VIC	<p>Founded in 1992, an elite sports-based practice that offers multidisciplinary practitioners to comprehensively address the full range of therapies required for injury or condition. Two sites in Melbourne (plus a hydrotherapy service).</p> <p>Main specialities: physiotherapy, Pilates, exercise physiology, massage therapy, visiting consultations, strength and conditioning and dietetics</p>
	3	VIC	<p>An established (in 2008) and growing chiropractic practice group in regional Victoria. One well established site together with two newer satellite sites, providing a scalable model for growth in rural Australia.</p> <p>Main speciality: chiropractic</p>
	3	SA	<p>Established in 2007 in response to a need in the Adelaide market to provide high quality physiotherapy management and excellent customer service. The name physical therapy was chosen to encompass all clinical services of physiotherapy, massage, exercise therapy, Pilates, biomechanical analysis, hydrotherapy, podiatry, and orthopaedic rehabilitation. Actively involved in both the Eastern and Western suburbs communities in Adelaide, servicing local netball and football teams, providing services to secondary school sports programs and local residents.</p> <p>Main speciality: physiotherapy</p>
 	2	WA	<p>Mandurah Physiotherapy has been in operation since 1990 and Grange Physiotherapy since 1993. Their physiotherapists treat a range of conditions including muscle, joint and sports injuries. They also treat incontinence, and rehabilitation after surgery. They offer a variety of services to the community including individual consultations, clinical Pilates, hydrotherapy, remedial massage, physiotherapy and rehabilitation gym classes. The group also has a visiting Sleep Specialist who visits the practices regularly.</p> <p>Main specialities: physiotherapy and Pilates</p>



2.2 Rationale for forming Advent Health

The formation of Advent Health was based on the belief that there is a wide range of benefits both in terms of patient health outcomes and investment returns that can be gained by consolidating groups of already high achieving practices into a publicly listed entity.

The participants have in many cases reached a plateau in terms of how far they can expand using their own resources and see significant advantages of being a member of a larger publicly listed group of allied health care businesses.

From the perspective of the Practice Owners, transitioning from sole ownership of their current business to that of a participating owner in a much larger publicly listed entity provides considerable benefits, these include; the better access to resources, capital, and personnel who will make the process of expanding the practices geographical reach, developing their people and offering a full multi-disciplinary offering much more achievable. Forming a larger group allows for the optimisation of practice efficiency through standardised web-based management and clinical systems and group-wide buying power. There are also scale benefits via a targeted growth strategy through disciplined

acquisitions of successful complementary practices to provide more integrated services to patients across a larger geographic area.

Following completion of the acquisition of the Initial Portfolio Businesses, a key focus of Advent Health is to align the operations, strategy and financial performance of the 12 allied health businesses.

Advent Health plans to achieve this by:

- **Building and enhancing the nascent culture** of our participating groups that the best financial results and stakeholder returns come from focusing on high quality patient health outcomes;
- Wrapping around our existing footprint **additional layers of service offerings and specialisation**;
- **Maintaining our existing local and regional branding and goodwill** that has been built up over time and in their local communities;
- **Supporting our clinicians** with appropriate infrastructure, training and insights to develop and institute “best practice” processes and procedures;
- **Providing support, training, mentoring and continuing education** to all staff to ensure we retain the best practitioners, lower staff turnover and optimise morale

and ensure that Advent is an allied health care destination of choice for new graduates and other industry participants;

- **Opening new revenue streams** by offering in-demand tailored solutions to corporations, government departments and health insurance companies;
- **Using technology, data analytics and comparative results** to set realistic and targeted KPI's to ensure efficient operations and the improvement of margins by eliminating waste, improving productivity and developing more revenue opportunities; and
- **Expanding the footprint of Advent Health** through targeted acquisitions and the setting up of Greenfield sites through partnerships or as wholly owned facilities.

2.3 Disciplined Acquisition Criteria

Advent Health has undertaken an extensive acquisition program to secure the Initial Portfolio. Directors and Management have developed an assessment methodology based on industry benchmarks and relevant industry expertise which helped identify suitable businesses.

Advent Health based its selection and assessment of the Initial Portfolio Businesses on detailed and disciplined acquisition criteria which amongst other things included:

1. Business needed to be multi-site practice group preferably with back office functions that allows for integration synergies. The consolidation has been specifically designed to embrace being a group of groups to avoid the risk associated with bringing together a large number of single site practices.
2. Profitable operating history turnover to have been maintained for 3+ years. With businesses revenue growing above industry annual average and costs and expense ratios at acceptable levels relative to industry benchmarks.
3. Minimum revenue of \$1.2m, unless the Practice has a particular specialty necessary for the larger group to incorporate.
4. Practice groups with excellent reputations and high profiles in their geography. Clinicians that are respected by their peers with high clinical standards. Combination of young and mature professionals in practice.
5. The Practice Owners of the group are motivated by the desire to grow the business not to exit and retire.
6. The business doesn't have any practices with significant overlap with other practices in Advent Health.
7. Minimum four rooms per location with potential for increased room utilisation and ability to offer specialist services.
8. Businesses that have started to make the transition to multi-disciplinary allied health services is preferred.

In applying this acquisition criteria, the average multiple paid for the Initial Portfolio is 5.1x Historical EBITDA. The Practice Owners of the Initial Portfolio will receive a combination of cash and Shares in Advent Health in consideration for the sale of their business. The total consideration for the Initial Portfolio is \$40.5 million comprising cash of \$28.09 million and Shares of \$12.15 million at the Offer Price. One Practice Owner has a component of deferred consideration of \$0.3 million payable at the end of two years. Practice Owners shares will be escrowed for 24 months and will have conditions on the practice performance during that period. See section 9.2 for further information on the Practice Acquisition Agreements.

The result ...

Advent Health group boasts the following:

A consolidation of 12 groups with 59 locations, with the smallest having 2 locations and the largest having 17. Some of the portfolio highlights are:



One of the largest practices in Australia for multi-disciplinary allied health services with 23 rooms and 1,300 square metres with dedicated gym space. It offers podiatry, physiotherapy, sports medicine, chiropractic, massage therapy, exercise physiology, dietician and specialist services including an in-house orthotics laboratory.



One of the largest single allied health service provider to the Primary Health Networks (PHN) in Australia. The PHN's are the gateway to government funding for health services in Australia. Currently this is focused on Queensland, but can be replicated to other states.



One of the largest Queensland and New South Wales groups by number of locations providing multidisciplinary allied health services.



Preferred provider of specialist allied health services to a number of Australia's largest Private Health Insurers.



A strategy that sees Advent Health in an ideal position to embrace other revenue streams in allied health care other than through traditional bricks and mortar practices (specifically) in the areas of online / digital health, home health, alternative allied health care access point.

2.4 Acquisition Integration

Advent Health Board and Management key focus is the integration of the Initial Portfolio after Completion of Practice Acquisitions in accordance with its integration plan. Advent Health believes it can achieve this integration with minimum disruption to day to day practice operations, in light of the background and expertise of the Board and Management.

An immediate priority will be the integration of Advent Health financial systems (including finance, payroll and human resources) and associated policies and procedures. These financial systems will facilitate weekly reporting and monitoring of practice performance, enabling Advent Health management to respond quickly to issues arising at any particular practice.

A practice management system will be implemented across practices as required in accordance with the integration plan. Integration of the practice management system into a practice requires staff training and migration of patient records onto the Company's data base. The practice management system enables benchmarking on key performance indicators such as patient visits and procedures undertaken, allowing the identification of opportunities for professional development and support.

Plans for supplier rationalisation and centralisation have been established as part of the integration plan. The Company expects this will improve buying power and margins.

Practice Owners have been appointed to the Clinical Advisory Committee and are currently in the process of developing Advent Health's professional development and training programs as a key element of the integration plan.

In order to prepare for settlement of the Initial Portfolio and to pilot elements of the integration plan, Advent Health acquired direct access to Practice Owners financial data. Advent Health has implemented benchmark operational and financial information on a practice and group basis.

Advent Health has put initiatives in place to encourage Practice Owners to remain following Completion. These include:

- A reduction in Consideration if practice profitability does not achieve the EBITDA on which the purchase consideration was based;
- Restraint of trade clauses for Practice Owners based on geographic boundaries;
- The Practices will continue to operate under their existing brand, with minimal changes to staffing;
- Offering training programs to staff, enhancing career progression; and
- Creating a professional and positive working environment that will encourage staff retention.

Based on successful models in Australia and internationally, Advent Health will adopt a 'practice level partnership' model as part of our acquisition and growth strategy.

The hallmark and subsequent benefits of this model are many, including the ability for the practice owner/clinician to capitalise on their success as a practice owner and maintain an ongoing connection through partnership with Advent Health. At the same time Advent Health can provide an environment where leading clinicians within our practice groups see a personal pathway to ownership and equity that might otherwise not be available to them. This will increase both alignment and clinician retention – two of the key pillars on which the Advent Health business will be built and grown.

As an overview the model works in the following way;

- Advent Health will acquire a majority interest in the allied health business.
- A partnership agreement is enacted between the Practice Owners and Advent Health that would clearly define the rights and responsibilities of both parties, with certainty for the Practice Owners to sell their equity interest in the future.
- Clinic owners will continue to manage the business and have an active involvement in driving the clinical and strategic direction of the practice.
- Clinic owners will continue to receive a share of the future profits.

The partnership models will provide the clinician less risk, less stress, no debt and a predictable path forward – and genuine equity in something that they have significant involvement in. Our partners will keep their identity and unique treatment philosophy but will have the ability to accelerate and access new growth opportunities by being able to access new financial resources and a wealth of business support.

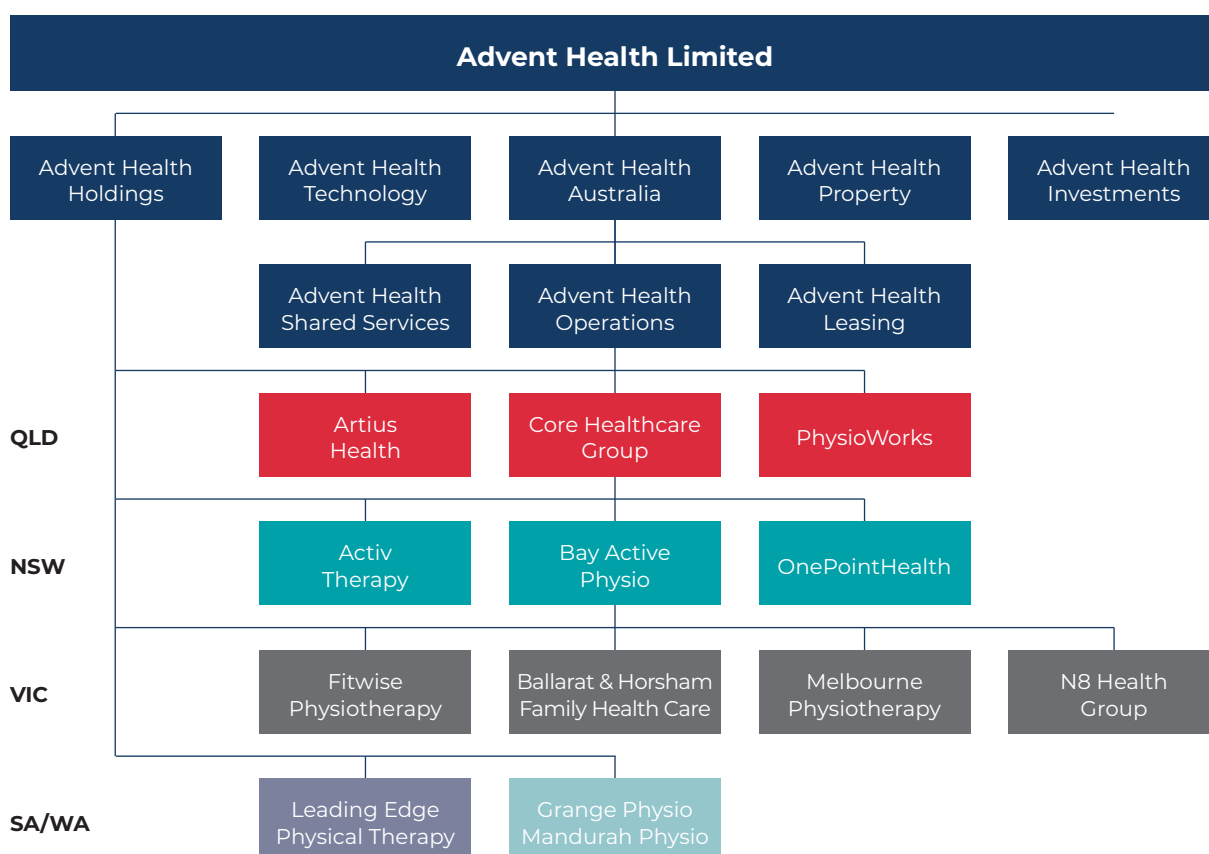
2.5 Organisational Structure

The Advent Health structure is designed to support practices and clinicians so they are able to focus on the delivery of allied health services.

Management comprises Cris Massis (CEO and Director), Robert Andrewartha (Chief Financial Officer) and Peter McNulty (Chief Performance Officer) who are experienced in health care and the management of integrated service businesses.

The Board and the Management team will be supported in clinical matters by the Clinical Advisory Committee chaired by Trent Baker. See section 7 for details of the management.

Below is a diagram of the proposed corporate structure of Advent Health.



2.6 Growth strategy

The allied health sector has grown at a rate of around 3.3% per year and is anticipated to continue on this path albeit there has been an interruption in this rate as the effects of COVID-19 are taken into account. Nevertheless, the Directors believe that societal and demographic trends which are unlikely to stall or reverse in the foreseeable future will support the continued growth of Advent Health.

Trends such as Australia's ageing population and cost pressures have led to an increasing emphasis by governments, health insurers and corporates on wellbeing, preventative and rehabilitation services. These allied health services are much cheaper and often more effective than traditional surgical and hospital-based solutions. Australia's rising household income also serves to reinforce this wellbeing trend. More details on the size and nature of the market growth can be found in section 3. Advent Health is ideally placed to grow as primary health care evolves to more holistically provide services focussed on sustained patient well-being.

Elements of future growth for Advent Health include:

Growth in revenue

Organic growth

Advent Health will use an array of strategies to grow the business organically:

- Increase in revenue by creating in-demand special programs for corporates, insurance companies and government funded PHN's.
- Deepening the service offering by the provision of extra services in developing and embracing the multi-disciplinary practice model.

Geographical expansion

- Acquisition of additional practice groups from our pipeline as well as new opportunities.
- Setting up of greenfield sites based on successful models already pioneered by group members.

Partnerships

- Building strategic partnerships with leading medium and large-practice groups in key-growth locations, corporations, health insurance companies and government agencies to offer comprehensive health packages which provide long-term wellness for patients.
- Integrates a broad range of allied health services into practices for patient retention, improved patient outcomes and increased number of services in each practice.
- Will harness current relationships in government, insurance and corporate business currently out of reach for individual practices to expand our clinical platform.

Growth in Margins

- Adding more specialty services that have higher margins across the broader Advent Health footprint where they are currently not being offered.
- Adding alternative channels to market through multiple access points and mediums (embracing technology).
- Centralising administrative work and reducing duplication.
- Implementing cloud-based technology and streamlining administrative and financial systems.
- Human capital development and clinical development, via training, to provide greater patient/staff focus that will lift productivity, lower staff turnover, and generally make Advent Health the employer of choice.

2.7 Acquisition growth

Advent Health believes that there is significant opportunity for further industry consolidation in the allied health sector due to:

- the fragmented nature of the industry; and
- a move to multi-disciplinary health care.

Following the successful integration of the Initial Portfolio, Advent Health intends to continue acquiring practices. Advent Health believes that it is imperative to build clusters of practices in each target geographic region to facilitate the efficient management and support of the practices.

In order to support funding of acquisition growth Advent Health plans to fund utilise internally generated cash flow, the issue of shares and the acquisition Finance Facility of \$2.5 million as described in section 9. Advent Health may in the future, access capital markets through additional equity raisings to support its acquisition program.

The current acquisition activity of Advent Health has generated interest from many practice owners in Australia looking to explore growth options. While there is no certainty that this interest will lead to successful acquisitions beyond the Initial Portfolio, Advent Health believes the progress achieved to date is indicative of the ability of the Company to identify, negotiate and successfully acquire additional practices. COVID-19 is expected to throw up further opportunities and may reduce the prices that Advent Health will need to pay for quality practices.

Structure, strategy, multi-disciplinary, management, targets



Structure

- Centralised web-based practice management and clinical systems that provide industry-leading efficiency for all practices throughout the business
- Data analysis to support clinician needs and identify pathways to better clinical outcomes and efficiencies
- Advent Health to own and operate orthotics laboratory business as well as building vertical integration through operation of supply side relationships
- Centralised ordering for consumables and orthotic manufacture



Strategy

- Centralised support including benchmarking and coaching
- Targeted marketing and patient retention strategies
- Clinician retention and education programs – up skill and increase range of services
- Retain existing community focused branding
- Well-equipped practices



Multi-disciplinary

- Roll out new or expanded (Brownfield/Greenfield) multi-disciplinary allied health practices
- Introduction of additional services to practices
- Cross referrals using multi-disciplinary service offering – better patient engagement and health outcomes
- Patient focused with wellness care
- Utilise tele-health, digital health and home care to increase access of services

2.8 Industry thought leadership shaping the Advent Health model

The Australian Psychological Society (APS) has developed a White Paper to determine a future blueprint for psychological services in Australia. The guiding principles listed have been embraced by Advent Health:

- **Client and outcome focused** – Client and community needs are the priority, including contemporary and long-term positive health and economic outcomes for Australia. Client wellbeing including practice integrity and optimum practice standards will be promoted at all times.
- **Client equity and fairness is protected within the system** – A health system that is just and equitable for the community. Equity is one of the two key considerations in good policy development (the other being efficiency). The health system should therefore ensure access for different groups within our society regardless of geography, cultural considerations, and income and education levels.
- **Cost-effective delivery** – Cost-effective provision of services in promoting the long-term financial sustainability of the health system. Cost-effective does not mean providing the cheapest service or model, but the method that will, in the most cost-effective way, maximise beneficial outcomes for clients and the community over the long-term.
- **Simplicity** – The system should be simple to understand, administer and use. The greater the complexity of a system, the higher the transaction and administration costs for those providing services, in turn impacting costs for clients.
- **Best practice** – Recognise the importance of evidence-based practice and the fundamental role of early intervention in preventing deterioration of health.
- **Stepped care** – Recognise the Australian Government's Stepped Care approach is central to mental health service delivery in Australia.
- **Accountability, measurement and evaluation** – Data collection and availability within strict privacy rules will assist the sector and Government in providing the best possible services.
- **Flow-on and longer-term impacts** – All policy models are likely to contain both positive and negative unintended consequences and flow-on impacts. The benefits and costs to the clients, the sector and the economy more broadly will be carefully considered.



Management

- Practices supported by experienced Board and management team
- Team has experience in running multi-site allied health businesses
- Practice Owners continue to be involved in their groups and engaged through share of profit growth and engagement in Peer Advisory Groups that, with the Senior Management Team will drive all aspects of the strategic direction
- Clinical Advisory Committee – drive clinical governance, compliance and education programs

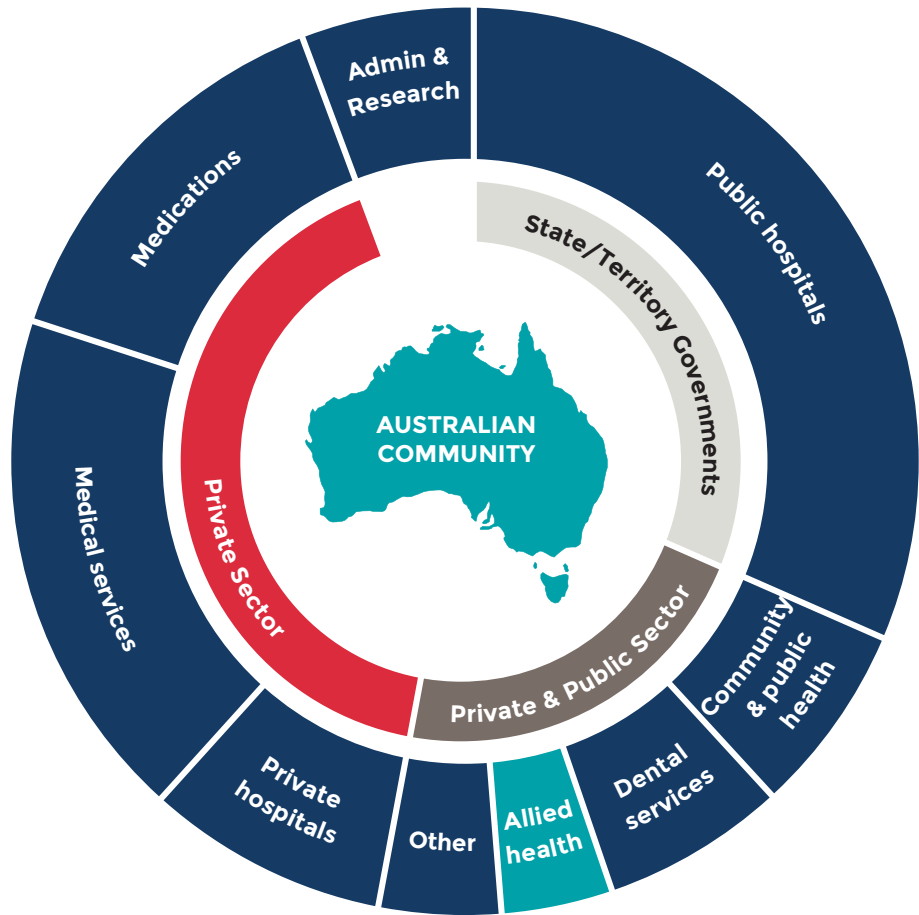


Targets

- Strategic acquisitions, supported by disciplined investment criteria
- First to market for multi-disciplinary care, fragmented market prime for expansion opportunities

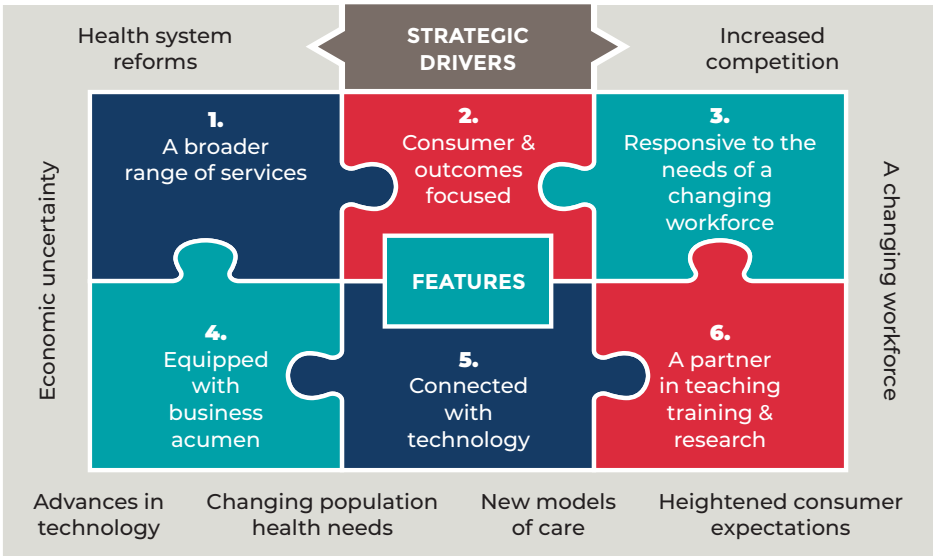
The Australian Physiotherapy Association (APA) In Practice: 2025 framework provides a useful structure to analyse the changes in the health system and how Advent Health has structured our business to respond to the strategic drivers for growth in health care.

The Australian Health System – Sector Funding and Service Delivery



Adapted from Australian National Preventative Health Agency (ANPHA) (2013),
State of Preventative Health 2013, Canberra, ANPHA

The physiotherapy practice of the future





1. A broader range of services

Growth outside the acute sector	<ul style="list-style-type: none"> Increased role of sub-acute and primary care Aged care and disability care opportunities Home-based health care
A new focus on wellness	<ul style="list-style-type: none"> Wellness and preventative health service Chronic disease management Service delivery in the workplace and other settings in the community
Integrated models of care	<ul style="list-style-type: none"> Services more frequently delivered within a multi-disciplinary or inter-disciplinary context Opportunities for expanded roles in planning and managing care Bundled or packaged funding contracts tied to health outcomes

2. Consumer and outcomes focused

Evidence-based and value-driven care	<ul style="list-style-type: none"> Expectations of evidence for both clinical efficacy and cost-effectiveness Delivering value will need to address all aspects of the patient experience
Flexibility and responsiveness to consumer choice	<ul style="list-style-type: none"> Greater involvement in treatment planning Consumer choice of provider, time and location of service provision Demand for services delivered online, home-based or in the workplace
Greater consumer and community scrutiny	<ul style="list-style-type: none"> Standards and accreditation Consumer-friendly specialisation frameworks Online rating and ranking systems and engagement with social media

3. Responsive to the needs of a changing workforce

An increasingly diverse mix of skills and experience	<ul style="list-style-type: none"> Demand for both specialisation and generalist skills Extended or dual scope of practice A greater role for physiotherapy assistants
Greater professional development and support needs	<ul style="list-style-type: none"> Increasing proportion of early-career clinicians in more autonomous roles Generational change in expectations for workplace support and development
Flexibility and complexity of working arrangements	<ul style="list-style-type: none"> Joint appointments and flexible roles the norm, enabled by technology Balance between consumer and staff expectations for choice and flexibility

4. Equipped with business acumen

More competitive opportunities, and more threats	<ul style="list-style-type: none"> Traditional competitive rivalries accentuated by consumer expectations and technology New opportunities will be hotly contested by a range of providers and professionals Existing areas of service delivery increasingly 'contestable'
New business skills needed for contracted services	<ul style="list-style-type: none"> Bundled and packaged care requires new approaches to pricing physiotherapy services Key business development skills will be essential to win competitive service contracts
Importance of partnerships and alliances	<ul style="list-style-type: none"> Integrated and patient-centred care will be dependent on effective partnerships between professionals and service providers Identifying and developing new opportunities will increasingly be dependent on a strong network of connections and partners across the health care system

5. Connected with technology

New ways to market and engage with consumers	<ul style="list-style-type: none"> • Potential to redefine the 'local market' of a physiotherapy practice • Extending the use of social media beyond traditional marketing
eHealth, MeHealth and remote service provision	<ul style="list-style-type: none"> • Integration of biometric monitoring and Me-health technologies into clinical practice • Expanded role of remote and online services to complement 'in-rooms' consultation
Efficient capture and sharing of clinical information	<ul style="list-style-type: none"> • Richer clinical information available to support both care and audit • eHealth integration to enable closer collaboration across the multi-disciplinary team

6. A partner in teaching, training and research

Teaching and training in the private practice	<ul style="list-style-type: none"> • More clinical placements in the private sector • A greater role for clinical educators in private practice
Stronger partnerships with universities	<ul style="list-style-type: none"> • Expanded role in academic teaching to complement expanded clinical placement program • Alignment of the academic teaching syllabus to reflect changing career pathways and earlier entry into private practice
Greater involvement in the research agenda	<ul style="list-style-type: none"> • Aligned with the increased need to demonstrate evidence and value • Enabled by stronger links with research institutions and improved clinical systems to collect data

Advent Health believes that by grounding its business strategy in line with industry and stakeholder standards as laid out above, its chances of success are greatly improved.

Advent Health intends to play a major role in industry associations as well as contribute to and help inform the overall policy debate with government and insurers.

2.9 Flexible investment – growth and yield stock

The Directors of Advent Health have initially positioned Advent Health primarily as a growth stock, where excess profits and possibly other sources of finance are used to focus on growing both the top line and bottom line. This is believed, under current market conditions, to be the best way to drive shareholder returns. However, the Directors are also cognisant of many investors need for some yield and so intend to pay quarterly dividends of between 20 to 30% of NPAT on a quarterly basis. See section 4.18. It is anticipated that the first dividend will be paid during November or December 2020 (assuming practice acquisitions are made on 1 July 2020). However, the directors will have to revisit this intention closer to the time, after the effects of COVID-19 on its cash flow are assessed.

2.10 Impact of COVID-19

Like most Australian businesses, the Practices have been affected by the COVID-19 crisis.

From mid March 2020 the Practices have been affected by factors including:

- Partial lockdowns imposed by State Governments – even though the Practices have been declared essential services patients have been deterred from travelling to practices for treatment;
- Patient concern with attending allied health premises in terms of infection risk;
- Practitioners being constrained from attending practices by the need to care for and home school children while schools have been shut; and
- Some tendency by patients to wish to reduce non-essential expenditure.

These factors have affected revenue and profitability during March and April 2020. The financial impact during this period is discussed in more detail in section 4.12.

The Directors consider it reasonable to expect that the impact of these factors will reduce from May 2020 as lockdowns ease, fear of infection reduces, children return to school and consumer confidence returns to more normal levels. However, they cannot be certain as to whether and when the Practices will return to their level of operations prior to COVID-19, but are cautiously optimistic that historical profitability levels will be restored in the coming months.

Mitigating factors

Management have made the following observations in respect to the performance of the Initial Portfolio Businesses:

- Practice Owners were quick to put in place initiatives to keep practitioners and patients safe, enabling patients to feel comfortable with the allied health practice environment and as a result are often not perceived as potentially infectious in contrast to general practitioner clinics and hospital environments.
- With Advent Health's management support tele-health solutions were expanded upon along with group rates. The acceleration of the tele-health channel has also increased the potential geographic reach of services providing a platform to reach new clients.
- The Initial Portfolio Businesses have acquired new clients as smaller single operator allied health professionals have closed their premises.
- Given the semi-corporatised nature of group practices, Practice Owners have been commercial and made early decisions around staffing and expenses in order to maintain profitability.
- Allied health services have remained essential services and patients have been permitted to attend premises throughout the lockdowns.
- The multi-disciplinary nature of the allied health service offering in group practices have enabled them to be flexible to patient demands such as:
 - Injuries from the working at home environment and cancellation of elective surgery list have seen a continued demand for physiotherapy and chiropractic services; and,
 - Mental health services as a result of COVID-19 and the recent bush fires are also in demand.

COVID-19 has shown the Directors and Management team the underlying quality in its Initial Portfolio business to not only survive COVID-19 but the potential to thrive in the ensuing economic recovery.

Performance of the Initial Portfolio Businesses

The Initial Portfolio Business have generally performed well during March and April 2020, but inevitably some have performed more strongly than others, depending on location, practice type and other factors.

- An analysis of the weekly revenue figures for the group from the middle of March to the first week in May show the weekly aggregated revenues declined up to a peak of approximately 30% in mid-April (or 20% if seasonally adjusted for Easter) and are now running at an approximately 10 to 15% below trend. The majority of practice groups anticipate returning to pre-COVID-19 revenues or single digit revenue reductions in the next four to six weeks.
- Those larger practice groups predominantly offering mental health and occupational

therapy have not seen a material impact on their year to date performance as patients continue to use these services because of their concerns from COVID-19 and the working from home environment respectively.

- The smaller practice groups that offer more boutique services and Pilates have seen the most significant drops in revenues up to 50% due to restrictions on group-based activities and elective surgery; however, these are quickly starting to come back in May with relaxation of restrictions and elective surgery returning.
- Regional practice groups in March initially did not see a significant impact on their performance but in early April had approximately 20% reduction in revenue followed by a return of revenues by the end of April. One of these groups is anticipating increased annual revenues as they acquire patients from other smaller regional practices.
- The remaining practice groups have seen on average a 15% to 25% reduction in March and April but are bouncing back from the start of May having rolled out prompting and follow-up care marketing that has resulted in strong May pre-bookings.

The financial information above has not been audited and is based on management discussions. It is provided only for the purposes of providing general information on the performance of the practice groups over a short period when very unusual circumstances prevailed. It should not be relied on as a basis for financial analysis. See section 4 for financial information generally, and section 4.12 for information on the financial impacts of COVID-19.

2.11 Conclusion and summary

Advent Health has been structured to make the most of the economic and clinical opportunities that exist in the allied health market.

The Company has carefully analysed many consolidations, both successful and unsuccessful, and have created a Group that accentuates the positive aspects and seeks to mitigate much of the risk.

Advent Health has taken a conservative approach to valuation and executed a disciplined acquisition process and overlaid this with a Board and Management with a very deep appreciation of the intricacies and opportunities of the allied health sector and of the ASX and public markets. While there are uncertainties caused by COVID-19, the Directors are confident and supported by the evidence so far, that the multi-disciplinary structure of Advent Health mitigates some of these risks.

A man in a blue long-sleeved shirt and black shorts is assisting an older woman with a leg exercise. The woman is wearing a grey and white striped long-sleeved shirt, grey leggings, and grey sneakers. They are in a gym setting with large windows, exercise balls, and a clock on the wall. The man is standing behind the woman, holding her shoulders and one of her hands. The woman is standing on a blue foam roller with her right leg raised and bent. The text "3. Industry overview" is overlaid on the right side of the image.

3. Industry overview

3.1. Australian health care industry

There are many providers of health care in Australia, including:

- primary care services delivered by general practitioners (GPs)
- medical specialists
- allied health workers
- nurses.

Medicare and the public hospital system provide free or low-cost access for all Australians to most of these health care services. Private health insurance gives choice outside the public system. For private health care both in and out of hospital, patients contribute towards the cost of your health care.

Private health insurance

Many Australians have private health insurance cover. There are 2 kinds of cover:

- hospital cover for some (or all) of the costs of hospital treatment as a private patient
- general treatment ('ancillary' or 'extras') cover for some non-medical health services not covered by Medicare — such as dental, physiotherapy, chiropractic, Pilates and optical services.

Some people with private health insurance have either hospital cover or extras cover, and some people have both.

Primary Health Networks

Primary Health Networks (PHNs) are organisations that coordinate health services in local areas. There are 31 PHNs across Australia.

PHNs:

- support community health centres, hospitals, GPs, nurses, specialists and other health professionals to help improve patient care
- coordinate different parts of the health system — for example, between the hospital and GP when a patient is discharged
- assess the health needs of their local area
- provide extra services that are needed, such as:
 - after-hours services
 - mental health services
 - health promotion programs
 - support for primary care (GPs), including continuing education.

Health system challenges

Australian health system challenges include:

- an ageing population and increasing demand on health services
- increasing rates of chronic disease

- costs of medical research and innovations
- making the best use of emerging health technologies
- making better use of health data.

These challenges look set to continue in coming decades.

Ageing population

A healthier older population will need different types of health services. To meet these new and different needs, we will need a flexible and well-trained health workforce in all areas of the country.

Chronic diseases

Managing chronic conditions is another challenge. The rise in many chronic conditions also increases demand for flexible, person-centred treatment models.

To address this, governments are taking a national approach to coordinated care in their health plans and policies, including GP-led team-based care for patients with chronic and complex conditions. We continue to work on ways to improve sharing of health and medical information between providers.

Health and medical research

Advances in medical science are set to completely change health care. For example, genomic testing will help doctors diagnose health conditions and diseases earlier, as well as provide better prevention and treatment options for people. But these advances are very costly and come with some difficult ethical and legal issues that need to be worked through.

New technology

New technologies also have an impact on health and medical services — from digital health technologies to automated health and diagnostic services. These technologies help to improve the health system, but they can affect patients and the health workforce.

To meet some of these challenges, the Australian Government is investing in medical research and technological innovation through the Medical Research Future Fund. This will see more innovations developed, tested and made available for Australians in all areas of health care.

Better use of health data

Comprehensive data can help us to improve health policy, programs and services. That's why linking different health information across the health system is an important part of our work.

Other challenges

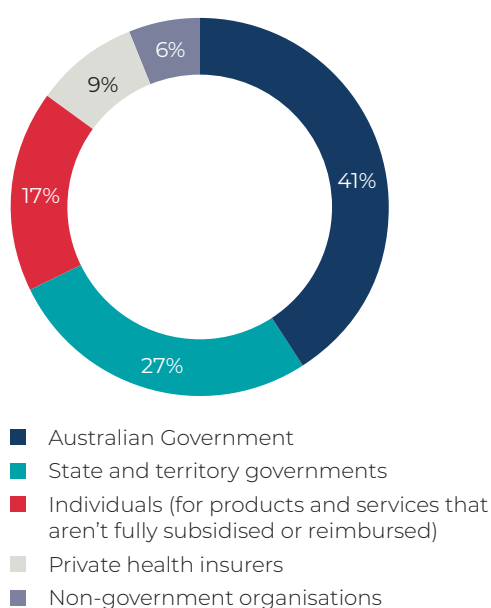
Australia shares other health system challenges with countries around the world — the rising cost of the health system, being able to respond to new health issues, inequality in access to health services and hospital waiting times.

Cost of health care in Australia

Australia's health system is complex – and so are its funding arrangements.

In 2016–17, Australia spent nearly \$181 billion on health, broken down as follows:

\$181 billion spent on health in Australia



Health spending was about 10% of gross domestic product. This means \$1 in every \$10 spent in Australia went to health.

The Australian Government usually funds most of the spending for medical services and subsidised medicines. It also funds most of the \$5.5 billion spent on health research in Australia in 2016–17.

State and territory governments fund most of the spending for community health services.

The Australian Government and state and territory governments share funding of public hospital services.

3.2 Allied health – a fragmented industry

The term 'allied health' is relatively new and there is still no universally accepted definition in Australia although according to Allied Health Professions Australia (AHPA), allied health professionals are health professionals that are not part of the medical, dental or nursing professions. They are university qualified

practitioners with specialised expertise in preventing, diagnosing and treating a range of conditions and illnesses.

Australians receive health care by three main workforces; allied health, medical and nursing.

Allied health practitioners often work within a multidisciplinary health team to provide specialised support for different patient needs.

Australia's 195,000+ allied health professionals represent more than a quarter of the health workforce and deliver an estimated 200 million health services annually.

The allied health workforce is growing rapidly as demand grows across the aged care, mental health, and disability and health sectors.

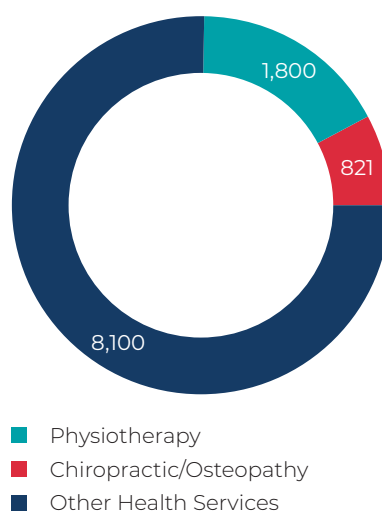
3.3 Allied health – industry numbers

Allied Health services in Australia is a highly fragmented industry with many small practices offering health services in:

1. physiotherapy,
2. chiropractic,
3. mental health,
4. podiatry,
5. exercise physiology,
6. occupational therapy,
7. osteopathy; and
8. dietetics.

IBIS world reports that the Australian allied health market has revenue for FY19 of approximately \$10.8bn inclusive of the above listed services.

Allied health market (000's)



3.4 Allied health – market trends

Prior to COVID-19 the allied health market in Australia had been growing at 3.3% p.a.

Industry growth is expected to continue as a result of Australia's ageing population, the projected rise in disposable incomes and an increase in health consciousness.

In the five financial years through to FY19 Other Health Services industry revenue is reported to have risen by an annualised rate of over 3.2% and is forecast to grow at 2.6% annually in the five years from 2019 to 2024.

In the five financial years through to FY19 Physiotherapy Services industry revenue is reported to have risen by an annualised rate of over 3.3% and is forecast to grow at 2.6% annually in the five years from 2019 to 2024.

In the five financial years through to FY19 Chiropractic and Osteopathic Services industry revenue is reported to have risen by an annualised rate of over 2.5% and is forecast to grow at 2.6% annually in the five years from 2019 to 2024.

In the light of COVID-19 investors cannot expect these growth rates to continue through FY20, and some continuing impact must be expected in FY21. However, the Directors consider it reasonable to assume that growth will resume over the medium to long term.

3.5 Allied health – key industry outlook

Published data indicated that:

- The physiotherapy, chiropractic and osteopathic services industry is anticipated to perform well over the next five years.
- The allied health industry is highly fragmented and there are no groups controlling a major share of the industry revenues.
- Industry revenue is forecast to benefit from Australia's ageing population and a projected increase in disposable incomes and health consciousness.
- Private health insurance participation drives industry revenue, as extras cover typically covers these services and assists by subsidising the cost of allied health services.
- Consistent industry demand and a high base level of private health insurance membership are forecast to cause industry revenue to rise membership are forecast to cause industry revenue to rise.
- Furthermore, a greater acceptance of complementary and alternative medicines among Australian consumers is likely to boost demand.

3.6 Impact of COVID-19 on the allied health industry

The allied health industry has been impacted by COVID-19 during the second half of FY20 (March-May 2020). The factors most impacting the industry include partial lockdowns

imposed by State Governments, patient concern with attending allied health premises in terms of infection risk, practitioners being constrained from attending practices by the need to care for and home school children while schools have been shut, and some tendency by patients to wish to reduce non-essential expenditure. The Directors consider it reasonable to expect that the impact of these factors will reduce from May 2020 as lockdowns ease, fear on infection reduces, children return to school and consumer confidence returns to more normal levels.

There are a number of mitigating factors. During COVID-19 allied health services have been deemed an essential service by The Honourable Greg Hunt, the Federal Minister of Health. As an essential service allied health practices have continued to remain open during the COVID-19 crisis. None of the 59 sites of the Initial Portfolio Businesses have had to close at any time due to the lockdowns. Also, it is recognised by both Governments and patients that allied health services promote good health and consequently patients require less visits to the General Practitioner and other emergency in-demand services where they may be at risk.

Although COVID-19 has placed an added level of complexity for patient care, allied health service providers have been well positioned to respond to these conditions as:

- Face to face allied health services are essential and have continued to be offered along with in home mobile services.
- Government criteria for accessing allied health services have been relaxed during the current period.
- Relevant third-party payers such as compensable schemes, Department of Veteran Affairs, Medicare, NDIS and Private Health Insurers have quickly introduced new tele-health rebates for consumers of allied health services.
- There are tele-health options on offer and practices are expanding upon their tele-health solutions.
- Demand for mental health service offering is already increasing with Medicare supported COVID-19 item codes available. Bush fire relief Medicare item codes are also still applicable.
- Working from home presents challenges with many employees working in an awkward posture that can lead to injuries over time, these types of injuries are often managed by allied health professionals.

Allied health services are not reliant upon the relaxation of Australian state and international border control to reduce the spread of COVID-19, as the services are directly provided to the community in which they are located.

In light of the above allied health has been less affected than other industries from COVID-19, furthermore government support and health care reform during COVID-19 have assisted the allied health industry.

3.7 Allied health – services

Allied health professionals provide a broad range of diagnostic, technical, therapeutic and direct health services to improve health and wellbeing, some of which are subsidised through Medicare. More than 1 in 3 Australians (37%, or 9.0 million) had at least one Medicare-subsidised allied health service in 2017–18, including:

- Optometry services (claimed by 29% of people, 7.2 million)
- Psychology and other allied mental health care (5.1%, 1.2 million)
- Physical health care, including physiotherapy, exercise physiology, chiropractic services and osteopathy (4.3%, 1.1 million)
- Podiatry (4.2%, 1.0 million).

Between 2013–14 and 2017–18, the proportion of people using Medicare-subsidised allied health services increased from 32% to 37%. In the same period, the number of services per 100 people rose from 73 to 92 per 100 people.

Who is using allied health services?

Older Australians were more likely to use a Medicare-subsidised allied health service than younger age groups. In 2017–18, 64% of people aged 65 to 79 years and 70% of people aged 80 and over had used an allied health service, compared with 31% of people aged less than 65 years.

However, younger Australians were more likely to see a Medicare-subsidised psychologist or allied mental health care worker than older age groups. Around 1 in 14 people (6.9%) aged 15–24 years had a Medicare-subsidised allied mental health service, compared with 1 in 20 people aged 25 or older (5.1%).

What are Medicare-subsidised allied health services?

Allied health includes a broad range of services delivered by health practitioners who are not doctors, nurses or dentists. This includes audiologists, chiropractors, occupational therapists, optometrists, osteopaths, physiotherapists, podiatrists, psychologists and speech pathologists.

Australians can use allied health services through many channels, including Medicare, general private health insurance ('ancillary' or 'extras' cover), or by paying for the service entirely out-of-pocket.

In 2017–18, private health insurers subsidised 52 million allied health-related services (APRA 2019). This compares with 23 million allied health services subsidised by Medicare in the same year.

Medicare-subsidised allied health services account for only a portion of all allied health service use in Australia, and, with the exception

of optometry services, are generally only available to patients who are referred from a GP, or in some cases a specialist medical practitioner. Common referral pathways include GP Mental Health Treatment Plans for people with a mental health condition and GP Management Plans for people with a chronic health condition (these are Enhanced Primary Care GP services).

Allied health service use varies substantially

Use of allied health services varies considerably across the country. Across all 5 years, people living in North Coast PHN area were most likely to use a Medicare-subsidised allied health service (42% in 2017–18); in contrast, people living in Northern Territory PHN area were least likely (24% in 2017–18).

There was variation within age groups across areas. For instance, in 2017–18:

- 16% of people aged 65 and over in Gold Coast PHN area had a Medicare-subsidised Physical Health Care service (such as physiotherapy), compared with 5% in Western Queensland PHN area
- 10% of people aged 15–24 in North Coast PHN area visited a Medicare-subsidised psychologist or allied mental health worker, compared with 2% in Northern Territory PHN area.

3.8 Allied Health – services growth drivers

The Australian Allied Health services industry is reported to be in a growth phase of its economic cycle. The growth within the industry as a whole has been contributed to by the following factors:

Demand from consumers with health insurance

The prevalence of private health insurance with extras cover for allied health is relevant to the industry, as patients with private health insurance have lower out-of-pocket costs and are more likely to visit allied health specialists.

Population

Population growth and increases in the average age of Australians positively influences the Allied health industry. As the population ages, older individuals seek out strengthening exercises and preventative treatments.

An increase in the median age of the population is expected to flow through and positively affect industry revenue.

Community awareness

Awareness of what services the allied health industry provides is still growing with market

research conducted suggest a greater awareness of this market sector

Health consciousness

Australians are becoming more concerned about maintaining good health (health consciousness) and are more likely to use a variety of allied health services.

3.8 Allied Health – a key part of primary health care

In Australia, primary health care is typically the first contact an individual with a health concern has with the health system.

Primary health care covers health care that is not related to a hospital visit, including health promotion, prevention, early intervention, treatment of acute conditions, and management of chronic conditions.

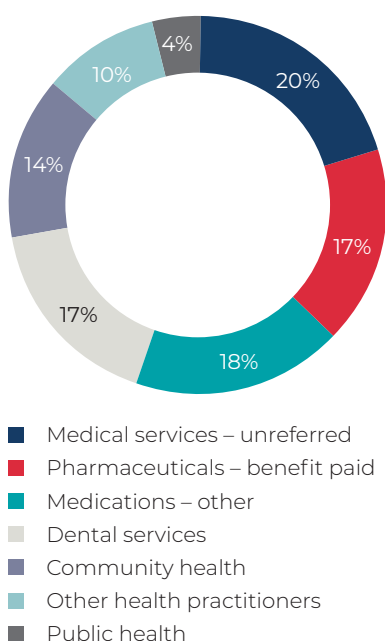
Primary health care encompasses a large range of providers and services across the public, private and non-government sectors.

While most Australians will receive primary health care through their GP, primary health care providers also include nurses (including general practice nurses, community nurses and nurse practitioners), allied health professionals, midwives, pharmacists, dentists, and Aboriginal health workers.

3.9 Spending on primary care

About \$56 billion of total health expenditure was spent on primary health care in 2014–15. This is 35% of total health funding, similar to spending on hospital services (39%).

Primary care spending



3.10 Primary health care is the frontline of Australia's health care system

Primary health care can be provided in the home or in community-based settings such as in general practices, other private practices, community health, local government, and non-government service settings for example, Aboriginal Community Controlled Health Services.

The types of services delivered under primary health care are broad ranging and include: health promotion, prevention and screening, early intervention, treatment and management.

Services may be targeted to specific population groups such as: older persons, maternity and child health, youth health, people living in rural and remote areas, Aboriginal and Torres Strait Islander people, refugees, and people from culturally and linguistically diverse or low socio-economic backgrounds.

Primary health care services may also target specific health and lifestyle conditions, for example: sexual health, drug and alcohol services, oral health, cardiovascular disease, asthma, diabetes, mental health, obesity and cancer.

Shifting to a 'Market Approach' – case study National Disability Insurance Agency (NDIA)

The Market Approach explains the NDIA's role in encouraging a healthy and diverse marketplace for disability services and supports. The Market Approach outlines how the NDIA will work with service providers (such as allied health providers) within the disability industry and the community to encourage and support growth in the size, number and range of disability support providers and the services they offer.

The Scheme creates significant opportunities for existing and new providers who can successfully engage with participants as customers, understand the NDIS requirements for outcomes, and provide value for money.

Delivery of primary health care services

Primary health care services are delivered in settings such as general practices, community health centres, allied health practices, and via communication technologies such as tele-health and video consultations.

GPs, nurses, nurse practitioners, allied health professionals, midwives, pharmacists, dentists, and Aboriginal health practitioners are all considered primary health care professionals.



4. Financial information

4.1 Introduction

Financial information for Advent Health contained in this section 4 is set out below for the historical financial years ended 30 June 2018 (**FY18**) and 30 June 2019 (**FY19**).

This section 4 contains a summary of:

- the pro forma historical financial information for Advent Health prior to Listing (**Pre-IPO Advent Health**) comprising:
- pro forma historical aggregated statements of profit or loss for FY18 and FY19 (**Historical Income Statements**);
- the pro forma historical aggregated cash flows before tax for FY18 and FY19 (**Historical Cash Flows**); and
- the pro forma historical aggregated statement of net assets as at 30 June 2019 (**Historical Balance Sheet**),

(together, **Pro forma Historical Financial Information**).

The Historical Financial Information has been audited or reviewed by Pitcher Partners and subsequently reviewed by Pilot Partners. The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information. The Investigating Accountant's Report on the Financial Information is contained in section 5. Investors should note the scope and limitations of the report.

The information in this section 4 should be read in conjunction with the risk factors set out in section 6 and other information contained in this Prospectus.

All amounts disclosed in the tables are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Rounding may result in some immaterial discrepancies between the sum components and the totals outlined within the tables and percentages calculations.

4.2 Basis of preparation of the Financial Information

Overview

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of Advent Health. The Directors are responsible for the preparation and presentation of the Financial Information.

Subject to section 4.2(b) which sets out the basis of extraction of the Historical Financial Information, the Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (**AAS**), which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board. The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

Advent Health's key accounting policies relevant to the Financial Information also are set out in Appendix A. In preparing the Financial Information, the accounting policies of Advent Health have been applied consistently throughout the periods presented.

Advent Health operates and reports under five reportable geographic segments in accordance with Australian Accounting Standard AASB 8 Operating Segments, being NSW, Victoria, Queensland, South Australia and Western Australia.

Historical Financial Information based on Aggregated Accounts

There are no historical consolidated financial statements for Advent Health inclusive of the Existing Business and the Proposed Acquisitions, which will become a consolidated group for the first time immediately following completion of the Offer.

AHPL was incorporated on 7 June 2018 as the holding company to facilitate the combination of multiple allied health-based businesses. The Statutory Historical Financial Information has been compiled using the audited or reviewed financial statements of the Proposed Acquisitions for FY18 and FY19.

The FY18 and FY19 financial statements of the Practices were audited or reviewed by Pitcher Partners.

These Aggregated Accounts reflect the income and expenses, cash flows, and the assets and liabilities of all entities comprising the Pre-IPO Advent Health group on an aggregated basis for each of these periods.

All intercompany balances between entities comprising the Pre-IPO Advent Health group, including any unrealised profits or losses, have been eliminated on aggregation.

The Pro Forma Historical Financial Information has been based on the audited or reviewed combined accounts of the proposed acquisition of AHPL (**Proposed Group**) and the Pro Forma adjustments including the following.

- The recognition of the acquisition of the Proposed Group of audited or reviewed accounts as if they had been completed 1 July 2019.
- Removal of acquisition costs.
- Inclusion of corporate overhead costs associated with operating as a listed public company.
- Removal of dividends received from subsidiaries.
- Adjustments for items relating to the pre-ownership cost structures of the Proposed Group that are not expected to continue post acquisition.
- Adoption of Australian Accounting Standard AASB 16 Leases.
- Inclusion of net finance costs relating to the capital structure proposed to be in place following the completion of the Offer.
- Inclusion of other adjustments to reflect the operating structures that are proposed to take place following the completion of the Offer.
- Adjustments to reflect the income tax of AHPL from the new capital and operational structure proposed to be in place following the completion of the Offer.

Acquisition Accounting

AHPL was incorporated on 7 June 2018 as a company limited by shares as the holding company to facilitate the combination of multiple allied health-based businesses. Millennium Limited (MHD) was incorporated in 2008 and listed in 2009 on the ASX. On or about 30 June 2020, Millennium Limited is expected to acquire all of the shares of AHPL. This will be a business combination as per AASB 3 Business combinations. Accordingly, the fair value of the number of equity interests can be used as the fair value of consideration transferred in exchange for AHPL.

Acquisition of the Practices have been accounted for using the acquisition method under AASB 3 Business Combinations. AASB 3 requires that the identifiable assets and liabilities acquired (including intangible assets) are measured at their respective fair values at the acquisition date. Advent Health has performed an assessment of the fair values of the identifiable assets and liabilities acquired. For the purposes of the Pro Forma Historical Balance Sheet, the assets and liabilities have been recorded at their provisional fair values based on the Aggregated Audited Accounts and management information. Under the Australian Accounting Standards (AAS), Advent Health has up to 12 months from the date of acquisition to complete its acquisition accounting in accordance with AASB 3.

The increase in intangible asset values, of \$38.375 million, has been allocated to goodwill. This allocation is based on provisional estimates by Advent Health. These adjustments are reflected in the Pro Forma Historical Balance Sheet. The Financial Information presented in this section 4 on a pro forma basis assumes that the Practices had always operated as a consolidated group with the exception of the Pro Forma Historical Balance Sheet which shows the impact of the Acquisitions as at 30 June 2019.

Explanation of non-IFRS financial measures

Advent Health uses certain measures to manage and report on the financial performance and position of the group, which, whilst they are generally accepted business terms, are not recognised under Australian Accounting Standards and have no defined meaning in those standards. Such measures are referred to as 'Non-IFRS financial measures'.

Non-IFRS financial measures are not used to act as a substitute for measures calculated in accordance with Australian Accounting Standards, but rather are intended to provide further information for potential investors. Consistent methods of measures have been applied in the Prospectus.

As there are no standardised methodology for calculating non-IFRS financial measures, potential investors are cautioned not to place undue reliance in comparing non-IFRS financial measures to other companies including, but not limited to, those in the health care sector, as the method of calculation may differ.

The key non-IFRS financial measures used in this Prospectus for describing business performance are:

- Billings [Gross billings prior to any agency agreements with clinical contractors in place]
- Earnings Before Interest & Tax [EBIT and EBIT margin]
- Earnings Before Interest, Tax, Depreciation & Amortisation [EBITDA and EBITDA margin]

Non-IFRS financial measures used in describing the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows include:

- Operating free cash flow before capital expenditure
- Free cash flow
- Working capital
- Capital expenditure

The above non-IFRS financial measures have not been subject to audit.

Non-IFRS financial measures may provide useful information for investors as they exclude items related to:

- Interest and taxation (in the case of EBIT and EBITDA)
- Depreciation and amortisation (in the case of EBITDA)
- EBIT and EBITDA measures may be relevant for market participants and analysts for a range of reasons; however, they are not cash flow measures (operating or otherwise) and should not be considered in isolation.
- EBIT and EBITDA do not consider a range of matters including, but not limited to, capital expenditure, fair value changes, changes in working capital and timing differences between receipt of revenues and their recognition in the statement of profit or loss.

4.3 Acquisition of Initial Portfolio Businesses

Set out below is the consideration paid for the Initial Portfolio Businesses.

Consideration	Cash (\$'000)	Shares (\$'000)	Total (\$'000)
Consideration on Completion	28,090	12,152	40,242
Deferred consideration	300	0.00	300
Total Consideration	28,390	12,152	40,542

Note: The Cash Consideration on Completion paid to the Initial Portfolio Business will be adjusted for purchase price adjustments and working capital. The estimated working capital to be adjusted across the Initial Portfolio Businesses at completion is \$1.4m. This has been taken into account in the cash component of the Use of Funds in section 8.6.

The purchase price for each Practice within the Initial Portfolio was determined on the basis of an EBITDA multiple per Practice. This is described in section 2 of this Prospectus. A higher EBITDA multiple was paid for larger more established groups. The relevant EBITDA multiple forming the basis of the purchase price calculation was based on and compared with industry standards and market practice. This multiple and the EBITDA for the Practices was then tested and verified by the Investigating Accountant.

On settlement Advent Health may exercise its discretion to reduce the cash consideration paid to Practice Owners in line with any reduction in the earning of the business as result of COVID-19, this may be paid back to Practice Owners when earnings return. This retained cash will be working capital and have a corresponding reduction to the Enterprise Value of the Company.

4.4 Historical Income Statements

Pro forma Historical Income Statements

Table 1 sets out the Pro forma Historical Income Statements for FY18 and FY19.

Table 1: Summary of Pro forma Historical Income Statements

		Pro Forma Historical	Pro Forma Historical
A\$000	Note	FY18	FY19
Billings	a	37,431	40,529
Pro Forma Revenue		32,611	35,429
Billings Growth			8.3%
Revenue Growth			8.6%
Other income		-	-
Employee benefits expense	b	18,847	21,710
Facilities expenses	c	2,520	1,195
Corporate services expenses	d	760	885
Other expenses	e	1,898	2,380
Pro Forma EBITDA		8,586	9,260
Depreciation	f	2,234	2,673
Pro Forma EBIT		6,352	6,587
Net finance costs	g	882	1,012
Pro Forma NPBT		5,469	5,575
Tax expense		1,641	1,673
Pro Forma NPAT		3,828	3,903
Pro Forma NPAT attributable to Shareholders		3,828	3,903
Pro Forma NPAT % interest attributable to shareholders		100%	100%
Employee benefits expenses % of revenue		58%	61%
Facilities expenses % of revenue		8%	3%
Corporate services expense % of revenue		2%	2%
Other expenses % of revenue		6%	7%

Notes

- Billing refers to all fee's billed to clients including total billings by practitioners on service agreements otherwise reclassified via AASB15 Revenue from contracts with customers.
- Employee benefits expense includes the remuneration and on-costs.
- Facility expenses include rent, outgoings and utilities net of rent removed after the calculation of AASB16 Leases.
- Corporate services expenses Includes bank charges, insurance, training and education expenses, and other miscellaneous overhead expenses.
- Other expenses include cost of goods sold, marketing and advertising costs, and IT.
- Included in Depreciation is the AASB 16 calculating for amortisation Historical depreciation on property, plant and equipment has been calculated on a diminishing value basis based on tax deductible rates of depreciation.
- Net finance costs includes the AASB 16 calculation for interest.

Segment Information – by geography

Advent Health has determined its reporting segments comprise New South Wales (NSW), Victoria (Vic), Queensland (QLD), South Australia (SA) and Western Australia (WA). These segments are those in which the chief operating decision maker receives information for the purpose of resource allocation and assessment of segment performance. The segment reporting includes the revenues and profits associated with the provision of Advent Health's business within that geographical region.

Table 2: Pro forma Historical revenue and EBITDA by segment

	Historical			
	Pro Forma FY18		Pro Forma FY19	
	A\$'000	%	A\$'000	%
Revenue				
NSW	8,532	26%	8,973	25%
QLD	15,391	47%	17,120	48%
SA & WA	2,905	9%	3,184	9%
VIC	5,783	18%	6,153	17%
Total revenue	32,611	100%	35,429	100%
Pro Forma EBITDA				
NSW	1,977	23%	2,431	26%
QLD	4,249	49%	3,820	41%
SA & WA	621	7%	826	9%
VIC	1,738	20%	2,182	24%
Total all segments	8,586	100%	9,260	100%
Corporate overheads	-		-	
Total Pro Forma EBITDA	8,586		9,260	

4.5 Historical Cash Flows

Pro forma Historical Cash Flows

Table 3 sets out the Pro forma Historical Cash Flows for FY18 and FY19.

Table 3: Summary Pro forma Historical Cash Flows

		Pro Forma Historical	Pro Forma Historical
A\$000	Note	FY18	FY19
EBITDA		8,586	9,260
Net movement in working capital	a	(101)	307
Operating free cashflow before capital expenditure		8,485	9,567
Capital expenditure	b	-	-
Net free cash flow before financing, tax and dividends		8,485	9,567
Interest paid	c	(882)	(1,012)
Income taxes paid	d	(1,641)	(1,673)
Dividends paid	e	-	-
Proceeds from banking facilities	f	-	-
Repayment of lease liabilities	g	(1,531)	(2,050)
Net cashflows before listing related transactions		4,430	4,832
Cost of acquisitions	h	-	-
Listing proceeds	i	-	-
Listing and acquisition costs	j	-	-
Repayment of bank facilities	k	-	-
Net cashflows		4,430	4,832

Notes:

- Working capital calculated as movement in cash plus accounts receivable plus inventories plus other assets less movement in accounts payable and other liabilities.
- Reflects pro forma fixed asset additions based on 2% of revenue.
- Represents the interest paid made to reflect the on-going capital structure assumed post completion of the Offer (assuming 3.8% interest rate) is in place. This also includes AASB 16 interest on leases.
- Represents the income tax payable at 30% calculated on a pro forma basis.
- Represents fully franked dividends.
- Represents cash inflow by drawing down the bank facility.
- Represent repayment of lease liabilities excluding AASB 16 interest.
- Represents the cash outflow for the Acquisitions
- The expected proceeds from the listing included in the Offer.
- Represents the costs incurred in respect of the Offer.
- Represents the amortisation repayment of the bank facility.

4.6 Financial position

Pro forma Historical Consolidated Balance Sheet

Table 4 sets out the Pro Forma Historical Consolidated Balance Sheet as at 30 June 2019. It shows the pro forma adjustments that have been made to the statutory historical statement of financial position as at 30 June 2019 in order to calculate the Pro Forma Historical Consolidated Statement of Financial Position as at 30 June 2019. The Pro Forma Historical Consolidated Statement of Financial Position is provided for illustrative purposes only. It is not representative of the future financial position of Advent Health.

Table 4: Pro forma Historical Consolidated Balance Sheet as at 30 June 2019

	MHD Consolidated Statement of Financial Position	Transactions to date of listing including acquisition of AHPL	Vendor acquisitions	Debt & Capital raising	Pro Forma Statement of Financial Position
A\$000	30 Jun 19	31 Dec 19	30 Jun 19	-	30 Jun 19
ASSETS					
Cash and cash equivalents	71	869	(26,335)	29,445	4,050
Accounts Receivable	-	-	1,811	-	1,811
Inventory	-	-	333	-	333
Other Current Assets	10	(7)	145	-	148
Total Current Assets	81	862	(24,046)	29,445	6,342
Plant and Equipment	-	-	2,231	-	2,231
Right-of-Use Asset	-	-	12,009	-	12,009
Intangible Assets	-	15	38,360	-	38,375
Deferred Tax Asset	-	-	757	529	1,286
Investments or Other Non-Current Assets	-	-	125	-	125
Total Non-Current Assets	-	15	53,482	529	54,026
Total Assets	81	877	29,436	29,974	60,368
LIABILITIES					-
Short Term Debt	-	1,705	-	(1,705)	-
Trade Creditors	95	258	2,376	-	2,729
Lease liability	-	-	2,677	-	2,677
Other Current Liabilities	-	77	1,114	-	1,191
Total Current Liabilities	95	2,040	6,167	(1,705)	6,597
Long Term Debt	-	-	-	12,200	12,200
Lease liability	-	-	10,707	-	10,707
Other Non-Current Liabilities	-	-	409	-	409
Total Non-Current Liabilities	-	-	11,116	12,200	23,316
Total Liabilities	95	2,040	17,283	10,495	29,913
Net assets	(14)	(1,163)	12,153	19,479	30,455
EQUITY					-
Issued Capital	11,790	(11,780)	12,153	20,690	32,853
Retained Earnings	(11,804)	10,617	-	(1,211)	(2,398)
Total Equity	(14)	(1,163)	12,153	19,479	30,455

Indebtedness

As at the date of this Prospectus, Advent Health has accepted the Finance Term Sheets as set out in section 9.4 from the Commonwealth Bank of Australia. The Pro forma Historical Consolidated Statement of Financial Position as at 30 June 2019 has been adjusted to reflect the impact of the Offer as if it took place at that date in accordance with the guidance set out in ASIC Regulatory Guide 228. Pro forma net indebtedness as at 30 June 2019 at the completion of the Offer is \$12.2m.

Table 5: Indebtedness

A\$000	Note	Statutory FY19	Pro Forma FY19
Short Term Debt	a	1,705	-
Long Term Debt	b		12,200
Total Drawn Debt		1,705	12,200
less Cash and Cash Equivalents		869	3,015
Total Drawn Debt		836	9,253
Add Other Non Interest Bearing Liabilities	c		300
Total net Indebtedness	d	836	9,553

Notes

- Short term debt represents the convertible notes issued and seed funds received prior to the Offer.
- Long term debt represents the senior bank debt as detailed in the Finance Facility. The term of the loan is 3 years with the first 2 years interest only and interest rate is set at 3.8% per annum.
- Other non-interest-bearing liabilities reflect deferred consideration payable to Practice Owners based on performance clauses detailed in the sale agreements.
- Total Net Indebtedness excludes all other current and non-current liabilities which are neither interest-bearing borrowings or deferred consideration payable as set out above.

4.7 Liquidity and Capital sources

Following Completion, Advent Health's principal sources of funds will be cash flow from operations, cash held at Completion and undrawn funds under the Finance Facility. Advent Health expects that the Group will have sufficient cash flow from operations to fund its operational requirements and business needs and will have sufficient working capital to carry out its stated objectives as set out in section 2.

Advent Health's ability to generate sufficient cash depends on its future performance which, to a certain extent, is subject to a number of factors beyond its control including general economic, financial and competitive conditions and other risk factors described in section 6. In the future, Advent Health may seek additional funding from a range of sources to diversify its funding base and to manage its exposure to interest rate risks on long term borrowings.

4.8 Management discussion and analysis of the Pro forma Historical Financial Information

This section includes a discussion of the main factors which affected the Group's operations and relative performance in FY18 and FY19 and which may continue to affect it in the future. The discussion of these factors is intended to provide a brief summary only and does not detail all factors that affected the historical operations and financial performance, or everything which may affect the future operations and financial performance.

4.9 General factors affecting the operating results

Revenue

Advent Health derives gross revenue from providing allied health services to patients and facilities and management services to clinicians. The key drivers of revenue for Advent Health include:

- the number of Practices in the Group
- the utilisation of each Clinician
- the number of practitioners in the Group

- the number of consultations performed by those practitioners
- service fees charged, and
- the mix of products and services sold.

The addition of new Practices, either through acquisitions or the opening of new Practices, has historically been a positive driver of revenue for the businesses.

Operational improvements to be implemented by the Executive Management team post Listing, and expected to have a positive impact on revenue and/ or earnings include:

- implementation of centralised finance, marketing and administration functions
- roll-out of a fully integrated practice management system to enhance reporting for the group
- centralisation of procurement relationships to drive purchasing efficiencies
- implementation of training and education programs, and
- the provision of additional services.

Expenses

Operating expenses primarily comprise employee expenses, occupancy costs and operating costs. The group has a relatively fixed cost base that has been adjusted in line with CPI and available utilisation rates will provide it with operating leverage which allows ability to grow earnings faster than revenue provided all regulatory and other administrative requirements are met.

Employee costs are the most significant operating expense of the business and include salaries, wages, commissions, superannuation, and other employment related costs of all staff. The group's cost base also includes head office and corporate costs including the expense of the Executive Management team.

The key drivers in managing expenses are:

- Managing and improving administrative functions to reduce administration overhead.
- Use technology to improve processes and provide detailed daily analysis to help monitor and drive business performance.
- Use the groups buying power to reduce costs including but not limited to banking, insurance, technology, property and electricity.
- Central management of payroll and other accounting functions.

The Group leases all its business premises and incurs rental expenses. Leasehold improvements are amortised over the term of the lease or seven years, including any options. Other assets are depreciated over their useful life, typically seven years depending on the nature of the asset.

The groups premises and business assets have low technology requirements which don't require major renovation or replacement. Premises require minor repairs and maintenance for general wear and tear as do the clinical assets. Computers are required for basic PMS operation and internet access is the basic requirement and billing.

An adjustment has been made to the Pro Forma Historical Financial Information for public company costs and remuneration which the Group estimates it will incur as a listed company. These pro forma adjustments include share registry fees, Director Remuneration, additional audit and legal costs as well as annual general meeting and annual report costs.

4.10 Working Capital

Advent Health defines working capital as third-party receivables and third-party payables. Given the nature of the services provided, the Group has a relatively predictable working capital cycle and the level of receivables and payables are mainly influenced by volume of patients treated and the number of Practices owned. Advent Health has identified and will implement systems to ensure that receivables are collected, and payables are paid in accordance with agreed terms.

In light of COVID-19 the future working capital has been reviewed by Advent Health to be consistent of movements in cash plus inventory plus third-party receivable less third-party trade payables less short-term employee entitlements. Therefore, the working capital requirement for the business is expected to remain low as it is primarily a cash positive business with cash banked daily on a fairly even basis and major expenses being employment costs and rental expenses being paid two weekly and monthly. Management's expectations are that Advent Health will be able to hold a minimum cash balance of \$1.5m.

4.11 Capital Expenditure

The Group's capital expenditure has historically included:

- Fit out or refurbishment of leasehold property including fixtures, furniture and fittings
- Installation or upgrade of plant and equipment
- Installation or upgrade of computer software and hardware to ensure centralised systems, and
- Payments for the acquisition of new practices.

4.12 Financial impact of COVID-19

In the prospectus lodged on 13 March 2020, the Directors provided Forecast Financial Information for FY20 and FY21. In light of the uncertainty and changing market conditions due to COVID-19, the Directors believed it was prudent to assess the impact of COVID-19 and the matters detailed in ASIC Regulatory Guide 170. Forecast or projection information during COVID-19 would contain such a broad range of potential outcomes and possibilities that the information would not be meaningful to investors and possibly would be misleading. Consequently, the Directors have elected to remove the Forecast Financial Information from the Prospectus. Management have monitored and will continue to monitor the progress of the Initial Portfolio Businesses during the period from March 2020.

See section 2.10 for information on the impact of COVID-19 on the Practices and section 3.6 for information on the impact of COVID-19 on the allied health industry as a whole.

The price to be paid for the Practices has been based on historical levels of profitability. There is a risk, which is higher in the short to medium term (1-2 years) than in the longer term, that as a result of COVID-19 some of the Practices will not be able to maintain historical levels of profitability.

The Directors consider it reasonable to expect each of the Practice Groups to return to historical levels of profitability within 2 years. This is because:

- The health sector has traditionally been regarded as offering defensive investments, with stable revenues
- Each of the Practice Groups have a long track record of successful operation.

However, this cannot be guaranteed. The Practice Acquisition Agreements have price adjustment provisions under which the number of shares issued is reduced if the Practices do not achieve their historical level of earnings during the 2 years after completion of the acquisitions. The number of shares subject to this clawback arrangement varies from agreement to agreement, but is generally in the range of 30–40% of the total consideration.

Government directives at first were significantly impacting client visitation numbers in some of the practices where as others were less affected. As time has progressed and new initiatives such as tele-health measures were implemented, the trends in revenue started to quickly reverse. Management have seen a significant return of revenue and earnings across the Initial Portfolio Businesses and believe they are at manageable levels.

The Directors consider it reasonable to expect that the impact of COVID-19 will reduce from May 2020 as lockdowns ease, fear of infection recedes, children return to school and consumer confidence returns to more normal levels. However, they cannot be certain as to whether and when the Practices will return to historical levels of revenue and profitability.

The Company consider it reasonable to expect each of the Initial Portfolio Businesses to return to historical profitability for FY21. This is because:

- The health sector has traditionally been regarded as offering defensive investments, with stable revenues.
- Each of the Practice Groups, have a long track record of successful operation.
- Practice Acquisition Agreements have escrow and warranty provisions see section 9.2.

However, this cannot be guaranteed, and there are risks that:

- an extension or re-emergence of COVID-19 could affect the allied health sector as a whole including the Practices; and
- individual businesses might not achieve historical profitability.

See the information in section 6 on risk factors and in particular risks to profitability resulting from COVID-19.

Statements in this section should not be taken to be a forecast that Practices will return to previous levels of profitability. The Company may exercise its discretion to reduce the cash consideration paid to Practice Owners in line with any reduction in the earning of the business as result of COVID-19 and pay the balance when and if the Practice returns to historical profitability, but that intention is not intended as and should not be taken to be a forecast as to achieving those levels of profitability.

4.13 Dividend policy

The payment of a dividend by the Company is at the discretion of the Board and will be a function of a number of factors, including the general business environment, the operating results, cash flows and the financial condition of the Company.

It is the current intention of the Board to pay quarterly dividends of between 20% and 30% of NPAT. It is expected that all future dividends will be fully franked to the extent that franking credits are available.

The Directors currently expect that the first dividend will be in respect to the period from 1 July 2020 to 30 September 2020 and will be paid in November or December 2020. The directors will have to revisit this intention closer to the time, after the effects of COVID-19 are assessed on its cash flow. No assurances can be given by any person, including the Directors, about the payment of any dividend and the level of franking on any such dividend.

Advent Health also proposes to offer a dividend re-investment scheme, the timing of the scheme will be at the discretion of the Board.



5. Investigating accountant's report



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Ref:CK:zs

11 March 2020

The Directors
Millennium Limited (to be renamed Advent Health Limited)
Unit 9U, 175 Lower Gibbes Street
CHATSWOOD NSW 2067

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON PRO FORMA HISTORICAL FINANCIAL INFORMATION

Pilot Partners have been engaged by Millennium Limited (to be renamed Advent Health Limited) (Advent Health) to review the Historical Financial Information and report on the Pro Forma Historical Financial Information of Advent Health. The Pro Forma Historical Financial Information is to be included in the Prospectus dated on or about March 2020 and relating to the issue of up to 21 million shares in Advent Health (the Prospectus).

The Pro Forma Historical Financial Information comprises the following:

- the pro forma historical aggregated statements of profit and loss for FY18 and FY19;
- the pro forma historical aggregated statement of cash flows for FY18 and FY19; and
- the pro forma Statement of Financial Position as at 30 June 2019.

Expressions and terms defined in the Prospectus have the same meaning in this Independent Limited Assurance Report ("report").

Scope

You have engaged Pilot Partners to review the Historical Financial Information and report on the Pro Forma Historical Financial Information, the latter of which will be included in the Prospectus of Advent Health.



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Historical Financial Information

Pitcher Partners have audited 8 of the 12 Acquisitions in accordance with the Australian Auditing Standards and issued a qualified audit opinion in relation to the aggregated financial report. The qualifications in the audit opinion related to:

- the inability of the vendors (and their financial advisors) of the Acquisitions to provide sufficient audit evidence for FY17, FY18 and FY19 for the following:
 - property, plant and equipment;
 - accounts receivable from related parties;
 - the amounts payable to related parties; and
 - inventory.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information is based on the aggregated Historical Financial Information referred to above. The Management of Advent Health have applied the Pro Forma adjustments as described in sections 4.4 and 4.6 of the Prospectus to this Historical Financial Information for both FY18 and FY19.

Both the Historical Financial Information and the Pro Forma Historical Financial Information has been prepared in accordance the recognition and measurement principles contained in Australian Accounting Standards and Advent Health's adopted accounting policies. The accounting policies of Advent Health have been consistently applied throughout the periods presented.

Directors' Responsibility

The Directors of Advent Health are responsible for:

- the preparation of the Historical Financial Information and the Pro Forma Historical Financial Information;
- the presentation of the Pro Forma Historical Financial Information in the Prospectus;
- the selection and determination of Pro Forma adjustments made to the Historical Financial Information in order to prepare the Pro Forma Historical Financial Information (refer to sections 4.4 and 4.6 of the Prospectus); and
- the accounting policies and the basis of preparation upon which the Pro Forma Historical Financial Information is based.

This responsibility extends to compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

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Our responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the following Assurance Engagement and Accounting Professional and Ethical Standards:

- ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.
- APES 350 Participation by Members in Public Practice in Due Diligence Committees in connection with a Public Document.

Our review consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures to the accounting records in support of the Historical and Pro Forma Financial Information.

Our review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on either the Historical Financial Information or the Pro Forma Historical Financial Information.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Pro Forma Historical Financial Information

Based on our independent review, which is not an audit, we advise that nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in sections 4.4, 4.5, and 4.6 of the Prospectus, and comprising:

- the pro forma historical aggregated statements of profit and loss for FY18 and FY19;
- the pro forma historical aggregated statement of cash flows for FY18 and FY19;
- the pro forma Statement of Financial Position as at 30 June 2019;

does not present fairly in all material reports with the basis of preparation as described in section 4.2 of the prospectus.



Restriction on Use

Without modifying our conclusions, we draw attention to sections 4.1 and 4.2 of the Prospectus, which describes the purpose of the Pro Forma Historical Financial Information included therein. As a result, the Pro Forma Historical Financial Information may not be suitable for use for any other purpose.

Consent

Pilot Partners has consented to the inclusion of this report in the Prospectus in the form and context in which it is included.

Liability

The liability of Pilot Partners is limited to the inclusion of this report in the Prospectus. We disclaim any responsibility for any reliance on this report, or on the Historical Financial Information and the Pro Forma Historical Financial Information to which it relates, for any purpose other than for which it was prepared.

General Advice Warning

This report has been prepared, and included the Prospectus to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Independence Disclosure of Interest

Pilot Partners does not have any interest in the outcome of the proposed Offer other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. Historically, Pilot Partners Pty Ltd has provided Advent Health and AHPL with certain other professional services for which normal professional fees are received.

Yours sincerely

PILOT PARTNERS

CHRIS KING
DIRECTOR

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A male physical therapist in a green t-shirt is assisting a patient lying on a blue table. The therapist is holding the patient's right leg, which is bent at the knee, and applying a blue resistance band around the knee. The patient's left leg is extended straight out on the table. The background shows a bright room with large windows and some medical posters on the wall.

6. Risk factors

6.1 Introduction

Investing in Shares involves risk. There are a number of risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance of the Company and the value of Shares.

This section describes the risks which the Company currently believes to be the key risks associated with an investment in the Group. It does not purport to be an exhaustive list of every risk faced by the Group, now or in the future. Many of these risks, or the consequences of them, are outside the control of the Group. If one or more of these risks or a risk not specifically referred to in this Prospectus eventuates, then the future operating performance of the Group and the value of the Shares and of your investment may be significantly affected.

Prospective investors should read the whole of this Prospectus (or any supplementary or replacement prospectus) and consult with their professional advisors for legal, business, financial or tax advice in order to fully appreciate such matters and the manner in which the Group intends to operate before any decision is made to apply for Shares.

The following summary, which is not exhaustive, represents some of the major risk factors that Applicants need to be aware of. These risks have been separated into:

- risks specific to an investment in Advent Health; and
- general risks relating to an investment in a listed company.

The selection of risks has been based on an assessment of a combination of the probability

of the risk occurring, the ability to mitigate the risk and impact of the risk if it did occur. The assessment is based on the knowledge of the Company as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change, or other risks will not emerge. Any of these risks, and any other risks that may emerge, may have a material adverse effect on the business and financial position and performance.

There can be no guarantee that the Company will deliver on its business strategy, or that the forecasts or any forward-looking statement contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

Some of these risks may be mitigated by the group's internal controls and processes, but many are outside the control of the group, the Directors and Senior Management. An investment in Advent Health should be considered speculative.

You can do some things to reduce the impact of risk. Firstly, get professional advice suited to your investment objectives, financial situation and particular needs. Before deciding to invest in Advent Health, prospective investors should:

- a. read the entire Prospectus
- b. consider the financial information and the risk factors that could affect the financial performance of the Company
- c. review these factors in light of their personal circumstances, and
- d. seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

6.2 Risks specific to Advent Health

Completion of Initial Portfolio

If the acquisitions of any of the Practices within the Initial Portfolio do not complete, the composition of the Initial Portfolio will change. It is anticipated that the acquisitions of Initial Portfolio will complete on or about 30 June 2020. However, there is no guarantee that this will occur.

Quotation of the Shares on the ASX will be conditional upon Advent Health completing the acquisition of at least half of the Initial Portfolio by value after the close of the Offer and prior to Listing. Further, it is possible that, due to circumstances beyond the control of Advent Health, the acquisition of one or more of the Practices within the Initial Portfolio are ultimately not completed, or completion may be delayed. It is also possible that the transfer or assignment of leases or other agreements required by Advent Health to operate its business does not occur or is delayed. This could materially impact on Advent Health's future earnings.

Growth and profitability dependent on Advent Health's key health care personnel	<p>Health care professionals are the main source of patient attendances and revenue of Advent Health. The success of Advent Health's business is heavily reliant on its ability to recruit and retain quality, dedicated and experienced health care professionals. There is a risk that Advent Health may not be able to continue to recruit and retain quality, dedicated and experienced health care professionals due to a range of factors including competition, ageing of facilities or obsolescence of equipment or wanting to be sole operators.</p> <p>Advent Health will manage the day-to-day running and operations of the Group. However, Advent Health relies on its health care professionals to provide medical services to their patients and clients and to generate revenue. The ability of these health care professionals to continue to generate revenue from patients and clients will be instrumental in the continued growth and profitability of the Advent Health Practices.</p> <p>Employee remuneration costs represent the largest single component of the Advent Health's overall cost base. Any material increase in head count or salary levels without a corresponding increase in revenue may adversely affect the Advent Health's cash flows, margins and profitability.</p> <p>Advent Health will endeavour to improve the recruitment and retention of health care professionals by the establishment of a clinical governance committee which will support Advent Health's workforce in relation to clinical operational matters, with specific regard to staff retention and engagement.</p>
Loss of key management personnel	<p>Oversight of day-to-day operations and the strategic management of Advent Health are substantially dependent upon Advent Health's key management personnel. Whilst these key personnel have entered into service agreements with Advent Health, there can be no assurance given that there will not be a detrimental impact on Advent Health if one or a number of these key personnel cease their employment or involvement. Inability to attract and retain key management personnel could have a material effect upon the Advent Health's business, results of operations and financial condition.</p>
Advent Health may become involved in disputes and litigation (including medical malpractice claims)	<p>Operators within the health care industry such as Advent Health face the threat of medical malpractice claims and other general disputes and litigation claims. In the normal course of business, patients or clients may bring a claim for medical or care negligence against Advent Health or the health care professionals contracted or employed by the Practices. The health care professionals employed by Advent Health are required to hold medical malpractice insurance but there remains a risk that subject to arrangements of indemnity insurance and the outcome, any litigation against health care professionals or staff may potentially impact Advent Health's reputation, which may in turn, impact its financial performance. Advent Health is not aware of any such claims as at the date of this Prospectus.</p>
Limited trading history	<p>While Advent Health's Board and Management have experience in business, management and the health care industry, Advent Health will only commence operating as an allied health care and medical services Group following completion of the Practice Acquisition Agreements. Although the Practices themselves have been in operation for some time, Advent Health itself has no financial and operating history. The Practices, which have been operating independently in their respective health care field for several years (ranging from between 5 to 20 years), operate in their segments as individual businesses. Advent Health's ability to achieve its objectives depends on the ability of its Board and Management to successfully integrate the Practices as a Group, to implement the proposed business plans and to respond in a timely and appropriate manner to any unforeseen circumstances. There is a risk that Advent Health cannot maintain the historical performance or will incur additional costs of operation which might have an adverse effect on profitability.</p>
Integration	<p>In order to implement its proposed business model and maintain its financial performance, it is critical that Advent Health successfully integrate the Initial Portfolio. There is a risk that the process of integration may take longer or be more expensive than anticipated. The performance of the Practices may be adversely affected by changes such as an increase in overheads, or reduction in visits by existing patients who do not view the acquisition of the Practices by Advent Health favourably.</p>

	<p>Successful integration of the Initial Portfolio depends on Management's ability to implement its integration plan including finance, technology, payroll, human resources systems and policies. Maintaining the historical performance or improving on the performance of the Initial Portfolio requires appropriate management discipline in controlling expenses and forecasting of revenue. Management's inability to manage costs, impacts of an unpredicted decline in revenues without a corresponding and timely reduction in expenses could have an adverse effect on the Company's operating results.</p>
Brand and reputation risk	<p>Advent Health Practices' ability to maintain their respective reputations is critical to the ongoing financial performance of Advent Health. Each Practices' reputation could be jeopardised if it fails to maintain high standards for service quality, if any of the Practices do not comply with regulations or accepted practices or become subject to third party actions such as adverse media coverage. Any consequential negative publicity may reduce demand for the Practices' services. Failure to comply with laws and regulations, to maintain an effective system of internal controls or to provide accurate and timely financial information could also damage Advent Health's reputation. Advent Health also depends on the reputation of its health care professionals and care staff, which can be affected by matters outside of Advent Health's control. Damage to Advent Health's Practice brands' reputations could have a material adverse effect for customer loyalty, relationships with medical professionals, employee retention rates and demand for Advent Health's services, all of which could adversely affect Advent Health's results of operations, financial condition and cash flow.</p> <p>These risks are mitigated to some extent by the fact that the Advent Health Practices will operate under their existing independent brand banners and respective reputations and as a consequence if one Practice does suffer a deteriorated reputation or damage to its brand, in some respects the damage will be contained to that individual Practice and may not adversely affect the entire Group.</p>
The level of private health insurance coverage or membership rates	<p>A decrease in the levels of private health insurance coverage or reduction in general membership rates (for example as a result of economic downturn or increasing policy costs) may reduce the demand for some Advent Health's services which rely on private insurers as a source of funding. This has the potential to reduce demand for Advent Health's services, put downward pressure on patient fees and adversely impact its revenue and financial performance.</p>
Change in government policy, regulation, declines in government funding and price risk	<p>Advent Health operates within the allied health, home care, primary care and medical services industries which are subject to a range of laws, regulations and government policies relating to, among other things, government funding, operations conduct and facilities licensing. There are a number of associated risks which may arise as a result of a change in government policy or regulation as a result of budget deficits, political shifts, economic conditions or any other reasons outside of Advent Health's control and which may have a material adverse impact on Advent Health's future operational and financial performance.</p> <p>Risks associated with changes in government policies and regulations in relation to Advent Health's Practices include (but are not limited to):</p> <ul style="list-style-type: none"> • changes to the regulation surrounding the private health insurance take-up incentive model; • changes to the Medicare regime, including any reductions of Medicare rebates for Advent Health services; • changes to government incentive programs, including any related to medical services; • changes to Department of Veteran Affairs (DVA) funding or incentive programs; • changes to funding and legislative structure of the National Disability Insurance Scheme; • changes in the provision of services offered by Primary Health Networks (PHNs), such as if they decide to stop supporting a particular type of service, mental health for instance;

	<ul style="list-style-type: none"> • changes in the provision of services offered by Primary Health Networks (PHNs), such as if they decide to stop supporting a particular type of service, mental health for instance; • changes to level or type of workers compensations schemes and benefits that are available to injured workers; • changes to transport accident scheme benefits as a result of Federal and/or State Government budgetary measures; and • changes to the licensing systems of allied health, home care, primary care or medical services businesses and facilities. <p>Advent Health is exposed to price risk in the allied health, home care, primary care or medical services segments in relation to the price of services on the Medicare Benefits Schedule which are set by the Federal Government. Advent Health may be adversely affected from negative movements in the prices set by government agencies as its revenue may be lower.</p>
Retention of long-term contracts with federal and state authorities	Revenue and earnings is dependent to a certain extent, especially in the case of Artius, on the retention of long-term contracts with federal and state authorities can be retained. There is a risk that these contracts will not be retained. Artius is currently going through an audit process in respect to its Primary Health Network contractual obligations.
COVID-19 outbreak – general	The risk of the COVID-19 outbreak in Australia affecting sales in the Allied Health Services sector in Australia is unknown and could be short lived or more significant. After re-listing the Company will update the market in compliance with its continuous disclosure obligations if the consequences of the COVID-19 impact on its revenue channels and adversely affects Company. If any of these impacts appear likely to be material prior to close of the Offer the Company will notify investors under a supplementary or replacement prospectus.
Extension or re-emergence of COVID-19	An extension of the current COVID-19 pandemic and lockdowns, or a re-emergence of COVID-19 could adversely affect performance. The Directors consider it reasonable to expect that the impact of COVID-19 will reduce from May 2020 as lockdowns ease, fear of infection reduces, children return to school and consumer confidence returns to more normal levels. However, they cannot be certain as to whether and when the Practice Groups will return to their level of operations prior to COVID-19. As an extension or re-emergence of COVID-19 could affect the allied health sector as a whole including the Practices.
Increased competition may affect Advent Health's competitive position	<p>The market for the provision of health-related services is subject to vigorous competition. Health care professionals generally compete with one another on factors such as price, responsiveness, range of services available and quality of service.</p> <p>The competitive position of Advent Health's Practices may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors, or a failure by Advent Health to meet changing market conditions including price-based competition, patient and client demands, and changes in the regulatory environment.</p> <p>A substantial increase in the level of competition Advent Health faces across its business could result in, among other things, Advent Health experiencing lower than anticipated revenue and margins, and loss of its overall market share. This may have a material adverse effect on Advent Health's financial performance, and this may reduce Advent Health's ability to achieve its strategic objectives.</p>
Technology risks	The allied health, home care and primary care and primary care services industry may be subject to disruptions from technological advancements and innovations, which may facilitate or encourage changes in consumer behaviour that may reduce the need for in-person physical consultations. In the event such advancements are successful and/or widely adopted, there is a risk that Advent Health's financial performance would be affected as Advent Health's performance is directly linked to the number of consultations that take place in its Practices.

Digital and IT risks	<p>As businesses move to provide innovative online functions in order to differentiate themselves in the marketplace, risks associated with operating in the digital economy and IT will emerge. Security concerns associated with confidentiality and privacy of patient and personnel information will also need to be addressed by Advent Health. There is a risk that if Advent Health does not have adequate protection and risk management systems in place, its data, which may include sensitive information, may be compromised.</p> <p>If Advent Health is unable to prevent security breaches, it may suffer financial and reputational damage or penalties because of the unauthorised disclosure of confidential information belonging to it or to its patients and clients. Any such security breaches could have a detrimental effect on Advent Health's client and patient relationships and ability to attract new patients and clients in the short and medium term. In addition, Advent Health's brand and reputation may be detrimentally affected by its failure to effectively protect the privacy of its clients and patient's confidential information. These events may adversely affect Advent Health's financial position and its ability to generate revenue. In addition, Advent Health may face regulatory action as a result of breaches of the Privacy Act 1988 or other legislation.</p>
Impairment of intangibles	<p>Advent Health has a substantial amount of intangible assets on its balance sheet relating to goodwill and other identifiable intangible assets. Under the relevant accounting standards Advent Health is required to annually test for impairment of all indefinite life intangible assets. If this annual testing revealed that some or all of Advent Health's intangible assets are impaired to a level below their carrying value, Advent Health would be required to write down the value of those intangible assets. Such write downs could have a material adverse effect on Advent Health's financial position.</p>
Disciplinary risks	<p>Failure to recognise and manage risks in practice can result in disciplinary action against offending health care professionals by AHPRA, which could result in the suspension of registration of the health care professionals, conditions on practising or even de-registration on grounds of unprofessional conduct. In the event that such instances arise, this may adversely affect the reputation of Advent Health Practices which may in turn, affect its financial performance.</p>
General operational risks of the Advent Health businesses	<p>Advent Health's current and future operation of its Practices may be affected by a range of factors including, but not limited to:</p> <ul style="list-style-type: none"> • ability to manage allied health, home care and primary care practices that provide a fulfilling service for patients and employees; • fluctuations in revenue generated from its health care professionals (as Advent Health's revenue is primarily reliant on these income streams); • regulatory factors and increased corporate governance issues associated with being operated by a listed company (such as compliance with ASX Listing Rules and more stringent financial reporting requirements); • seasonal factors which may affect influx of patients and general wellbeing of the local communities (which in turn may affect the total revenue generated by allied health care and medical services professionals); • ability to effectively manage supply logistics and hazardous waste management services (which may become more of a factor as the number of Practices owned by the Advent Health increases); • effectiveness of Advent Health's management information system (which is important as the Practices will be regularly dealing with private and sensitive information); • legislative requirements for the acquisition, use, storage and disposal of certain medicines; • ability to pre-empt and respond to disruptions to its operations or breaches of its data; and • publicity about Advent Health Practices or its health care professionals, including negative publicity and/or complaints, even if factually incorrect or based on isolated incidents.

Licences, accreditation and registrations	<p>Although it is intended that Advent Health will maintain the licences, accreditation and registrations held by the Practices, it may be necessary to consult with government agencies in relation to the changes resulting from the Proposed Acquisition Agreements and seek approvals. It is anticipated that the proposed Group will have the benefit of all accreditations necessary to conduct the business following completion of the transaction.</p>
Credit Risk	<p>Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to Advent Health.</p> <p>Advent Health is exposed to counterparty credit risk arising from its operating activities and financing activities, including customer receivables, deposits with banks and financial institutions and other financial instruments. The maximum exposure of Advent Health to credit risk arising from the potential default of the counterparty is equal to the carrying amount of the financial assets.</p> <p>Credit risks related to receivables balances are assessed as being at a very low risk of default as they predominantly relate to receivables from large private health insurance funds and government agencies. These receivables balances are monitored regularly and Advent Health's exposure to bad debts is considered negligible.</p> <p>Credit risks related to balances with banks and financial institutions are managed by the Advent Health finance team in accordance with approved policies. Such policies only allow financial derivative instruments to be entered into with high credit quality financial institutions.</p>
Financing risk/availability of Finance Facility	<p>The Group intends to rely on a combination of funding options including equity and debt, primarily the Finance Facility to finance its operations and acquisitions. An inability to raise capital or secure debt funding or any increase in the cost of such funding may adversely impact the performance and financial position of Advent Health.</p> <p>Failure to meet financial covenants under the Finance Facility, and the occurrence of other specified events (including goodwill being impaired by 5% or more or certain changes in key personnel occurring), may lead to an event of default or review event under the Finance Facility. If an event of default or a review event occurs, there may be a requirement to make repayments in advance of the expected repayment dates under the Finance Facility and it is also possible that the Finance Facility might be terminated. An event of default or review event and the requirement to make early repayments and/or the termination of the Finance Facility may impact on the financial performance and position of Advent Health and its ability to operate in the ordinary course of business.</p>
Liquidity risk	<p>Liquidity risk is the risk that Advent Health will not have sufficient funds to meet its financial commitments as and when they fall due.</p> <p>Liquidity risk management involves maintaining available funding and ensuring that Advent Health has access to an adequate amount of committed credit facilities. Advent Health's objective is to maintain a balance between continuity of funding and flexibility through the use of loans from financial institutions, bank overdrafts and equipment finance leases.</p> <p>The Advent Health finance team manages liquidity risk through regular and periodic cash flow forecasting and analysis of funding requirements.</p>
Interest rate risk	<p>Interest rate risk is the risk that the fair value of future cash flows of a financial asset or financial liability will change as a result of changes in market interest rates. If Advent Health enters into any floating interest rate debt facilities after the date of this Prospectus it will be exposed to interest rate risk as it borrows at floating interest rates and Advent Health may be adversely affected by movements in floating interest rates that increase the cost of floating debt rate.</p>

<p>Acquisition and integration risk</p>	<p>Part of the Advent Health's business strategy is to seek suitable Practice Acquisitions. As part of this business strategy, Advent Health plans to explore opportunities to invest or acquire further practices in new geographic or services markets. The inherent risk with any business acquisition is that the underlying assets do not ultimately produce the financial returns that the acquirer anticipates.</p> <p>There is risk that Advent Health may not be able to deliver on its acquisition strategy or if it does, it may not be able to integrate effectively the operations, products, technologies and personnel of the acquired companies and achieve expected synergies due to:</p> <ul style="list-style-type: none"> • the potential disruption and diversion of management's attention from day-to-day operations; • the inability to maintain uniform standards, controls, procedures and policies across different Practices; and • the potential impairment of relationships with patients, clients and suppliers. <p>In addition, the acquisition of an existing Practice involves a risk of unknown or unanticipated liabilities being revealed following Completion. Under the Practice Acquisition Agreements, the Practice Vendors have provided standard warranties and indemnities in relation to the businesses, assets and liabilities of the Practices. However, there is a risk that Advent Health may suffer loss or damage flowing from unforeseen events in relation to the underlying assets and liabilities of the Practices, which Advent Health may not be able to recover from the Practice Vendors.</p> <p>Furthermore, a risk exists that additional assets cannot be acquired given the quality of available assets, price expectations of relevant Practice Vendors or ability to raise additional capital. Even if viable assets are identified and acquired, continued expansion in new geographic or services markets may require significant financial investment to attract and retain health care professionals and attract local patients, develop localised services and form relationships with suppliers and other requisite service providers. There is a risk that despite efforts from Advent Health, expansion efforts will fail which will adversely affect the growth and profitability of Advent Health.</p> <p>The AHPL Acquisition Agreement and the Practice Acquisition Agreements will be executed in binding form by the time the Prospectus is lodged with ASIC. Additionally, Advent Health maintains close relationships with the Practice Vendors. The Practice Vendors are engaged in the process and have been receptive to audit requests, which demonstrates a willingness to complete their transactions. Additionally, the Practice Vendors will remain engaged in their respective Practices post the Practice Acquisitions (given that many are subject to 3-year continuing employment arrangements) including in an operational and personnel sense.</p>
<p>Risks relating to the change in scale of activities</p>	<p>The Acquisitions constitute a significant change in the Advent Health's scale of activities, and Advent Health needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the Official List of the ASX. Shareholder approval for the change in the scale of the Advent Health's activities is being sought, amongst other things, at the Annual General Meeting.</p> <p>There is a risk that the Advent Health may not be able to meet the requirements of the ASX for re-quotations of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Existing Shareholders may be prevented from trading their Shares should Advent Health remain suspended until such time as it does re-comply with the ASX Listing Rules.</p> <p>Shareholder approval for the change in the scale of Advent Health's activities and for the Offer are conditional on each other (amongst other Resolutions relating to the Practice Acquisitions and the Offer), meaning that in order for each to have effect, all other Resolutions relating to the Practice Acquisitions and the Offer must have been passed by Shareholders as set out in the Notice of Meeting. Accordingly, if any such Resolutions are not passed the Practice Acquisitions and the Offer will not proceed.</p>

	<p>Advent Health has applied for and obtained in-principle advice on reinstatement from ASX. Provided Advent Health does not depart materially from information set out in its application, ASX is not likely to refuse reinstatement based on suitability on the Advent Health for listing under Listing Rule 1.1.</p> <p>Apart from suitability for listing the other requirements of Chapter 1 of the Listing Rules are well known and achievable.</p> <p>Reinstatement to quotation is a condition of the Offer and therefore application money will be returned as required to investors in accordance with the Corporations Act if reinstatement is not granted.</p>
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6.3 General risks of an investment in Advent Health

Macro-economic risks	<p>Advent Health and its business are exposed to changes in general global economic conditions. For example, adverse macroeconomic conditions such as economic recessions, downturns or extended periods of uncertainty or volatility, may influence spending by the Advent Health's customers. This may affect Advent Health's future financial performance and operating performance, the price of the Shares and the Advent Health's ability to pay dividends.</p>
Trading and liquidity in Shares	<p>There can be no guarantee that an active market for the Shares will develop. There may be relatively few potential buyers or sellers of the Shares on the ASX at any given time. This may increase the volatility of the market price of the Shares. It may also impact the prevailing market price at which Shareholders are able to sell their Shares.</p>
Stock market conditions	<p>Stock market conditions may affect the value of Advent Health quoted securities regardless of their operating performance. Stock market conditions are affected by many factors such as:</p> <ol style="list-style-type: none"> 1. general economic outlook; 2. introduction of tax reform or other new legislation; 3. interest rates and inflation rates; 4. change in investor sentiment toward particular market sectors; 5. the demand for, and supply of, capital; and 6. terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and industrial stocks in particular. Neither Advent Health nor the Directors warrant the future performance of Advent Health or any return on an investment in it.</p>
Shareholders may suffer dilution	<p>In the future, Advent Health may elect to issue Shares or engage in fundraisings to fund acquisitions that Advent Health may decide to make. While Advent Health will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period (other than where exceptions apply), Shareholders may be diluted as a result of such issues and fundraisings.</p>
Currency movements may be unfavourable	<p>Advent Health currently conducts business Australia wide. Adverse movements in the exchange rate between the Australian dollar and the currencies of its suppliers may expose Advent Health to foreign currency risk. Should the Australian dollar depreciate, or the foreign currency of its suppliers appreciate significantly, it may cause losses. Such losses may reduce Advent Health's profitability, ability to pay dividends and service debt obligations.</p>
Adverse taxation changes may occur	<p>There is the potential for changes to tax laws. Any change to the current rates of taxes imposed on Advent Health is likely to affect returns to Shareholders. An interpretation of taxation laws by the relevant tax authority that is contrary to Advent Health's view of those laws may increase the amount of tax to be paid or cause changes in the carrying value of tax assets in Advent Health's financial statements. In addition, any change in tax rules and tax arrangements may have an adverse effect on the level of dividend franking and Shareholder returns.</p>

General investment risk

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the price at which the Shares are being offered under this Prospectus.

There is no assurance that the price of the Shares will increase following the quotation on the ASX, even if Advent Health earnings increase. Some of the factors which may affect the price of the Shares include:

1. fluctuations in the domestic and international market for listed stocks;
2. general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government fiscal, monetary or regulatory policies, legislation or regulation;
3. inclusion in or removal from market indices;
4. the nature of the markets in which Advent Health operates; and
5. general operational and business risks.

Other factors which may negatively affect investor sentiment and influence Advent Health specifically or the stock market more generally, include acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events.

A close-up photograph of a physiotherapist, seen from the side, measuring a patient's knee joint. The patient is lying on a white examination table, wearing black shorts. The physiotherapist is using a transparent goniometer to measure the range of motion at the knee. The goniometer is placed over the knee joint, with its arms aligned with the thigh and shank. The physiotherapist's hands are visible, holding the goniometer in place. The background is slightly blurred, showing a clinical setting with a blue chair and a white wall.

7. Board and management

7.1. Board of Directors

The Directors bring to the Board relevant skills and experience, including industry and business knowledge, financial management and corporate governance expertise.

The Board of Directors of the Company consists of:



Louis (Lou) Panaccio

**Independent Non-Executive
Chairman (proposed Director)**
MAICD, B.Ec., CA

Lou is a chartered accountant with over 30 years of management experience in business and health care services. He is currently on the boards of ASX listed companies Sonic Healthcare Limited, Avita Medical Limited and Rhythm Biosciences Ltd. Lou is also on the board of Unison Housing Limited.

Lou has extensive experience as a board member of both public and private, for profit and not for profit companies. Lou is Chairman of two ASX listed health care businesses. Previously, Lou was the CEO of the Melbourne Pathology Group and Monash IVF Group, and also executive Chairman of Health Networks Australia (HNA). HNA was an allied health group with 34 Practices which sold into Zenitas Limited for its ASX listing in 2016.

It is proposed that Lou will become a director following completion of the Practice Acquisitions (currently expected to be on 30 June 2020).



Cris Massis

**Director and
Chief Executive Officer**
*BAppSc, GradDipSportBus,
MBA, MAICD*

Cris is the former CEO of the Australian Physiotherapy Association and former Chairman of the Allied Health Professions Australia. Cris is a current member of the Exercise & Sports Science Australia Standards Council and Board member of Osteopathy Australia. Cris has completed a Bachelor of Applied Science, Graduate Diploma in Sport Business, an MBA, the AICD Company Directors course, the Executive Program in International Management at the Stanford Graduate School of Business and delivering Value Through Digital program at the University of Oxford.

Cris has had a diverse career over 20 years across the disciplines of sales and marketing, business development, policy development and management. He has held positions at the Bob Jane Corporation, St Kilda Football Club, CPA Australia and the Australian Physiotherapy Association. Cris also serves on the Board of Early Childhood Intervention Australia (Vic/Tas), has been a trustee of two research foundations and provides mentoring to women in senior management roles.



Bryce Wedemeyer

Executive Director
LLB, B.Bus (Acc), G Dip CA, G Dip Fin, Dip PM, JP (Qual)

Bryce is an admitted legal practitioner in Queensland and has graduated as a Chartered Accountant. Bryce also holds a Graduate Diploma in Applied Finance and Investment and has qualifications in Project Management. Bryce has previously been an ASX Director, having to lead a turnaround team before successfully dealing with an on-market takeover. Bryce has 18+ years' finance and business operations experience.



Wei Huang

Independent Non-Executive Director
B.Ec, M.Com

Wei is an experienced ASX company director. He is an Executive Director of Hudson Investment Group Limited and will, following Completion of the Proposed Transactions, be the former Chairman of Millennium Limited. Wei holds a Bachelor of Economics from Macquarie University and a Master of Commerce from the University of New South Wales. He is a member of CPA Australia. He has experiences in financial control, new business start-ups and development within the textile, retail, financial services, construction and mining sectors in Australia and internationally.



Melanie Leydin

Company Secretary
B.Bus (Acc) (Corp law), CA

Melanie has over 25 years' experience in accounting and corporate secretarial functions including extensive experience in relation to public responsibilities including the ASX and ASIC. Melanie is a Chartered Accountant and a Registered Company Auditor as well as Director and Founder of Leydin Freyer which specialises in company secretarial services to ASX listed companies.

Melanie has provided company secretarial and governance services to listed health care business such as Zenitas Healthcare Ltd, Paragon Care Limited and Capitol Health Limited.

7.2. Senior Management

The Company's Senior Management will consist of:



Cris Massis

Chief Executive Officer
BAppSc, GradDipSportBus, MBA, MAICD

See previous spread for profile overview.



Robert Andrewartha

Chief Financial Officer
B.Bus (Acc)

Robert has had over 25 years of CFO experience for a large privately-owned company, most notably as the CFO for Solomon Lew's privately-owned group of companies. Here he was responsible for managing 7 businesses over 120 sites, 600 staff and a turnover of >\$250m.

During the last 15 years, he has been the CFO/General Manager of a large services and distribution business, which grew under his guidance from a turnover of \$30m to \$150m. During his tenure here he also managed the sale of the business to Private Equity.

Robert has extensive skills in all elements of business management, not just financial management but also covering operations, technology and leadership management.



Peter McNulty

Chief Performance Officer
B Bus, CGMA, GAIDC, FGIA

Peter has held a number of senior financial, strategy and operational roles with companies such as Siemens USA, Meggitt plc, Leigh Mardon Group, Tenix Defence and Rising Sun Pictures. Peter is an Associate of the Chartered Institute of Management Accountants, a Graduate of the Australian Institute of Directors, a Fellow of the Governance Institute of Australia, Graduate of the Royal Military Academy Sandhurst and holds a Post Graduate Diploma in Management and a GIA Certificate in ASX Listing Rules.

Peter has had a varied career over 30 years across several industries. He served on the board of Wallace & Tiernan UK, Chemfeed UK and Siemens Water Technologies Group UK. In addition to his business career, he served for over 16 years as a reservist in the British Army, including active service post 9/11 as a military intelligence officer at Defence Intelligence Afghanistan, for which he was awarded the VCDS commendation.

7.3. Clinical Advisory Committee

The Company's Clinical Advisory Committee leads will be:



Trent Baker

Clinical Director
*BASc (Podiatric Medicine/
Podiatry)*

Trent has a Bachelor of Applied Science with major studies in Podiatry. He had a tenure on the Australian Podiatry Association (NSW) board during 2013 and 2014, while building his own podiatry business. Trent built this business into what is now the largest multidisciplinary practice in Australia.

Trent has gained a wealth of experience developing integration methods at a multidisciplinary level, creating a team across multiple locations to manage and implement health delivery methods that have seen exponential growth within his centres. He has a solid background in acquisitions, mergers and new site development, project managing fit outs right through to team integration. Personally, developing a unique method of internal intra referral that has seen improved patient outcomes across the board.

Throughout his role at both Association and business levels, Trent has gained an extensive network within the health industry in NSW. His work in all areas of business has placed him well to meet all challenges the Clinical Director position will bring.



Elizabeth (Libby) Oldfield

Clinical Director
(Women's Health)
BASc (Physiotherapy), GradCert
(Continence and Pelvic Floor
Rehabilitation), GradCert
(Exercise for Women), FACP

Libby Oldfield is a Specialist Continence and Women's Health physiotherapist and Co-Director of Fitwise Physiotherapy.

Libby has been successfully helping women of all ages achieve their physical health goals for many years. She has a special interest in the health and wellbeing of older women, developing programs, conducting classes, giving talks to the general public and lecturing at the University of Melbourne. Pelvic floor dysfunction, pelvic girdle pain and Clinical Pilates are also major interests of Libby's.



Genevieve (Gen) McGlashan

Clinical Director
(Women's Health)
BASc (Physiotherapy) GradCert
(Continence and Pelvic Floor
Rehabilitation), GradCert
(Exercise for Women), FACP

Gen McGlashan is a Specialist Women's, Men's and Pelvic Health Physiotherapist and Co-Director of Fitwise Physiotherapy.

As a clinician Gen has extensive experience in evidence-based practice for pelvic floor related conditions in women and men, musculo-skeletal conditions during pregnancy and exercise for women through various life stages, and mentors' other physiotherapists regularly in these areas. She has lectured on post-graduate courses and undergraduate courses for The University of Melbourne. Gen is a member of the Admissions Committee for the Australian College of Physiotherapists and is on the Australian Physiotherapy Association Women's Men's and Pelvic Health Career Pathway Working Committee, currently developing the Women's, Men's and Pelvic Health career pathway.

7.4 Corporate Governance

The Board is committed to maximising Shareholder value and financial return and sustaining the growth and success of the Company's business. In conducting business with these objectives, the Board is tasked with ensuring that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees fulfil their functions effectively and responsibly.

Board

The Board is comprised of four Executive Directors, including the Managing Director/CEO, and three Non-Executive Directors. Two of the Non-executive Directors can be regarded as independent.

Each Director has confirmed to the Company that he anticipates being available to perform his duties as a non-executive Director or executive Director as the case may be without constraint from other commitments.

Independence of Directors

The Board considers that a director is an independent director where that director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its Shareholders. Generally, when determining the independence of a director, the Company also takes into account the factors relevant to assessing the independence of a director listed in Recommendation 2.3 of the ASX Corporate Governance Principles and Recommendations.

The Board considers that Lou Panaccio and Wei Huang are free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgment and are able to fulfil the role of independent directors for the purposes of ASX.

The Board currently considers that Bryce Wedemeyer is not independent for ASX purposes due to being a substantial Shareholder in the Company. Whilst the present Directors seek to establish a Board which is made up of a majority of independent directors over time, this must also be balanced with the benefits of maintaining access to the skills and experience of these four executive directors. Consequently, the Board has plans to expand its membership to include additional non-executive directors.

The Directors, and their independence status is summarised as follows:

- Lou Panaccio – Independent Non-Executive Chairman
- Cris Massis – Managing Director and CEO
- Bryce Wedemeyer – Executive Director
- Wei Huang – Independent Non-Executive Director.

Board Charter

The responsibilities of the Board are set out in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles and Recommendations.

A copy of the Company's Board Charter is available on its Website.

Board Committees

The Board has established two standing committees to assist the Board in fulfilling its responsibilities as described in the table below.

Each of these committees have the responsibilities described in the committee charters adopted by the Company (which have been prepared having regard to the ASX Corporate Governance Principles and Recommendations). A copy of the charters for these committees are available on the Company's Website at www.adventhealth.com.au.

The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

Board Committee	Key Responsibilities	Initial Composition
Audit and Risk Committee	Monitoring and advising the Board on the Company's risk management, audit and regulatory compliance policies and procedures	Lou Panaccio (independent committee chair) Wei Huang (independent committee member)
Nomination and Remuneration Committee	Establishing the policies and practices of the Company regarding the remuneration of Directors and Senior Management and reviewing all components of the remuneration framework. Advising the Board on the composition of the Board and its committees.	Bryce Wedemeyer (committee chair) Lou Panaccio (independent committee member) Wei Huang (independent committee member)



Policies

The Company has adopted various policies, taking into account the recommendations in the ASX Corporate Governance Principles and Recommendations. These policies are available on the Website and include:

- **Code of Conduct:** A code of conduct that sets out the standards of conduct and behaviour the Company expects from its Directors, officers, employees and contractors;
- **Continuous Disclosure Policy:** After Admission, the Company will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. This policy describes the procedures in place which are designed to ensure that the Company complies with its continuous disclosure obligations.
- **Securities Trading Policy:** This policy outlines when Directors and key management personnel may deal with the Company's securities, particularly at times when the market may not be fully informed as to the Company's progress and explains how insider trading laws affect their dealings in the Company's securities.
- **Diversity policy:** This policy sets out the Company's policy for achieving an inclusive and diverse workplace, at all levels and how the Company aims to ensure that its objectives can be measured and improved.
- **Whistleblower policy:** This Policy identifies the types of concerns that may be reported under the policy and sets out the processes the Company has put in place to follow up and investigate complaints whilst ensuring the confidentiality of the Whistle Blower's identity and their protection from retaliation.

ASX Corporate Governance Principles and Recommendations – Corporate Governance Compliance Statement

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations.

A Corporate Governance Compliance Statement can be found on the Company's website at www.adventhealth.com.au which addresses the areas where the Company

has departed from the recommendations contained in the ASX Corporate Governance Principles and Recommendations. The Board is of the view that with the exception of the departures set out in such table, it otherwise expects to comply with all of recommendations in the ASX Corporate Governance Principles and Recommendations.

The Directors intend to appoint additional suitably qualified and experienced independent directors to the Board when circumstances permit.

Director Disclosures

Each Director has confirmed to the Company that he or she anticipates being available to perform their duties as a non-executive or executive Director, as the case may be, without constraint from other commitments.

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director of the Company or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12month period after they ceased to be an officer of any relevant company.

Each Director must declare all actual or potential conflicts of interest. Any issue concerning a Director's ability to properly act as Director will be discussed at a Board Meeting as soon as practicable, and a Director may not participate in discussions or resolutions pertaining to the matter.

Company Secretary

The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board including on matters involving corporate governance and the ASX Listing Rules. All Directors have unfettered access to the advice and services of the Company Secretary.

7.5 Directors' and Officers' security holdings

Set out below are the anticipated relevant interests of the Directors and the Executive Officers held directly and indirectly upon completion of the Offer.

Director Name	Title	Shares	ESOP Shares
Louis Panaccio	Chairman	240,000	-
Cris Massis	CEO/Director	75,000	750,000
Wei Huang and associates	Director	932,825	-
Bryce Wedemeyer and associates	Director	5,200,000	-
Robert Andrewartha	Chief Financial Officer	40,000	200,000
Peter McNulty	Chief Performance Officer	40,000	200,000
Total		6,527,825	1,150,000

*The proposed Shares and ESOP Options are included in the above table, subject to Shareholder approval at the General Meeting.

7.6 Directors' Remuneration

The Constitution provides that each Director is entitled to such remuneration from the Company as the Directors decide, but the total amount provided to all non-executive directors must not exceed in aggregate the amount fixed by the Directors prior to the first annual general meeting. The maximum aggregate remuneration for all non-executive directors (excluding Salaries to Executive Directors) has been set at an amount of \$250,000 per annum by the Directors. The remuneration of the Directors must not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the proposed increase has been given to Shareholders in the notice convening the meeting.

Directors may also be reimbursed for travel and other expenses incurred in attending the Company's affairs. There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.

At the date of this Prospectus, the Company has agreed to pay the following annual Director fees (inclusive of superannuation):

- Chairman – \$80,000
- Other non-executive Directors – \$45,000.

A company associated with Bryce Wedemeyer is entitled to consulting and success fees under a corporate advisory mandate relating to business development. See section 9.6. Bryce Wedemeyer is not entitled to fees as a non-executive Director while that mandate is in force.

7.7 Senior Management remuneration

Cris Massis – Chief Executive Officer

The Company has entered into an Executive Services Agreement with Cris Massis (Executive). The key terms of that agreement are:

- (role)** Cris is employed as the Company's Chief Executive Officer;
- (remuneration)** Cris earns an annual salary of \$300,000, inclusive of superannuation, sick leave and four weeks annual leave;
- (incentive)** Cris will be entitled to is eligible be received an annual short-term incentive of up to 25% of his remuneration based on certain performance criteria to be agreed with the Company in addition to his ESOP entitlement of 750,000 options exercisable over 2 years at \$1.50;
- (review)** the base salary component is reviewable annually in line with current market rates for the position;
- (termination)** either party may terminate with 3 months' notice, or in the Company's case, by payment of 3 months' salary in lieu of notice. The Company may also summarily dismiss the executive for misconduct; and
- (restraint)** a clause restraining the executive for up to 12 months from the end of his employment from engaging in a business (as an owner or employee) that competes with the Company, soliciting the custom of any Company client, or enticing any Company employee to leave their employment.

Robert Andrewartha – Chief Financial Officer

The Company has entered into an Executive Services Agreement with Robert Andrewartha (Executive). The key terms of that agreement are:

- a. **(role)** Robert is employed as the Company's Chief Financial Officer;
- b. **(remuneration)** Robert earns an annual salary of \$219,000, inclusive of superannuation, sick leave and four weeks annual leave;
- c. **(incentive)** Robert has an ESOP entitlement of 200,000 options exercisable over 2 years at \$1.50;
- d. **(review)** the base salary component is reviewable annually in line with current market rates for the position;
- e. **(termination)** either party may terminate with 3 months' notice, or in the Company's case, by payment of 3 months' salary in lieu of notice. The Company may also summarily dismiss the executive for misconduct; and
- f. **(restraint)** a clause restraining the executive for up to 12 months from the end of his employment from engaging in a business (as an owner or employee) that competes with the Company, soliciting the custom of any Company client, or enticing any Company employee to leave their employment.

7.8 Other senior managers

Each other member of the executive Management team has an employment agreement with the Company on substantially similar terms and conditions to the Chief Executive Officer and Chief Financial Officer.

7.9 Clinical Directors and Advisors

The Company has entered into a Clinical Director Agreement with Trent Baker who is a Practice Owner to the Company. The key terms of the agreement are:

- a. **(duties)** to implement and adopt Clinical governance systems for the Company in addition to providing leadership and training
- b. **(task)** co-ordinate and hold at least 4 meetings of the Clinical Governance Committee of the Company

- c. **(remuneration)** engaged on a day rate of \$961.50, excluding GST to perform the duties and tasks of the Clinical Director as and when required by the Company;
- d. **(termination)** either party may terminate with 3 months' notice, or in the Company's case, by payment of 3 months' in lieu of notice. The Company may also summarily dismiss the Clinical Director for misconduct; and
- e. **(restraint)** a clause restraining the executive for up to 36 months from the end of his Agreement from engaging in Clinical Director Services.

7.10 Executive and Director Share Option Plan (ESOP)

The Company has adopted the ESOP to reward directors and executives for the achievement of KPIs and to better align their interests with the interests of Shareholders. Under the ESOP Directors and senior managers have been issued with Options which vest over 2 years subject to the achievement of KPIs. The KPIs are a mix of financial and non-financial targets. Each Option entitles the holder to subscribe for 1 Share at a price of \$1.50 in years 1 and 2 at a \$1.50 exercise price.

7.11 Deeds of Access, Indemnity and Insurance

The Company has entered into a Deed of Indemnity and Access with each Director under which the Company agrees to:

- indemnify the Directors against certain liabilities incurred while acting as a Director;
- insure the Directors against certain risks to which the Directors are exposed as a Director; and
- grant to the Directors a right of access to certain records of the Company,

for a period of up to 7 years after the Director ceases to be a director of the Company. These deeds of access, indemnity and insurance are in a usual form for documents of this nature.



8. Details of the Offer

8.1 The Offer

Under this Prospectus, the Company is offering 21,000,000 Shares at an issue price of \$1.00 each to raise up to \$21 million before expenses (**Public Offer** and **Offer**).

Oversubscriptions will not be accepted. The Offer is open to the general public. Investors outside Australia and New Zealand should consider the statements and restrictions set out in section 8.12 before applying for Shares.

If the Subscription is not achieved within 4 months after the date of this Prospectus (or any longer period as ASIC may permit) the Offer will not proceed, and all Application Money will be refunded.

The Shares to be issued under the Offer are of the same class and will rank equally in all respects with existing Shares on issue. A summary of the rights and liabilities attaching to Shares can be found in section 10.3.

Applications for Shares under the Public Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date. Persons wishing to apply for Shares should refer to section 8.2 and the Application Form for further details and instructions.

The principal purposes of the Public Offer are to:

- a. comply with ASX's requirements for listing the Company on the ASX;
- b. provide funds for the purposes set out in section 8.6;
- c. provide the Company with access to equity capital markets for future funding needs; and
- d. enhance the public and financial profile of the Company to facilitate further growth of the Company's business, including into the Australian market.

In addition to the Public Offer, this Prospectus contains offers of Shares to the Practice Owners and to the owner of AHPL (see this sections 8 for more information), offers of shares to seed investors who have provided funding to AHPL (see this section 8 for more information), offers of shares to management for services provided to AHPL and to the Company (see this section 8 for more information), and offers of shares or other securities to directors and officers or proposed directors and officers of the Company as part of their remuneration (see section 7 and this section 8 for more information).

8.2 Applications and payment

Applications for Shares under the Public Offer can only be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Public Offer must be for a minimum of 2,000 Shares (i.e. \$2,000)

and thereafter, in multiples of 1,000 Shares (i.e. \$1,000). No brokerage, stamp duty or other costs are payable by Applicants.

An original, completed and lodged Application Form together with a cheque or payment via BPAY®, Electronic Funds Transfer, Wire Transfer or SWIFT for the Application Money constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Board's decision as to whether to treat an Application as valid and how to construe, amend or complete the Application Form is final.

It is the responsibility of Applicants outside Australia and New Zealand to obtain all necessary approvals in order to be issued Shares under the Public Offer. The return of an Application Form or otherwise applying for Shares under the Public Offer will be taken by the Company to constitute a representation by the Applicant that it:

- a. has received a printed or electronic copy of this Prospectus accompanying the form and has read it in full;
- b. agrees to be bound by the terms of this Prospectus and the Constitution;
- c. makes the representations and warranties in sections 8.12 (to the extent that they are applicable) and confirms its eligibility in respect of an offer of Shares under the Offer;
- d. declares that all details and statements in the Application Form are complete and accurate;
- e. declares that it is over 18 years of age and has full legal capacity and power to perform all of its rights and obligations under the Application Form;
- f. acknowledges that once the Application Form is returned or payment is made its acceptance may not be withdrawn;
- g. agrees to being issued the number of new Shares it applies for at \$1.00 each (or such other number issued in accordance with this Prospectus);
- h. authorises the Company to register it as the holder(s) of the Shares issued to it under the Offer;
- i. acknowledges that the information contained in this Prospectus is not investment advice or a recommendation that the Shares are suitable for it, given its investment objectives, financial situation or particular needs; and
- j. authorises the Company and its officers or agents to do anything on its behalf necessary for the new Shares to be issued to it, including correcting any errors in its Application Form or other form provided by it and acting on instructions received by the Share Registry using the contact details in the Application Form.

If payment is by cheque, cheques must be made payable to the "Advent Health —

Subscription Account' and should be crossed 'Not Negotiable'. All Application Money will be paid into a trust account.

Payments by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. Accordingly, Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s).

If the amount of your cheque(s) for Application Money (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Money will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

Completed Application Forms and accompanying cheques must be received by the Company before 5.00pm AEST on the Closing Date by being delivered or mailed to the following addresses:

Mailed to:

Millennium Limited
C/- Computershare Investor Services Pty Ltd
GPO Box 52
Melbourne VIC 3001

Applicants are urged to lodge their Application Forms as soon as possible as the Offer may close early without notice.

If payment is by BPAY®:

Applicants wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of this Prospectus which is available at www.adventhealth.com.au and follow the instructions on the online Application Form.

You do not need to complete and return a paper Application Form if you pay by BPAY®.

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions.

When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (AEST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Money

or payments by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

If payment is by Electronic Funds Transfer, Wire Transfer, SWIFT:

You need to complete the Application Form.

You need to scan and email the completed Application Form and the EFT receipt to the Sponsoring Broker – Novus Capital Limited.

Novus Capital Trust Account

Australia and New Zealand Bank
BSB 012 013
Account 306 003 095
Reference: Applicant name – Advent
Swift: ANZBAU3M

Email a copy of your application form and EFT receipt to: Stan.Huang@novuscapital.com.au

8.3 The Acquisitions and the Re-compliance Application

The Company has entered into an agreement for the acquisition (**AHPL Acquisition**) of 100% of the issued capital of AHPL. AHPL has in turn entered into agreements for the acquisition (**Practice Acquisitions**) of a number of multi-disciplinary allied health practices (**Practices**). Detailed information on the AHPL Acquisition and the Practice Acquisitions (**Acquisitions**) is set out in section 8.3.

The Acquisitions will involve a significant change in the nature and scale of the Company's activities which requires the approval of Shareholders under Chapter 11 of the ASX Listing Rules. This approval will be sought by the Company at the General Meeting.

This Prospectus is a re-compliance prospectus for the purposes of satisfying Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for reinstatement to quotation of shares in the Company on ASX following a change in nature and scale of the Company's activities.

Shares in the Company have been suspended from trading on ASX since 13 August 2018 and will not be reinstated until approval by ASX of the Company's application for reinstatement to quotation of shares in the Company on ASX based on the Company satisfying Chapters 1 and 2 of the ASX Listing Rules (**Re-compliance Application**). The Company will lodge the Re-compliance Application with ASX within 7 days of the date of this Prospectus.

In May 2019, the Company advised ASX that it was considering seeking to re-comply with Chapters 1 and 2 of the ASX Listing Rules and to satisfy the ASX requirements for re-admission to the Official List following a change in nature and scale of the Company's activities. The re-compliance proposal was

based on the raising of debt and equity capital and the acquisition of the Practices. On 9 August 2019 ASX provided a letter granting in-principle approval of the re-compliance proposal. It should be noted that the receipt of in-principle approval is not a guarantee that Shares will be reinstated to quotation – the Company must still meet all the requirements for admission and quotation set out in Chapters 1 and 2 of the Listing Rules. It should also be noted that if other material facts come to light following the letter, ASX may withdraw or change its advice, and that regardless of any view expressed in the letter, ASX will retain its absolute discretion under Listing Rule 1.19 not to admit the Company to the Official List, which it can exercise at any time.

The principal requirements of Chapters 1 and 2 of the Listing Rules are that:

- the Company satisfies the ASX that its structure and operations are appropriate for a listed company;
- the Company prepares and issues a prospectus in accordance with the provisions of the Corporations Act (which is a function of this Prospectus);
- the Company has a free float of not less than 20% (at least 20% of the shares are held by persons who are not related to directors or substantial shareholders and not subject to escrow restrictions);
- the Company has obtained the requisite shareholder spread of 300 non-affiliated shareholders (each holding a marketable parcel of \$2,000 worth of shares);
- subject to any exemptions granted by ASX, any new share issues are made at a minimum price of \$0.20 per Share and any options on issue have an exercise price of no less than \$0.20 per option;
- the Company satisfies the ASX Listing Rules test in relation to its asset value (the “assets test”);
- the Company complies with Chapter 9 of the ASX Listing Rules in relation to any “restricted securities” it has on issue or is proposing to issue (the ASX escrow requirements); and
- the Company satisfies the ASX that each director or proposed director is of good fame and character.

The Company’s submissions in relation to the admission and quotation requirements set out in Chapters 1 and 2 of the Listing Rules will be set out in the Re-compliance Application.

8.4 Conditions of the Offers

The Offers are conditional upon (**Offer Conditions**):

- a. ASX approving the Re-compliance Application and agreeing to reinstate Shares to quotation on ASX;
- b. the minimum subscription under the Public Offer of 21,000,000 Shares to raise \$21,000,000 before expenses (**Minimum Subscription**) being achieved;
- c. the Company obtaining the Shareholder approvals required to complete the Acquisitions and support the Re-compliance Application (being the Shareholder approvals to be sought at the General Meeting). See section 8.3 for more information on the Shareholder approvals; and
- d. the conditions precedent to the Practice Acquisitions being satisfied or waived. See section 9.2 for more information on the conditions precedent to the Practice Acquisitions.

There is a risk that the Offer Conditions will not be satisfied. If the Offer Conditions are not satisfied, the Company will not proceed with the Offers. If this occurs no Shares will be issued under this Prospectus and all Application Money will be refunded (without interest) in accordance with the Corporations Act.

8.5 Withdrawal and discretion regarding the Public Offer

With the consent of the Manager, the Company may withdraw the Public Offer at any time before the issue of Shares to successful Applicants. If this occurs no Shares will be issued under this Prospectus and all Application Money will be refunded (without interest) in accordance with the Corporations Act.

The Company in consultation with the Manager also reserves the right to close the Public Offer early, extend the Public Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to any Applicant fewer Shares than applied for.

8.6 Application of Funds

The funds raised from the Offers will be used to pay part of the cash component of the purchase consideration for the Practice Acquisitions (see section 8.3 for more information on the Practice Acquisitions), pay the expenses of the Offers and for working capital. An expected breakdown of the applications of funds being raised is set out in Table 1.



Table 1: Application of Funds

Source of funds	Amount
Issue of Offer Shares	\$21.0 million
CBA Acquisition Facility	\$12.2 million
Total funds	\$33.2 million
Use of funds	Amount
Cash component of the purchase consideration for the Acquisitions	\$26.7 million
Cash component of the AHPL Acquisition	\$2.0 million
Stamp duty on Practice Acquisitions	\$0.6 million
Expenses of the Offer	\$2.2 million
Working capital	\$1.7 million
Total	\$33.2 million

Please note that Table 1 is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in Table 1 may change depending on a number of factors including, but not limited to, the success of the Company's product development, business development, marketing campaigns and expansion into new markets, as well as any regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

Additional funding through debt or equity may be considered by the Board where it is appropriate to accelerate a specific project or transaction. If the Company decides to make any significant acquisitions, such acquisitions would be funded by additional financing through debt or equity (subject to any necessary Shareholder approvals).

The Board is satisfied that, upon completion of the Offers, the Company will have sufficient capital to meet its stated objectives.

8.7 Capital Structure

Table 2 below provides a summary of the capital structure of the Company at the date of this Prospectus and upon completion of the Offer.

Table 2: Capital Structure

Capital Structure	Number of Shares
Existing Shareholders (post-Consolidation)	1.2 million
Shares issued under the Public Offer	21 million
Transaction Shares	22.2 million
Total Shares on issue at listing (undiluted)	44.4 million
Options	0.1 million
Total Shares on issue at listing (fully diluted)	44.5 million

Please note that Table 2 sets out the indicative capital structure. The expression "Transaction Shares" in Table 2 refers to the Shares to be issued to the AHPL Vendor, convertible note investors, service providers, Directors and to the Practice Owners under the Acquisitions. The Options only relate to those provided to convertible note holders and not ESOPs.

8.8 Escrow Arrangements

Under the Listing Rules, ASX may determine that securities issued to promoters, seed capital investors and vendors of classified assets have escrow restrictions placed on them. Such securities may be required to be held in escrow for up to 24 months from the time of reinstatement to quotation of shares in the Company on ASX, during which time they must not be transferred, assigned or otherwise disposed of.

The Company expects that Shares held by Practice Owners and AHPL Vendors, service providers, seed investors, directors and officers will be subject to escrow. Prior to the time of reinstatement to quotation of shares in the Company on ASX, the Company will enter into escrow agreements with the relevant holders in relation to the securities subject to mandatory escrow in accordance with the Listing Rules. The Company will announce final escrow arrangements to ASX prior to reinstatement to quotation of Shares.

8.9 Underwriting and management

The Offers, including the Public Offer will not be underwritten. Novus Capital Limited will manage the Public Offer on a best endeavours' basis.

8.10 Capital raising fees

Novus Capital will be paid a monthly retainer of \$9,500 per month for advisory work with effect from September 2019, a management fee of 1% of the funds raised in the Public Offer and a placement fee of 6% of the funds raised in the Public Offer. If the Offer is successful Novus Capital will also be entitled to a success fee of \$125,000 and an issue of Shares at 0.75% of funds raised.

8.11 Brokerage, commission and stamp duty

You do not have to pay brokerage, commission or stamp duty if you acquire Shares under the Offer.

8.12 Foreign Investor Restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise permit a public offering of Shares in any jurisdiction outside Australia and New Zealand. It is the responsibility of investors outside Australia and New Zealand to obtain all necessary approvals for the issue to them of Shares offered pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the applicant that all relevant approvals have been obtained.

8.13 Risk factors

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are detailed in section 6 of this Prospectus. The Shares on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, Applicants should read this Prospectus in its entirety, consider all factors in light of their individual circumstances and seek appropriate professional advice.

8.14 Application Money held in trust

All Application Money will be held in a separate subscription account on behalf of Applicants until the Shares are issued pursuant to the Offer. Subject to any extension, if the Minimum

Subscription is not achieved within a period of 4 months of the date of this Prospectus, all Application Money will be refunded in full without interest, and no Shares will be issued under the Offer. Any interest earned on Application Money (including those which do not result in the issue of Shares) will be retained by the Company.

8.15 ASX listing and quotation

The Company has applied to the ASX for reinstatement to quotation of shares in the Company on ASX. Subject to any extension, if the Shares are not reinstatement to quotation within 3 months of the date of this Prospectus, no Shares will be issued, and Application Money will be refunded in full without interest in accordance with the Corporations Act. The principal requirements for reinstatement are set out in section 8.3.

8.16 Allocation and issue of Shares

The Board reserves the right to reject any Application or to issue a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no issue is made, the surplus Application Money will be promptly refunded without interest after the close of the Offer.

Subject to ASX granting approval for quotation of the Shares, the issue of Shares will occur as soon as practicable after the Offer closes. All Shares issued under the Offer will rank equally in all respects with existing Shares on issue. Holding statements will be sent to successful Applicants as required by ASX. Holding statements are expected to be issued to Shareholders on or about 5 June 2020. It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statement will do so at their own risk.

8.17 CHESS and Issuer Sponsorship

The Company will apply for admission of New Shares to CHESS. All trading on the ASX in Shares will be settled through CHESS. ASX Settlement, a wholly-owned subsidiary of the ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. On behalf of the Company, the Share Registry will operate an electronic issuer sponsored sub-register and an electronic CHESS sub-register. The 2 sub-registers together make up the Company's principal register of securities.

Under CHESS, the Company does not issue certificates to Shareholders. Rather, holding statements (similar to bank statements) will be sent to Shareholders as soon as practicable after Shares are issued. Holding statements will be sent either by CHESS (for Shareholders who elect to hold Shares on the CHESS sub-register) or by the Company's Share Registry (for Shareholders

who elect to hold their Shares on the issuer sponsored sub-register). The statements will set out the number of Shares and provide details of a Shareholder's Holder Identification Number (for Shareholders who elect to hold Shares on the CHESS sub-register) or Shareholder Reference Number (for Shareholders who elect to hold their Shares on the issuer sponsored sub-register). Updated holding statements will also be sent to each Shareholder at the end of each month in which there is a transaction on their holding, as required by the Listing Rules.

8.18 Privacy Disclosure

Persons who apply for Shares pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect hold and use that personal information to assess Applications for Shares, to provide facilities and services to Shareholders, and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, Applications for Shares will not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders

can be obtained by that Shareholder through contacting the Manager, Novus Capital Limited by email at gavan.farley@novuscapital.com.au or telephone on 02 9375 0114.

8.19 Dividends

The Board may from time to time resolve to pay dividends to Shareholders in accordance with the Corporations Act and fix the amount of the dividend and the timing and method of payment. See section 4.18 for further information on the proposed dividend policy including the payment of a quarterly dividend between 20% to 30% of NPAT in November or December 2020.

8.20 Enquiries

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, lawyer, accountant or other professional adviser without delay.

Questions relating to the Offer and the Application Form can be directed to the Manager, Novus Capital Limited by email at gavan.farley@novuscapital.com.au or telephone on 02 9375 0114.



9. Material contracts

9.1 Significant Contracts

This section contains highlights of, or reference to, certain contracts which have been identified as significant and relevant to potential investors in the Company. To fully understand all rights and obligations of a significant contract, it would be necessary to review it in full and the summaries should be read in that light. Furthermore, the list of significant and relevant contracts set out below does not purport to be complete or exhaustive.

9.2 Practice Acquisition Agreements

AHPL has entered into Practice Acquisition Agreements to acquire the Initial Portfolio of Practices for a total consideration of \$40,542,314 payable in cash and Shares. The Company has agreed to assume the obligations of AHPL under the Practice Acquisition Agreements. The key terms of the Practice Acquisition Agreements are summarised below.

Sale and Purchase Agreements

The Practice Acquisition Agreements are in the form of either:

- Business Sale Agreements, pursuant to which AHPL acquires all of the business assets, employees and associated goodwill in relation to the Practices comprising the Initial Portfolio.
- Share Sale Agreements, pursuant to which AHPL acquires all of the Shares of the Company holding the business assets, employees and associated goodwill in relation to the Practices comprising the Initial Portfolio.

Other than as specifically agreed in the relevant Practice Acquisition Agreement, AHPL will not assume any debt, liabilities or obligations of the vendors of the businesses, and the ordinary working capital of the business is acquired with the business.

Conditions precedent

Completion of each Practice Acquisition Agreement is subject to a number of conditions, including:

- AHPL being satisfied with the results of its due diligence inquiries in relation to the Practices and the business of the Practices;
- AHPL successfully raising capital to complete the acquisition;
- the vendor and if applicable, principal of the Practice entering into restrictive covenants;
- the assignment of the lease of the property on which the relevant Practice is located; and
- the obtaining of all relevant consents and licences in relation to the operation of the Practices.

Restraints

All vendors of the Practices have agreed to accept a restraint on their ability to compete in defined geographical areas following Completion for periods of up to five years.

Warranties and indemnities

Each of the vendors under the Practice Acquisition Agreements is required to provide warranties and indemnities which are commercially acceptable in relation to those agreements. These warranties include warranties in respect of the accuracy of the financial information of the business, the absence of claims and litigation against the business, and compliance with all relevant laws.

Leases and excluded locations

AHPL will either receive an assignment of an existing lease over the relevant premises on which the Practices are located or enter into a new lease with the landlord on acceptable commercial terms and at market rent.

Several of the Practice Owners operate Practices that are excluded from the acquisition. The excluded Practices will generally continue to be operated by the Practice Owners following Completion, pursuant to a license granted by the Company to the Practice Owner allowing the continued use of the Intellectual Property acquired by the Company. Generally, AHPL has an option to acquire the excluded Practices during the 24 months following Completion.

Termination

The Practice Acquisition Agreements may be terminated if, for example, one or more of the conditions precedent are not satisfied, or if there is a breach of vendor warranties.

Consideration

Under the Practice Acquisition Agreements, the purchase price for the Practices is payable in a combination of cash and Shares in the Company at the Offer Price. On average no less than 30% of the purchase price for the Initial Portfolio Businesses be paid in Shares. The Practice Owners may elect to take more Shares than cash. The Shares issued to Practice Owners will be subject to 24 months escrow.

The Practice Acquisition Agreements have price adjustment provisions under which the number of shares issued is reduced if the Practices do not achieve their historical level of earnings during the 2 years after completion of the acquisitions. The number of shares subject to this clawback arrangement varies from agreement to agreement, but is generally in the range of 30 – 40% of the total consideration.

In addition, the consideration for a Practice has a component of deferred consideration that

is payable up to 24 months after Completion, depending on the financial performance of the Practice in question. Where the consideration includes a component of deferred consideration, the amount of deferred consideration may be reduced if the earnings performance for a period of up to 24 months following Completion of the acquisition is less than the earnings on which the purchase consideration was determined.

If the deferred consideration is payable by way of Shares and the earnings threshold has not been met, the number of escrowed Shares to be released to those vendors will be reduced, and the balance of the Shares will be bought back or sold to a party nominated by the Company.

Practice Owner engagement

All vendors of the Practices have agreed to be engaged by the Company under a Vendor Services Agreement from Completion for periods of no less than three years. The Vendor is responsible for the continued Practice performance and will have remuneration based on either a salary and/or percentage of revenue derived. There are appropriate restraints in place and the Company has the right to terminate these agreements for misconduct.

9.3 AHPL Acquisition Agreement

The Company has entered into an agreement with the AHPL Vendor for the purchase by the Company of the 10,000,000 shares currently on issue in AHPL (**AHPL Shares**). Following this transaction (**AHPL Acquisition**) AHPL will be a wholly owned subsidiary of the Company. AHPL is a proprietary company and prior to this transaction it will change its name to Advent Health Operations Pty Ltd.

The purchase price for the AHPL Shares is \$10,000,000 (subject to earnout performance) which will be satisfied by payment of \$2,000,000 in cash (**Consideration Cash**) and the issue of 8,000,000 shares to the AHPL Vendor at the Offer Price of \$1.00 (**Consideration Shares**). These payments will be made in 3 tranches – at Completion of the Offer and the AHPL Acquisition, on completion of the audit for FY20 and on completion of the audit for FY21. The Completion payment will be \$2m cash and 5,200,000 Shares at the Offer Price of \$1.00. The second and third tranches are performance based with Shares issued at the Offer Price. If FY20 results achieve the EBITDA targets in the agreement the second payment will be 1,400,000 Consideration Shares and if the FY21 results achieve the EBITDA targets the third payment will be 1,400,000 Consideration Shares. Tranche 2 and 3 payments will be made based on over or underachievement of the targets with a floor of 75% and a cap of 125%.

AHPL has put together the Management team as well as entered into a number of agreements to acquire allied health practices being the Practice Acquisition Agreements. AHPL has funded much of the costs in establishing the group and/or sought funding. Following the acquisition of AHPL it is intended that AHPL will complete the Practice Acquisition Agreements. These are described in section 9.2 above.

9.4 Finance Facility

Description of finance facility

Advent Health has accepted a credit approved term sheet from Commonwealth Bank of Australia (CBA) for the provision of the following facilities.

Facility Type	Facility Limit as at completion of the Offer	Drawn Amount as at Listing Date	Term	Repayment
Market Rate Facility (Acquisition Facility)*	\$12,200,000	\$12,200,000	3 years	2 years Interest Only with amortisation of \$381,250 per quarter, payable quarterly in arrears from the first quarter of Year 3
Market Rate Facility (Future Acquisitions)	\$2,500,000	\$0	1 year (subject to Annual Review)	Drawings under this facility will be required to be converted to Principle and Interest at each review date, amortising over a notional 10-year repayment profile
Equipment Finance Facility	\$300,000	\$0	To be determined on application depending on the asset use and type. Maximum period of 5 years	To be determined on application depending on the asset use and type. Maximum period of 5 years
Bank Guarantee Facility	\$550,000	\$550,000	1 year (subject to Annual Review)	On demand

Market Rate Facility (Acquisition Facility)

The Market Rate Facility (Acquisition Facility) will be used to pay part of the cash consideration of the Practice Acquisitions. It is expected to be fully drawn at Completion.

Market Rate Facility (Future Acquisitions)

The Market Rate Facility (Future Acquisitions) will be used to fund part of the consideration for future acquisitions of additional practices and practice groups. None of these have been identified as at the date of this Prospectus.

The requirements for utilisation of this facility are:

- The business acquired is consistent with the principal business of Advent Health and is earnings and cash flow accretive.
- No Event of Default, Potential Event of Default or Review Event has occurred and is continuing or will occur as a result of the acquisition.
- Any acquisition where consideration for the acquisition is equity funded or funded from the existing cash reserves of Advent Health.
- Any single acquisition where consideration for the acquisition involves the use of debt funding, a minimum contribution of 35% to the cost of acquisition via cash or equity (including deferred equity) is required.

Equipment Finance Facility

The Equipment Finance Facility will be used to assist with the purchase of qualifying fixtures, plant and equipment.

Bank Guarantee Facility

The Bank Guarantee Facility will be used to issue Bank Guarantees to landlords in support of property rental leases.

Financial Covenants

The Finance Facility will include financial covenants to be monitored on a quarterly basis, including:

- Fixed Charge Cover Ratio to be $> 1.75x$, defined as: $\text{EBITDA} + \text{fixed lease charges}$; divided by $\text{Net Interest Expense} + \text{fixed lease charges}$ based on a rolling last twelve months (LTM) basis,
- Leverage Ratio to be $< 3.0x$, defined as: $\text{Total Financial Debt}$ divided by EBITDA (Financial debt defined as both drawn debt and bank guarantees issued),
- Capitalisation Ratio to be $< 40\%$, defined as: $\text{Total Financial Debt}$; divided by $\text{Total Financial Debt} + \text{Equity}$ (Financial debt defined as both drawn debt and bank guarantees issued).

Note: EBITDA is on a pro forma rolling twelve-month basis. Any costs associated with the listing are to be added back for this calculation..

Security, General Undertakings, Representation and Warranties, Review Events and Events of Default

The Finance Facility requires; first registered General Security Agreement from each Borrower and Guarantor, unlimited cross guarantee and indemnity between all Advent Health entities of the aggregated Advent Health group and a negative pledge.

Undertakings which are usual & customary for facilities of this nature including but not limited to; no disposal of assets or subsidiaries, Permitted Financial Accommodation, Additional Financial Indebtedness, compliance with Permitted Acquisitions regime and Bank consent for 5 or more acquisitions and/or acquisitions for an aggregate sum of \$5.0m or more in one year.

Representations and warranties which are usual & customary for facilities of this nature.

The Review Events and Events of Default are usual and customary for a facility of this nature (and reflecting the public company status of the Borrower).

Conditions Precedent to Initial Drawdown

Conditions precedent which are usual & customary for facilities of this nature and in form and substance acceptable to the Bank, including but not limited to:

- Confirmation that the Initial Portfolio Businesses have been acquired by Advent Health Limited.
- Confirmation that the listing of Advent Health Limited has completed in which equity proceeds of no less than \$20m have been raised.

It is possible that CBA may withdraw the Term Sheet or impose additional conditions on the Finance Facility in the light of COVID-19, but CBA has not done so as at the date of this Prospectus. If CBA withdraws the Term Sheet or Advent Health forms the view that the conditions to entering into the planned Finance Facility cannot be satisfied, Advent Health will look to obtain alternative debt funding or renegotiate with Practice Owners in order to complete the Practice Acquisitions.

9.5 Convertible Note Agreements

AHPL issued a number of Convertible Notes in order to raise seed capital for the Practice Acquisitions and Re-compliance Application. The Company has agreed to assume the obligations of AHPL under the Convertible Notes.



The Convertible Notes were issued on the following key terms and conditions:

- a. Issuer of the Convertible Notes – AHPL;
- b. Issue price – as per Number of notes held in the table below;
- c. Conversion – the Convertible Notes may be converted to Shares in the Company only after the completion of the Practice Acquisitions;
- d. Note Values and Conversion rate:
 - i. \$550,000 from MHD Convertible Notes convert to Shares in the Company at a price equal to 40% of the Offer Price per Share at any time prior to the Closing Date of the Public Offer, as outlined in the table below.

MHD Convertible Note Holder	Number of notes held (cash paid for notes \$)	Coupon in Shares	Number of Seed Options	Shares post Offer	Number of shares to be escrowed (pursuant to the cash formula)
Graham Brasher	50,000	-	-	125,000	75,000
Raffles Nominees	150,000	-	-	375,000	175,000
Aaron Langley	50,000	-	-	125,000	75,000
Todd Brooks	50,000	-	-	125,000	75,000
Kin Lam	200,000	-	-	500,000	300,000
Anthony Mafre	20,000	-	-	50,000	30,000
Grant Smith	20,000	-	-	50,000	30,000
Tsai Hui Husen	10,000	-	-	25,000	15,000
Total	550,000	-	-	1,375,000	775,000

- ii. \$755,000 from Non-MHD Convertible Notes convert to Shares in the Company at a price equal to 50% of the Offer Price per Share at any time prior to the Closing Date of the Public Offer, as outlined in the table below:

Non-MHD Convertible Note Holders	Number of notes held (cash paid for notes \$)	Coupon in Shares	Number of Seed Options	Shares post Offer	Number of shares to be escrowed (pursuant to the cash formula)
Brian Mitchell	200,000	11,973		411,973	211,973
RACT Super Pty Ltd	100,000	3,753	17,500	221,253	121,253
David Oakley	35,000	1,314	6,125	77,439	42,439
DFO Investment Trust	50,000	1,877	8,750	110,627	60,627
EGP Capital	350,000	13,089	61,250	774,339	424,339
David Lindh	20,000	671	3,500	44,171	24,171
Total	755,000	32,677	97,125	1,639,802	884,802

- iii. \$200,000 from Ying Huang, a non-executive director and secretary of the Company, and two of her relatives (Eric Yu Huang and Hayden Xu Huang), as outlined in the table below:

Ying Huang (and relatives) Convertible Note Holder	Number of notes held	Coupon in Shares	Number of Seed Options	Shares post Offer	Number of shares to be escrowed (pursuant to the cash formula)
Ms Ying Huan Mr Eric Huang Mr Hayden Xu Huang	200,000	-	-	500,000	300,000

- iv. \$200,000 from Pre-IPO Convertible Notes convert to Shares in the Company at a price up to 25% of the Offer Price per Share at any time prior to the Closing Date of the Public Offer. The Company is in discussion with various third parties and cannot at the time of the Prospectus advise the names of the parties as the Convertible Notes are awaiting execution.

- e. The Convertible Notes are unsecured; and
- f. Maturity Date – the first convertible note matured in April 2020. All Convertible Notes mature and convert automatically at the time of the Practice Acquisitions.

Although the Convertible Notes have been issued by AHPL and reflect debt owed by AHPL, AHPL is obliged under the agreements for the Convertible Notes to procure that on conversion, Shares (that is Shares in the Company, not Shares in AHPL) are issued to the holders or their nominees.

The Non-MHD Convertible Notes have an additional feature which is a coupon of 5% p.a. payable in Shares to reflect the period for which the funding has been provided. There is no equivalent coupon payable in respect of the MHD Convertible Notes or the Pre-IPO Convertible Notes.

The Non-MHD Convertible Notes also entitle the holders to acquire additional Shares through a loan option (Seed Options). The Seed Options equate to 97,125 Shares in the Company.

9.6 Agreements with Directors and senior executives

CEO – Cris Massis

AHPL has entered into an Executive Employment Agreement with Cris Massis. Following the AHPL Acquisition the Company will assume the obligations of AHPL under this agreement. Under the agreement Cris Massis is appointed as Chief Executive Officer and will be paid a salary of \$300,000 pa inclusive of superannuation. The agreement can be terminated by either party on 2 months' notice. This will increase to 3 months with effect from 12 July 2020. Cris Massis is entitled to 75,000 Shares as remuneration for additional work and 750,000 ESOP Options.

CFO – Robert Andrewartha

AHPL has entered into an Executive Employment Agreement with Robert Andrewartha. Following the AHPL Acquisition the Company will assume the obligations of AHPL under this agreement. Under the agreement Robert Andrewartha is appointed as Chief Financial Officer and will be paid a salary of \$219,000 pa inclusive of superannuation. The agreement can be terminated by either party on 1 months' notice. This will increase to 2 months with effect from 29 August 2020. Robert Andrewartha is entitled to 40,000 Shares as remuneration for additional work and 200,000 ESOP Options.

Bryce Wedemeyer

The Company has entered into a corporate advisory mandate letter with Trident Capital Partners Pty Ltd (TCP) a company associated with Bryce Wedemeyer. Under the advisory

mandate Bryce Wedemeyer will provide corporate advisory services in relation to the identification of suitable acquisitions for the Company and negotiating and completing those acquisitions. TCP is entitled to a retainer of \$22,250 per month during the term of the mandate and success fees between 1.5% and 4% of the enterprise value of the target depending on size for completion of acquisitions. The mandate is reviewable after 12 months and can then be terminated by either party on 6 months' notice. Bryce Wedemeyer is not entitled to fees as a non-executive director while this mandate remains in force. If it ceases to be in force Bryce Wedemeyer will become entitled to non-executive directors' fees at the same rate as other non-executive directors.

Martin Reukers

AHPL has entered into a Consultancy Appointment Agreement with Martin Reukers and Belpharm Pty Ltd (Belpharm) under which Belpharm was to be paid for acquisition consultancy services. Following the AHPL Acquisition the Company will assume the obligations of AHPL under the agreement. Under the agreement Belpharm is entitled to fees of \$4,500 per month. The agreement can be terminated on one months' notice. AHPL has entered into a further agreement with Mr Reukers and Belpharm under which in lieu of potential bonuses under the original agreement the Company will issue 600,000 Shares to Belpharm, 300,000 on re-listing and 150,000 in each of 2020 and 2021 if the Company achieves its FY20 and FY21 EBITDA targets.

9.7 Service provider agreements

Certain providers of services to the Company or AHPL have agreed to receive Shares as consideration for services provided.

If the Offer is successful Novus Capital will also be entitled to a success fee of \$125,000 and an issue of Shares at 0.75% of funds raised being 157,500 Shares.

Greystones Lawyers and Corporate Advisors have provided legal services to AHPL prior to listing and will receive 286,000 Shares in return for these services.

9.8 Escrow agreements

ASX Listing Rules require certain holders of Shares as at the date of this Prospectus to enter into restriction agreements in a form consistent with the Listing Rules, which restrict the ability of those Shareholders to dispose of, create any security interest in or transfer effective ownership or control of, the restricted Shares.

In addition, various vendors have agreed to enter into voluntary restriction agreements in relation to Shares issued to them as partial consideration for the sale of their Practices to AHPL.

In either case, these Shares will not be able to be transferred, encumbered or otherwise dealt with for the relevant escrow period as detailed below.

Shareholder	Shares under escrow	Escrow Period
Practice Owners ¹	12,152,570	24 months
AHPL Vendor	5,200,000	24 months
Service Providers (see Section 9.7)	666,000	24 months
Directors	395,000	24 Months
Convertible Note Holders – MHD Convertible Notes, Non-MHD Convertible Notes and Pre-IPO Convertible Notes ²	3,184,340	12 months
Convertible Note Holders - related to Wei Huang ²	500,000	12 months
Seed Option shares ²	97,125	12 months
Broker	157,500	24 months

Notes:

1. Shares to be issued to the Practice vendors will be escrowed for 24 months under the terms of the vendors' Sale and Purchase Agreements.
2. Shares issued pursuant to Convertible Note Agreements will be escrowed for 12 months from date of re-quotation of the Company's Shares on the ASX, except to the extent of cash paid for the notes and shares (under the ASX cash formula).
3. The Company has not concluded discussions with ASX on escrow and some elements of the table above may change. A final escrow table will be disclosed on ASX at the time of re-listing.

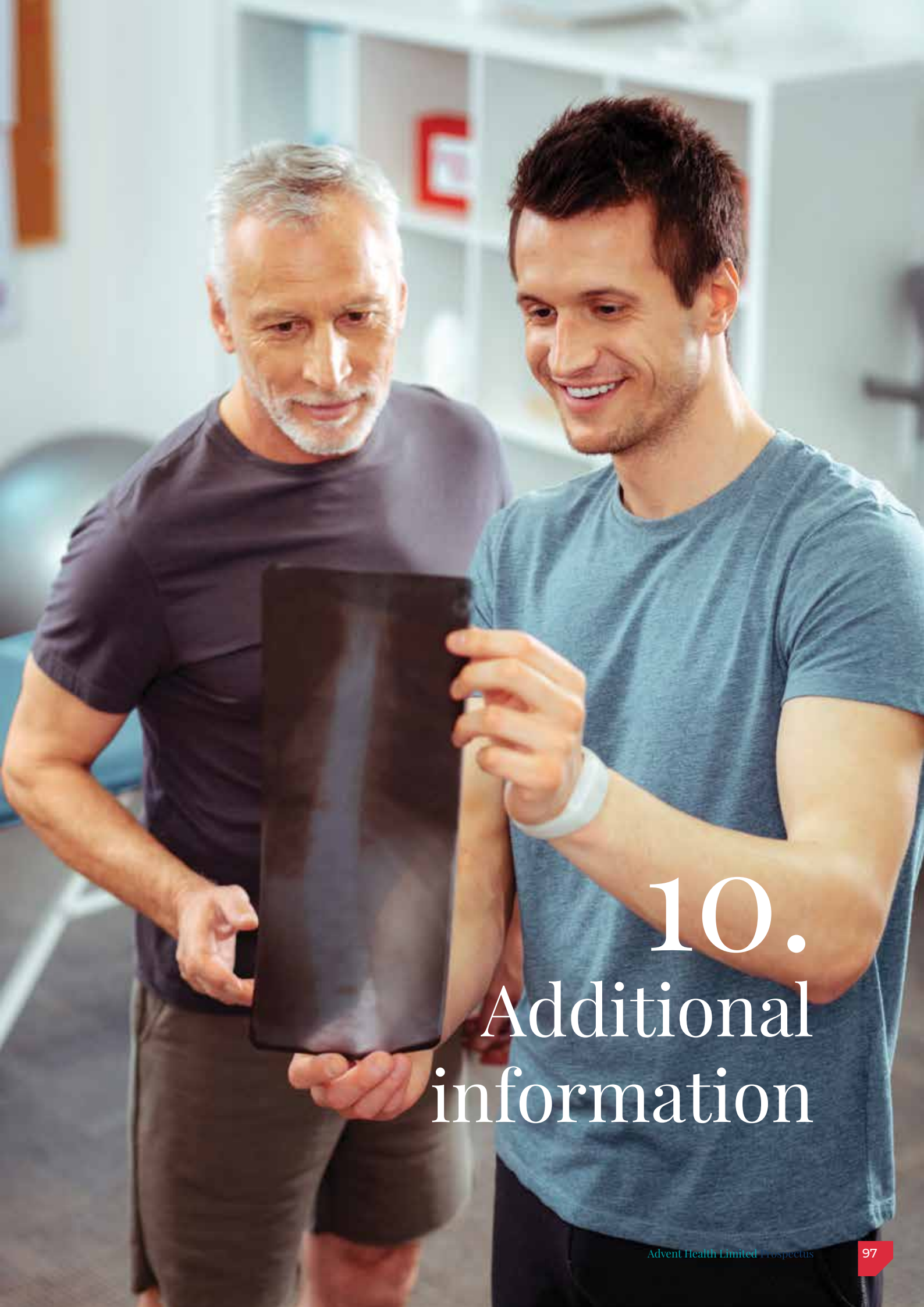
These restrictions will terminate on either the first or second anniversary of the date of admission of the Company (or earlier) depending on the date of issue of the Shares and the relationship of the holder to the Company.

However, these restrictions may be released early to enable a Shareholder to accept an offer under a takeover bid in relation to their Shares, provided holders of not less than 50% of the Shares not subject to the restrictions then on issue have accepted the takeover bid or to enable the Shares of a Shareholder to be transferred to cancelled as part of a merger by scheme of arrangement under the Corporations Act.

In relation to the voluntary restriction agreements entered into with vendors of Practices, the Shares which are subject to

escrow will be released depending on whether the Practices sold by those vendors to AHPL have achieved specified Earnings thresholds during the two years following Completion. If these Earnings thresholds have not been met, the number of escrowed Shares which will be released to those vendors may be reduced, and the balance shares sold to a party nominated by the Company.

The execution of the restriction agreements may give the Company a 'relevant interest' in these Shares for the purposes of the Corporations Act. ASIC has made a declaration modifying Chapter 6 of the Corporations Act so that the voluntary escrow arrangements described above do not give rise to a relevant interest for the Company in respect of the escrowed Shares for the purposes of the takeovers provisions in Chapter 6.



10. Additional information

10.1 The Company

The Company is an Australian public company that was incorporated on 13 October 2008 and has been listed on ASX since 18 March 2009. The Company does not currently undertake any material activities. The name of the Company is currently Millennium Limited and will change to Advent Health Limited following the shareholder resolution to change the name at the General Meeting (assuming the resolution is passed). Consistent with the name change, the Company will also change its ASX Code to AHL.

The Company is currently suspended from trading on ASX. If the Re-compliance Application is approved by ASX, Shares will be reinstated to quotation on ASX and the suspension lifted. See section 8.3.

Prior to the Consolidation Existing Shareholders hold 138,062,238 shares. Under the Consolidation in the Notice of Meeting these shares will be consolidated on a 115 to 1 basis (fractional entitlements rounded down to the nearest whole share). This will result in the proposed Existing Shareholders holding in aggregate 1,200,541 Shares post-Consolidation.

10.2 General Meeting and Consolidation

The General Meeting will be held at Unit 9U, 175 Lower Gibbes St, Chatswood NSW 2067 at 11:00am on 30 June 2020. The resolutions to be considered at the General Meeting (**Resolutions**) are:

- a. A resolution for the consolidation of the Shares. If passed this resolution will consolidate Shares on the basis of every 115 Shares being consolidated into 1 Share;
- b. A resolution to approve a change in nature and scale of activities of the Company for the purposes of Chapter 11 of the ASX Listing Rules;
- c. A resolution to approve the acquisition of AHPL for the purposes of Chapter 2E of the Corporations Act;
- d. A resolution to approve the issue of Shares under the Offer in connection with the AHPL Acquisition and for certain other purposes;
- e. A resolution to approve the issue of Options under the Offer to Seed Investors;
- f. A resolution to approve the issue of Shares to Ying Huang, Eric Yu Huang and Hayden Xu Huang as seed investors;
- g. A resolution to approve the issue of Shares to Lou Panaccio and Wei Huang, a proposed director and a director of the Company;
- h. A resolution to approve the issue of Options to Cris Massis a director of the Company;
- i. A resolution to approve Employee Incentive Schemes and the issues of securities under them;

- j. A resolution to change the name of the Company from "Millennium Limited" to "Advent Health Limited"; and
- k. A resolution to amend the Constitution of the Company to include a provision regarding restricted securities as required by the ASX Listing Rules.

The Offer is conditional on the passing of the Resolutions at the General Meeting. See section 8.4.

The Consolidation will result in Shares being consolidated on a 115 to 1 basis so that the existing 138,062,238 Shares will be consolidated to 1,200,541 Shares. Unless stated otherwise, all references to Shares in this Prospectus assume that the consolidation of shares in the Company has occurred.

10.3 Rights attaching to Shares

The rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours. Rights are affected by the Corporations Act, the ASX Listing Rules and statute and general law. The following is a summary of the rights attaching to Shares as set out in the Constitution.

Voting

Subject to any rights and restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders:

- i. each Shareholder entitled to vote in person or by proxy, attorney or representative; and
- ii. on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- iii. on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share but in respect of partly paid Shares, shall have such number of votes as bears the same proportion which the amount paid (not credited) is of the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

General meetings

Each Shareholder is entitled to receive notice of and to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the ASX Listing Rules.

A Shareholder may requisition meetings in accordance with the Corporations Act and the Constitution.

Dividends

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend.

Subject to the rights of the holders of any Shares created or raised under any special arrangement as to dividends, the dividend as declared shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares in accordance with Part 2.5 of Chapter 2H of the Corporations Act. The Directors may from time to time pay to the Shareholders any interim dividends that they may determine.

The Board may from time to time grant to Shareholders or to any class of Shareholders the right to elect to reinvest cash dividends paid by the Company by subscribing for Shares in the Company on such terms and conditions as the Directors think fit. No dividend shall be payable except out of profits. A determination by the Directors as to the profits of the Company shall be conclusive. No dividend shall carry interest as against the Company. In addition, the Company must comply with section 254T of the Corporations Act when declaring a dividend.

Transfer of Shares

Subject to the Constitution, Shareholders may transfer any Share held by them by an:

- i. ASX Settlement Operation Rules Transfer or any other method of transferring or dealing in Shares introduced by ASX or operated in accordance with the ASX Settlement Operating Rules or Listing Rules and in any such case recognised under the Corporations Act; or
- ii. instrument in writing in any usual or common form or in any other form that the Directors approve.

Issue of Shares

Unissued Shares shall be under the control of the Directors and subject to the Corporations Act, the Listing Rules, and the Constitution, the Directors may at any time issue such number of Shares either as ordinary Shares or Shares of a named class or classes (being either an existing class or a new class) at the issued price that the Directors determine and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Directors shall, in their absolute discretion, determine.

Issue of Options

Subject to the Listing Rules, the Directors may at any time and from time to time issue

options in the Company on such terms and conditions as the Directors shall, in their absolute discretion determine.

Issue of Preference Shares

Subject to the Listing Rules and the Corporations Act, the Company may at any time and from time to time issue preference Shares, that are liable to be redeemed whether at the option of the Company or otherwise.

Variation of rights

If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied, whether or not the Company is being wound up, with the consent in writing of the holders of three-quarters of the issued Shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the Shares of the class. Any variation of rights shall be subject to Part 2F.2 of Chapter 2F of the Corporations Act. The provisions of the Constitution relating to general meetings shall apply so far as they are capable of application and with necessary alterations to every such separate meeting except that a quorum is constituted by two persons who together hold or represent by proxy not less than one-third of the issues Shares of the class.

Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he or she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different class of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

ASX Listing Rules

If the Company is listed on the Official List of ASX, notwithstanding anything in the Constitution, if the ASX Listing Rules prohibit an act being done, then that act must not be done. If the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if a provision is required in the Constitution by the ASX Listing Rules, the Constitution will be treated as containing that provision. If any provision of the Constitution becomes inconsistent with the ASX Listing Rules, the Constitution will be treated as not

containing that provision to the extent of the inconsistency.

10.4 Rights attaching to options

A number of options are offered under this Prospectus. The rights attaching to them are as follows.

Acquisition price of options

All options offered under this Prospectus are issued for no consideration.

Exercise of options

Each Option may be exercised for 1 Share (a Share is a fully paid ordinary share in the Company). Options may be exercised by giving an exercise notice to the Company and paying the exercise price. The exercise price depends on the terms and conditions under which the particular option is offered. Seed Options have an exercise price of 82.5% of the Offer Price (\$0.825), ESOP Options have an exercise price of \$1.50. Options must be exercised prior to their expiry date and there may be vesting conditions attached to options in which case they may not be exercised until the vesting conditions are satisfied or waived.

Issue of Shares

On valid exercise of an option the Company must issue the underlying Shares. The shares are fully paid ordinary shares in the Company and rank equally with all other Shares from the time of their issue, and the Company must apply for them to be listed on ASX.

Listing of options

None of the options offered under this Prospectus are in a class of listed securities, and none of them will be listed on ASX.

10.5 Substantial Shareholdings

Following completion of the Offer but prior to Shares commencing trading on ASX, the Company will announce to ASX details of its top 20 Shareholders by number of Shares. Based on information available to the Company, only the AHPL Vendor will hold 5% or more of the total number of Shares on issue on completion of the Offer under this Prospectus.

10.6 Continuous Disclosure

The Company will be a disclosing entity for the purposes of Part 1.2A of the Corporations Act. As such, it will be subject to regular reporting and disclosure obligations. The Company is also subject to regular reporting and disclosure obligations under the ASX Listing Rules. Copies of documents lodged with ASIC in

relation to the Company may be obtained from, or inspected at, an ASIC office. Copies of announcements made by the Company to ASX may be obtained from www.asx.com.au.

The Company has adopted a continuous disclosure policy so as to comply with its continuous disclosure obligations.

Those obligations include being required to notify ASX immediately of any information concerning the Company of which it is, or becomes, aware of and which a reasonable person would expect to have a material effect on the price or value of the Company's securities. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

- quarterly activities and cash-flow reports, to be provided to ASX within a specified time after the end of each quarter;
- half yearly reports and preliminary financial statements, to be provided to ASX within a specified time after the end of each half and full year accounting period respectively; and
- financial statements, to be lodged with ASX within a specified time after the end of each accounting period.

10.7 Transactions with Related Parties

Related parties of the Practice Owners will continue to own several properties which are leased by the Company. The Board considers that each of these arrangements are on arm's length, commercial terms and are subject to the usual risks associated with other leases entered into by the Company.

A related party of Wei Huang, a Director, agreed to provide \$200,000 under a Convertible Note Agreement by way of pre-IPO capital to AHPL. The terms of this agreement are the same as those with the other convertible note holders and summarised in section 9.5.

10.8 Consents

Each of the parties referred to below:

- does not make the Offers;
- does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and



- has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear.

Cornwalls has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the solicitors to the Offer in the form and context in which it is named. Cornwalls has not authorised or caused the issue of this Prospectus and takes no responsibility for any part of this Prospectus other than references to its name.

Greystones Lawyers and Corporate Advisors has given and has not withdrawn its consent to be named as legal advisors to the Company in respect of the transactional and due diligence work associated with the Offer, in the form and context in which it is named.

Novus Capital has given and has not withdrawn its consent to be named as Manager of the Offer in the form and context in which it is named.

Pilot Partners has given and has not withdrawn its consent to be named as Investigating Accountant in the form and context in which it is named and for the inclusion of its Investigating Accountant's Report in section 5 of this Prospectus in the form and context in which it is named.

Pitcher Partners has given and has not withdrawn its consent to be named as Auditor to the Advent Health Combined Group/Advent Health Pty Ltd in respect of the Practices in the form and context in which it is named.

Computershare has given and has not withdrawn its consent to be named as share registrar in the form and context in which it is named.

Grant Thornton Audit Pty Ltd have given and has not withdrawn its consent to be named as auditors of the Company in the form and context in which they are named.

There are a number of persons referred to elsewhere in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

10.9 Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by them unless otherwise

stated. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise indicated all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

10.10 Forward Looking Statements

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'intends', or other similar words that involve risks and uncertainties.

Such statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and Management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or other factors affect the information contained in this Prospectus, except where required by law.

Any forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 6 of this Prospectus.

10.11 Interests of Experts and Advisers

Other than as set out elsewhere in this Prospectus, no expert, promoter, underwriter or other person named in this Prospectus who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, holds at the date of this Prospectus, or has held in the 2 years prior to the date of this Prospectus, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offers; or
- the Offers,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services in connection with the formation or promotion of the Company or the Offers.

Pilot Partners has acted as Investigating Accountant to the Offer and has prepared the Investigating Accountant's Report in section 5. The Company estimates that it will pay Pilot Partner approximately \$90,000 (exclusive of GST) for their services. Further amounts may be paid to Pilot Partners in accordance with their normal hourly rates.

Pitcher Partners has performed work in relation to the Auditing and Reviewing the Financial Information of the Aggregated Financial Statements of AHPL Vendor and the Initial Portfolio. The Company estimates that it will pay Pitcher Partners approximately \$255,000 (exclusive of GST) for their services. Further amounts may be paid to Pitcher Partners in accordance with their normal hourly rates.

Novus Capital Limited has acted as Manager to the Offer. The Company estimates that it will pay \$1,795,200 (exclusive of GST and disbursements) for these services together with the issue of Shares equal to 0.75% of the funds raised. Novus will receive \$6,250 per month for advisory services after re-listing for a 12-month period.

Cornwalls Lawyers has acted as the Company's legal advisers in respect of the Offer and has been involved in undertaking due diligence. The Company estimates that, as at the date of this Prospectus, it will pay Cornwalls Lawyers approximately \$180,000 (exclusive of GST) for their services. Further fees will be incurred prior to close of the Offer at normal hourly rates.

Greystones Lawyers and Corporate Advisors has performed legal transactional work and due diligence enquiries in relation to the Offer. The Company estimates that, as at the date of this Prospectus, it will pay Greystones Lawyers and Corporate Advisors approximately \$140,000 (exclusive of GST) for their services. Further fees will be incurred prior to close of the Offer at normal hourly rates.

Grant Thornton Audit Pty Ltd are the Company's auditors. They have not been paid any amounts in connection with the formation or promotion of the Company or the Offers.

10.12 Expenses of the Offer

The expenses of the Offer are expected to comprise the following amounts, which are inclusive of any GST payable by the Company.

Offer lead management fee (1%)	\$231,000
Capital raise fee (6%)	\$1,386,000
Success/Completion Fee	\$137,500
Lead Manager Fee and retainers	\$117,700
Independent Accountants Report, review of pro forma	\$100,000
Legal Fees for Offer	\$200,000
ASX listing fees	\$31,151
ASIC Prospectus lodgement fees	\$3,206
Total	\$2,206,557

Note: The above are the indicative costs of the Offer. Some of the costs including Legal fees, IAR, ASX and ASIC lodgement fees including the preparation of the Prospectus, have been paid by the AHPL Vendor.

10.13 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus, the Company is not involved in any legal proceedings, nor so far as the Directors are aware, are any legal proceedings pending or threatened against the Company, the outcome of which will have a material adverse effect on the business or financial position of the Company.

10.14 Taxation

The tax consequences of any investment in Shares will depend upon each Applicant's particular circumstances. It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to an investment in Shares under this Prospectus by consulting their own professional tax advisers. Accordingly, the Company strongly recommends that all Applicants obtain their own tax advice before deciding on whether or not to invest. Neither the Company nor any of its Directors accepts any liability or responsibility in respect of the taxation consequences of an investment in Shares under this Prospectus.

10.15 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under this Prospectus are governed by the laws applicable in Queensland and each Applicant submits to the exclusive jurisdiction of the courts of Queensland.

10.16 Electronic Prospectus

This Prospectus is available in electronic form at www.adventhealth.com.au

Applications must be made by completing a paper copy of the Application Form, or by completing the online Application Form accompanying the electronic version of this Prospectus which is available at www.adventhealth.com.au, and following the instructions on the online Application Form.

While the Company believes that it is extremely unlikely that during the period of the Offer the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that this will not occur. Any investor in doubt about the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or a financial adviser.

10.17 ASX Waiver applications and ASX Authorisations

In respect of the Company's pending re-compliance with Chapters 1 and 2 of the Listing Rules as a result of its Acquisition of AHPL, the Company has applied for the following waivers from provisions of the ASX Listing Rules:

- a waiver of Listing Rules 7.4, 10.11 and 10.13 to extend the periods within which securities may be issued following shareholder approval.

10.18 Director's authorisation

Each Director of the Company has authorised the issue of this Prospectus and has consented to it being lodged with ASIC in accordance with section 720 of the Corporations Act.

10.19 Working Capital Statement

On completion of the Offer the Company expects to have working capital of \$1.7m available to carry out its stated business objectives. See section 4.6. This is enough working capital for the Company to carry out its stated objectives.

Signed for and on behalf of the Company:



Wei Huang
Director

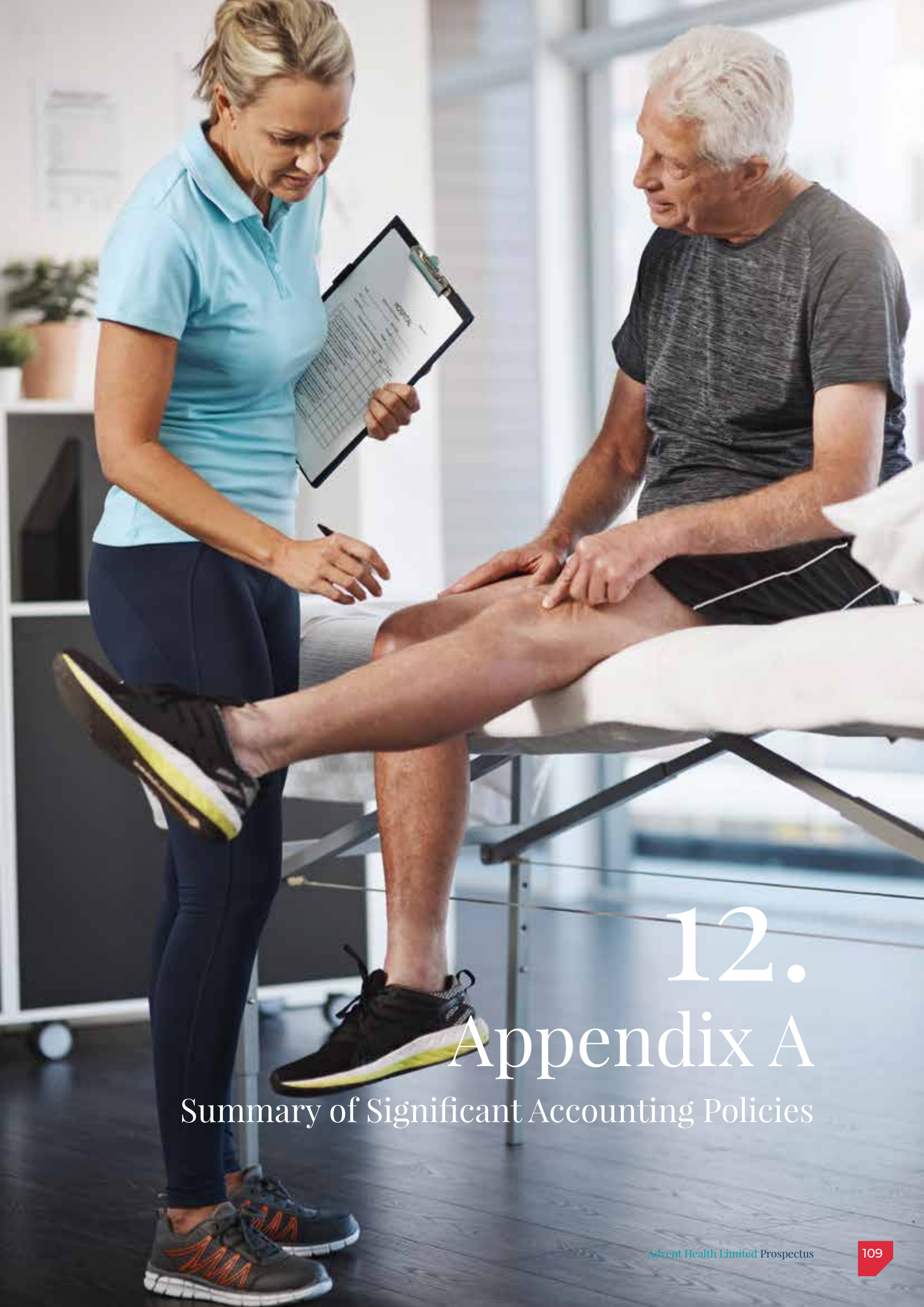
A close-up photograph of a person's leg being massaged by another person. The person receiving the massage is lying down, and the person massaging is standing over them. In the background, two other people are visible, one in a light blue shirt and one in a white shirt, both looking towards the camera. The scene is set outdoors with a blurred background.

11. Glossary

\$	Australian Dollars
AASB	Australian Accounting Standards Board
ABN	Australian Business Number
ACN	Australian Company Number
Acquisitions	The AHPL Acquisition and the Practice Acquisitions. See sections 8.3 and 9.2
AEST	Australian Eastern Standard Time
Allied Health	Means but not limited to the health care services of Physiotherapy, Chiropractic, Osteopathy, Podiatry, Exercise physiology, Occupational therapy, Psychology and mental health and Dieticians
Applicant	A person who applies for Shares in the Public Offer
Application	An application for Shares in the Public Offer
Application Form	The Application Form attached to this Prospectus
Application Money	The Offer Price of \$1.00 per Share multiplied by the number of Shares applied for
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691) or, where the context requires, the Australian Securities Exchange operated by ASX Limited
ASX Listing Rules	The Official Listing Rules of ASX
AHPL	Advent Health Pty Ltd ACN 626 661 863
AHPL Acquisition	The acquisition of the shares in AHPL. See section 9.3
AHPL Acquisition Agreement	The agreement for the acquisition by the Company of all of the shares in AHPL. See section 9.3
AHPL Vendor	The owner of the shares in AHPL prior to the AHPL Acquisition. The AHPL Owner is Code Corporation Pty Ltd a company associated with Bryce Wedemeyer
AHPL Shares	The 10,000,000 fully paid ordinary shares currently on issue in AHPL.
Board	Board of directors of the Company
Broker	Any ASX participating organisation selected by the Manger and AHPL to act as Broker to the Offer
CBA	Commonwealth Bank of Australia
CHESS	Clearing House Electronic Sub-registry System
Clinical Advisory Committee	The committee established by AH1, as described in Section 2
Clinics	Allied health practices and businesses involved in providing allied health services
Closing Date	The date by which valid Application Forms must be received being 26 June 2020 or such other dates as the Company may determine in its discretion
Company, Advent Health or AH1	Advent Health Limited ACN 133 453 531 currently called Millennium Limited (MHD)
Completion	Completion of the Acquisitions and issue of all of the Shares under the Offers
Convertible Note Agreements	Has the meaning given to it section 9.5
Consideration Shares	The Shares to be issued to the Practice Owners under the Practice Acquisition Agreement. See section 9.2

Consolidation	The proposed consolidation of the Company's existing issued capital on a 115 to 1 basis under Resolution 1 of the Notice of Meeting. See section 10.2
Constitution	The constitution of the Company
Convertible Notes	The convertible notes issued by Convertible Note Agreements as described in section 9.5
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CRN	Customer Reference Number
Director	A director of the Company
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Enterprise Value	The sum of the Market Capitalisation of AH1 at the Offer Price plus net debt less cash and cash equivalents, on a pro forma basis
ESOP	Employee Share Option Plan
Existing Shareholders	The shareholders in the Company prior to the Consolidation and prior to this Offer. See section 10.1
Expiry Date	The date which is 13 months after the date of this Prospectus
Facility Agreement	The agreement between AHPL and the Lender under which the Lender provides the Finance Facility. See section 9.4
Finance Facility	The facility under which the Lender will provide funds to allow AHPL to settle the Practice Acquisitions. See section 9.4
FY	Financial year
General Meeting	The general meeting of the Company to be held on 30 June 2020 for the purpose of approving resolutions in connection with the AHPL Acquisition and re-compliance with Chapters 1 and 2 of the ASX Listing Rules. See section 10.2
Group	The Company and its subsidiaries and controlled entities following completion of the Acquisitions
GST	Goods and Services Tax
Initial Portfolio and Initial Portfolio Businesses	The portfolio of businesses (known as the Practices) which AHPL has entered into contracts to acquire, the details of which are summarised in section 2.1
Investigating Accountant's Report	A report issued by Pilot Partners in section 5 in respect of the financial information contained in this Prospectus.
Lender	Commonwealth Bank of Australia, the lender under the Finance Facility. See section 9.4
Listing Rules	The Listing Rules of ASX
Management	The management team of the Company in section 7
Manager	Novus Capital Limited
Market Capitalisation	Is calculated by multiplying the number of shares on issue by the Offer Price
Millennium Limited or MHD	Being the currently ASX listed company with ACN 133 453 531, who's name with be changed to Advent Health Limited
Multi-disciplinary allied health	Combining or involving more than one allied health discipline or specialisation
New Shares	Shares issued pursuant to this Prospectus
NPAT	Net profit after tax
Offer Conditions	The conditions of the Offers. See section 8.4

Offer Price	\$1.00 per Share
Offers	The Public Offer and the other offers of Shares under this Prospectus. See section 8.1
Official List	The official list of the ASX
Opening Date	25 May 2020 or such other date determined by the Board
PHN	Primary Health Network
Practice Owners	The owners of the Practices prior to their acquisition by AHPL. See section 9.2
Practices	Allied health practices and businesses involved in providing allied health services
Practice Acquisition Agreements	The various agreements entered into between AHPL and the Practice Owners. See section 9.2
Practice Acquisitions	The acquisition of the Practices by AHPL. See section 9.2
Principles and Recommendations	Corporate governance principles and recommendations released by the ASX Corporate Governance Council, Third edition
Prospectus	This prospectus dated 18 May 2020 which replaces the prospectus dated 13 March 2020
Public Offer and Offer	The public offer of up to 21,000,000 Shares. See section 8
Re-compliance Application	The Company's application for reinstatement to quotation of shares in the Company on ASX based on the Company satisfying the requirements of Chapters 1 and 2 of the ASX Listing Rules. See section 8.3
Share	A fully paid ordinary share in the Company
Shareholder	A person who holds Shares in the Company
Share Registry	Computershare Investor Services Pty Ltd ABN 48 078 279 277
TFN	Tax File Number
Transaction Shares	The Shares to be issued to the AHPL Vendor and to the Practice Owners under the Acquisitions. See section 9
You	the investors under this Prospectus, and Your has a corresponding meaning
Vendor Services Agreement	Means agreement with the Practice Owners or key persons of the Practice for the ongoing management responsible for the continued Practice performance
Website	www.adventhealth.com.au



12.

Appendix A

Summary of Significant Accounting Policies

Significant accounting policies which have been adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

12.1 Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the parent is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

12.2 Business combination and goodwill

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition-date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB9 is measured at fair value with the changes in fair value recognised in the profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The audits or reviews completed by Pitcher Partners of the combined statement of financial position as at 30 June 2018 and 30 June 2019 and the combined statements of profit and loss and the comprehensive income for the years end 30 June 2018 and 30 June 2019. Pitcher Partners conducted a full audit on 8 of the 12 practice groups which contributed 85% of the total revenue of the combined entities. In Pitcher Partners opinion the combined financial statements present fairly except for the possible effects of four matters described in the Basis for Qualified Opinion section of their report.

Inventory

The Inventory has been qualified by Pitcher Partners based on the fact they were unable to attend the inventory count as the time periods for the audits had passed when they were appointed. Advent Health Management subsequently reviewed all inventory and while Management considers inventory not material, we have sufficient confidence based on trading history and records kept by the owners of the business that the inventory was present, and the inventory recorded in the prospectus is reasonable. Advent Health Management will undertake a stock take of all inventories on settlement.

Property, Plant and Equipment

Property, Plant and Equipment has been qualified by Pitcher Partners as they were unable to physically verify the assets or find other audit evident to give them confidence on the completeness and valuation of the assets. Included in Property, Plant and Equipment is \$1.1m of leasehold improvement which are the fit outs of the practices' premises being acquired which Advent Health Management has sighted during the due diligence process and can verify their existence and can validate the existence of the asset. Additionally, once the transaction has taken place the Management of Advent Health

will undertake a complete stocktake and asset tag all Property, Plant and Equipment and have an external valuation conducted to complete the acquisition accounting process as detailed in AASB 3. In addition, this information will form the basis of Advent Health's fixed asset register in future periods.

Amounts Receivable and Payable from/to Related Parties

Pitcher Partners were unable to substantiate appropriate audit evidence to address the existence, completeness and valuation of amounts receivable from or payable to related parties. All sale agreements are on a 'debt free and cash free' basis so all related party receivables and payables are excluded from the sale; therefore, this qualification has no effect on the financial position presented in the prospectus.

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

12.3 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended

to be sold or consumed in Advent Health's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in Advent Health's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

12.4 Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

On the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

Advent Health's financial liabilities include trade and other payables, and loans and borrowings.

- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that results from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

12.5 Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);

12.6 Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.



Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

12.7 Revenue recognition

The Company has applied AASB 15 *Revenue from Contracts with Customers* using the cumulative effective method.

Under the new standard, revenue is accounted for by identifying the performance obligations in a contract. Revenue is then recognised as each performance obligation is satisfied. The standard defines that performance obligations can either be satisfied at a point in time or over time.

12.8 Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

12.9 Rendering of services

Revenue from the provision of services is recognised by reference to when the performance obligations have been met.

12.10 Taxes

Current income tax

The income tax expense or benefit for the period is the tax payable or receivable on that period's taxable income based on the applicable income tax rate and tax laws that are enacted or substantively enacted at the reporting date, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither then accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off

current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	3–10 years
Plant and equipment	3–7 years
Plant and equipment under lease	2–5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the

estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to Advent Health. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The Group has early adopted AASB 16. The full retrospective approach has been used to apply the standard.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under AASB 16, the Group assesses whether a contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Intangible assets (other than goodwill)

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently

measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other

finance costs are expensed in the period in which they are incurred.

Employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Critical accounting judgements estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

How to complete this form

<p>A Shares applied for Enter the number of Shares you wish to apply for. The application must be for a minimum of 2,000 Shares (\$2,000).</p> <p>B Application Monies Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the issue price per Share.</p> <p>C Applicant Name(s) Enter the full name you wish to appear on the statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.</p> <p>D Postal Address Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.</p>	<p>E Contact Details Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this application.</p> <p>F CHES The Company participates in CHES. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).</p> <p>G Payment Make your cheque, money order or bank draft payable to 'Advent Health - Subscription Account' in Australian currency and cross it 'Not Negotiable'. Your cheque, money order or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. Please note that funds are unable to be directly debited from your bank account. Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented any may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. Receipt for payment will not be forwarded.</p>
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Before completing the Application Form the applicant(s) should read this Prospectus to which this application relates. By lodging the Application Form, the applicant agrees that this application for Shares in Advent Health Limited is upon and subject to the terms of the Prospectus and the Constitution of Advent Health Limited, agrees to take any number of Shares that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

Lodgement of Application

Application Forms must be received by Computershare Investor Services Pty Limited (CIS) by no later than 5.00pm (AEST) on 26 June 2020. You should allow sufficient time for this to occur. Return the Application Form with cheque(s) attached to:

Advent Health Limited
CO- Computershare Investor Services Pty Limited
GPO BOX 52 Melbourne Victoria 3001 Australia

Neither CIS nor Advent Health Limited accepts any responsibility if you lodge the Application Form at any other address or by any other means. If you have any enquiries concerning your application, please contact the company's corporate adviser, Novus Capital Limited on 02 9375 0114

Privacy Statement

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited, as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the *Corporations Act 2001* (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: Use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund



Corporate directory

Directors post Offer

Louis Panaccio
Cris Massis
Wei Huang
Bryce Wedemeyer

Registered Office

Millennium Limited

Unit 9, 175 Lower Gibbes Street
Chatswood NSW 2067

Solicitors to the Offer

Cornwalls

Level 10, 114 William Street
Melbourne VIC 3000

Investigating Accountant

Pilot Partners

Level 10, 1 Eagle Street
Brisbane City QLD 4000

Manager/broker

Novus Capital Limited

Level 24, 56 Pitt Street
Sydney NSW 2000

Auditors to the Company

Grant Thornton Audit Pty Ltd

Level 3, 170 Frome Street
Adelaide 5000

Share Registry

Computershare Investor Services Pty Ltd

452 Johnston St
Abbotsford VIC 3067

Legal Advisors

Greystones Lawyers and Corporate Advisors

Level 5, 420 George St
Brisbane Qld 4000

Auditors to the Company in respect of the Practices

Pitcher Partners

Level 38, 345 Queen Street
Brisbane City QLD 4000

Advent Health

ALLIED HEALTH GROUP